



BONDWATCH

Daily

March 05, 2024

INDIA

Indian government bond yields continued to remain range bound and ended flattish on Tuesday, even as Bloomberg Index Services announced the schedule for the inclusion of government bonds in its index.

The benchmark 10-year yield ended at 7.0567%, following its previous close of 7.0601%.

Bloomberg Index Services said on Tuesday it would include 34 Indian government bonds eligible for investment via the country's fully accessible route (FAR) in its Emerging Market Local Currency Index from Jan. 31, 2025. The inclusion will be phased in over a 10-month period ending October 2025, with the weight of India FAR bonds increased in increments of 10% of their full market value every month during the period.

The Bloomberg index inclusion is expected to bring in around \$2.5 billion to \$4 billion.

The 10-year U.S. yield was above the critical 4.20% mark ahead of a busy week that includes testimony by Federal Reserve Chair Jerome Powell and U.S. February jobs data, which would provide cues on the timing of rate cuts.

Oil steadied on Tuesday after falling in the previous session as the prospect of a tighter market due to OPEC+ supply restraint offset concern over Chinese growth and uncertainty over the pace of interest rate cuts.

The Indian rupee weakened 0.01% versus the U.S. dollar, and quoted at 82.91 per dollar, even as most Asian currencies slipped, pressured by an uptick in U.S. bond yields.

Repo: