



BONDWATCH

Daily

June 05, 2023

INDIA

Indian government bond yields began the week higher, with the benchmark yield closing near 7% on Monday, tracking a spike in U.S. peers, while investors awaited the Reserve Bank of India's (RBI) monetary policy decision.

The 10-year benchmark 7.26% 2033 bond yield ended at 6.9958%, after closing at 6.9823% in the previous session. The rise in Indian bond yields was somewhat capped, as traders awaited the June 8 decision of the RBI's Monetary Policy Committee.

U.S. Treasury prices fell, with yields especially at the shorter end rising, after data showed employment increased more than expected in May, which could pressure the Federal Reserve to hike rates this month. The 10-year yield was at 3.74%, up 13 basis points from Thursday's close, while the two-year yield, a closer indicator of interest rate expectations, was up 22 bps at 4.55%.

U.S. non-farm payrolls rose by 339,000 in May with the economy creating 93,000 more jobs in March and April than estimated.

Gold slipped on Monday as the dollar firmed after strong U.S. payrolls data last week, offsetting some of the support for zero-yield bullion from bets that the Federal Reserve may pause rate hikes in June.

The Indian rupee weakened 0.44% versus the U.S. dollar, and quoted at 82.67 per dollar, pressured by broad strength in the dollar, weakness in the yuan, and likely hedging by importers following robust U.S. jobs data late on Friday.

Repo: The weighted average call rates in the interbank segment increased to 6.32% vs 6.28% as on the previous day while that the TREP segment increased to 6.25% vs 6.62% as on the previous day.

Market Observations

G-sec

- Demand was seen in the 3-month t-bill by Mutual funds at 6.70 levels.
- Demand was seen in March t-bills by Life Insurance and Mutual funds.
- Pension funds were buying 15 to 30 year G-sec at 7.08 and 7.19 centric levels respectively.

Corporate Bonds

- Banks and Mutual funds were active in the 2-3 year segment as well as the 10-year segment.

CP/CD

- Demand was seen in the 3-month segment.

GOI Yield	5-Jun	2-Jun	29-May	8-May
1 Year	6.850	6.850	6.900	6.980
5 Year	6.921	6.887	6.969	6.981
10 Year	6.996	6.982	7.030	7.049

AAA Bmk	5-Jun	2-Jun	29-May	8-May
1 Year	7.40	7.42	7.45	7.48
5 Year	7.43	7.45	7.47	7.45
10 Year	7.40	7.40	7.40	7.50

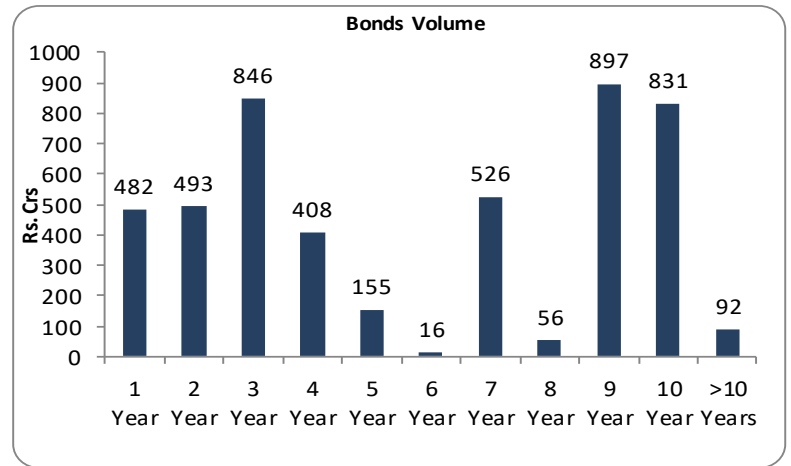
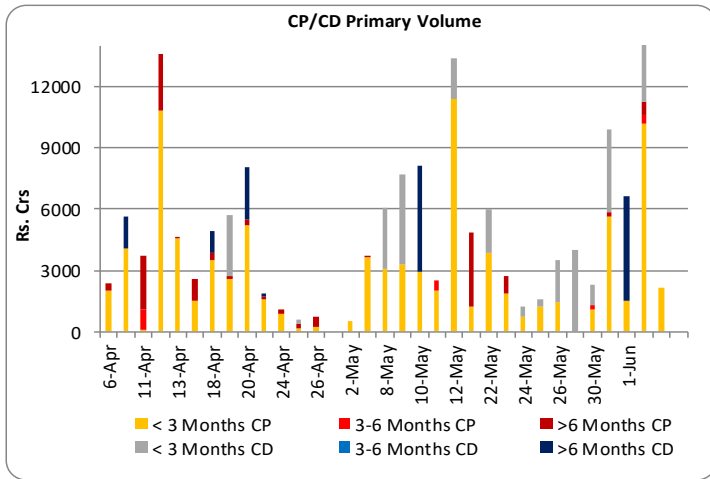
CD	5-Jun	2-Jun	29-May	8-May
3 Month	6.85	6.90	7.00	7.20
6 Month	7.15	7.18	7.25	7.35
1 Year	7.40	7.40	7.45	7.45

CP	5-Jun	2-Jun	29-May	8-May
3 Month	6.95	7.00	7.10	7.30
6 Month	7.25	7.28	7.35	7.45
1 Year	7.50	7.50	7.55	7.55

OIS Rate	5-Jun	2-Jun	29-May	8-May
1 Year	6.59	6.57	6.57	6.62
2 Year	6.25	6.20	6.24	6.21
3 Year	6.13	6.05	6.13	6.02
5 Year	6.06	5.99	6.09	6.00

	5-Jun	2-Jun	29-May	8-May
Sensex	62,787	62,547	62,846	61,764
Nifty	18,594	18,534	18,599	18,264
USD/INR	82.67	82.31	82.63	81.80
Gold (USD)	1,940	1,948	1,943	2,021
Oil (USD)	77.50	76.13	77.07	77.01

NDF	5-Jun	2-Jun	29-May	8-May
3 Month	82.94	82.67	82.92	82.13
1 Year	84.06	83.87	83.99	83.48
2 Year	86.25	86.05	86.17	85.94
3 Year	89.65	88.80	89.02	88.84



10 Year Benchmarks	5-Jun	2-Jun	29-May	8-May
India	7.00	6.98	7.02	7.05
US	3.75	3.69	3.82	3.52
South Korea	3.56	3.50	3.64	3.31
Russia	10.81	10.80	10.72	10.65
Brazil	11.46	11.44	11.60	12.28
Germany	2.39	2.31	2.43	2.32
China	2.72	2.72	2.73	2.75

Top Traded Securities	Volume	5-Jun	2-Jun	29-May	8-May
5.74 2026	5	6.90	#N/A	6.59	6.93
7.38 2027	-	6.93	6.89	6.97	6.98
7.10 2029	-	6.98	6.96	7.01	7.03
6.54 2032	-	7.05	7.03	7.08	7.12
7.26 2032	#VALUE!	7.04	7.02	7.07	7.09
7.54 2036	20	7.10	7.09	7.12	7.15

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
31-May-23	6196	6186	10

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	2608	2549	59

TOTAL (Rs.Crs)			
	Gross Purchase	Gross Sales	Net Investment
	8804	8735	68

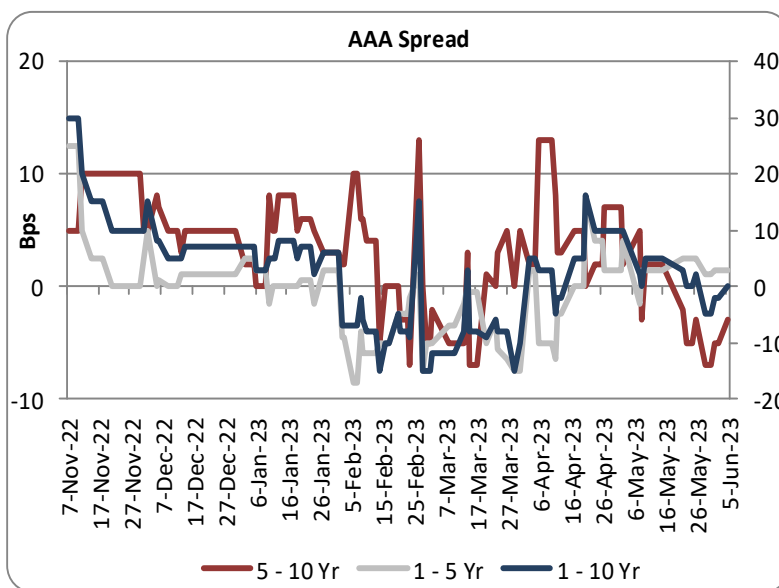
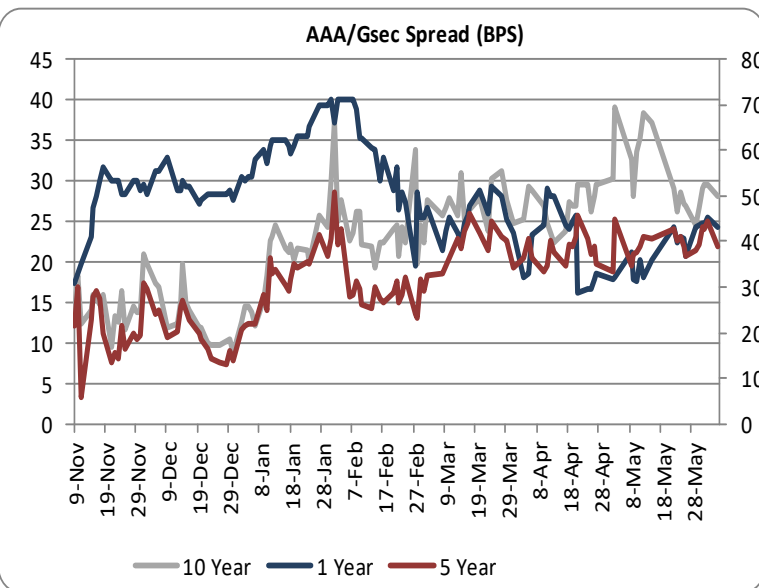
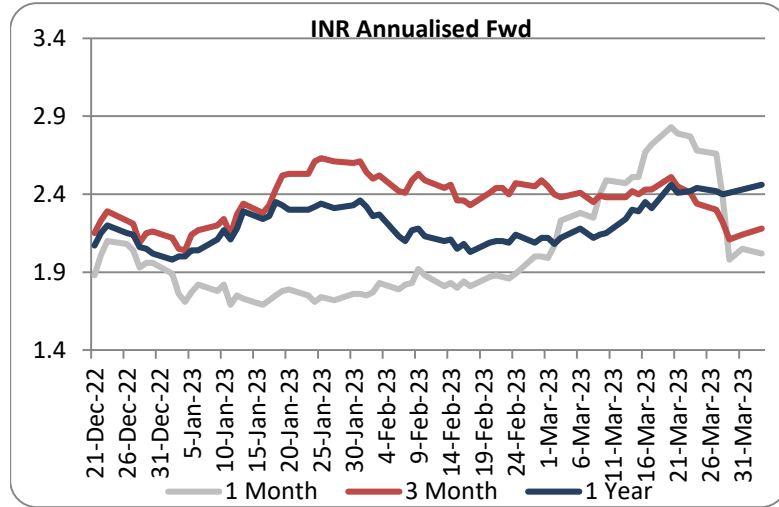
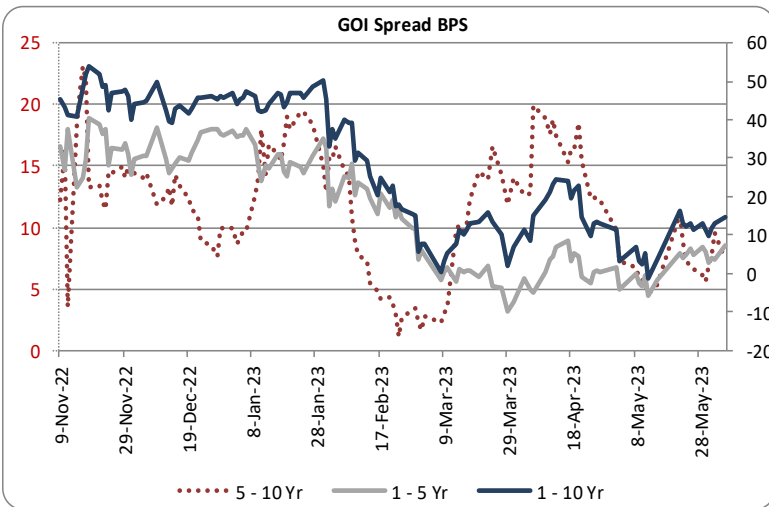
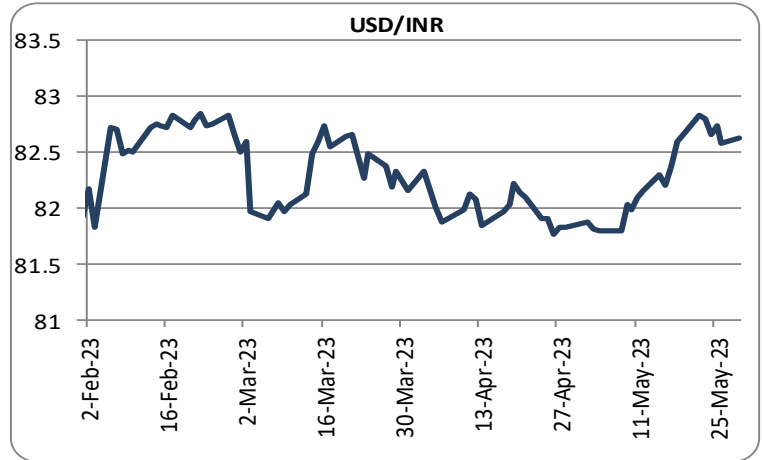
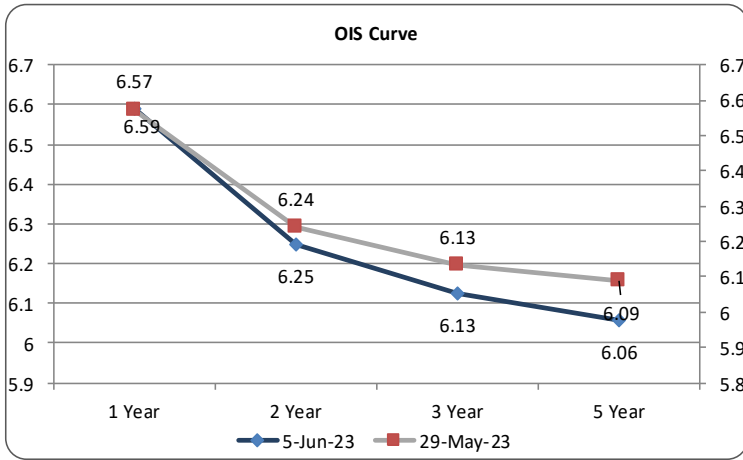
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
5-Jun-23	513	193	320

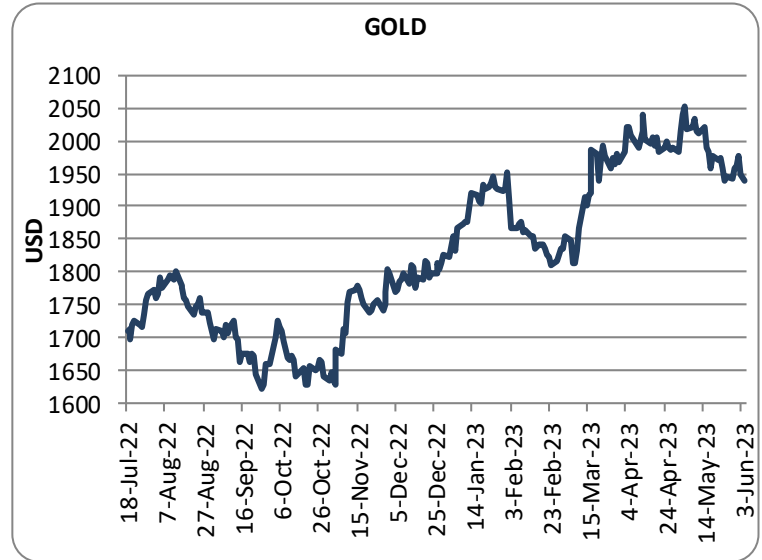
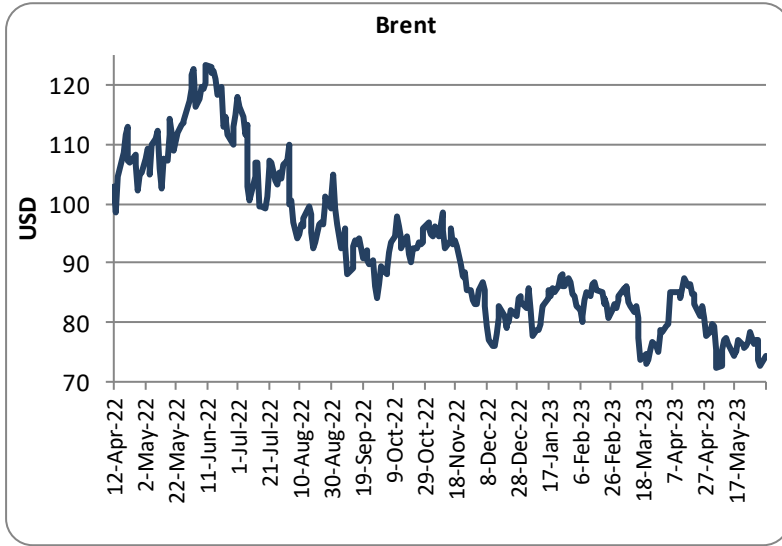
EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	11666	11023	643

TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	12179	11216	963

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-23	6.1	4.4
CAD (\$ Bn)	Dec-22	-18.2	-30.9
Trade Deficit (\$ Bn)	Dec-22	-72.7	-78.3
WPI (%)	Apr-23	-0.9	1.3
CPI (%)	Apr-23	4.7	5.7
IIP (%)	Mar-23	1.1	5.6
PMI Manufacturing	May-23	58.7	57.2
PMI Service	May-23	61.2	62

Economic Calender	Country	Date	Poll	Prior
Unemployment Rate	Japan	30-May-23	0	2.8
GDP YY	Switzerland	30-May-23	-	0.80
CPI	Germany	31-May-23	-	7.20
Industrial Output	Russia	31-May-23	5.30	1.20
GDP YY	Brazil	02-Jun-23	-	1.90
Retail Sales	Euro Zone	06-Jun-23	-	(3.80)
GDP YY	South Africa	06-Jun-23	-	0.90
Industrial Output	Germany	07-Jun-23	-	1.56





Sources: Reserve Bank of India, Bloomberg, Reuters, CCIL and FIMMDA.

LKP SECURITIES LTD., 203, Embassy Centre, Nariman Point, Mumbai- 400021

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For any queries contact - LKP Securities Ltd. Ph: (91-22) 66306555 Fax: (91-22) 2284 2415 E Mail: FixedIncomeResearch@lkpsec.com

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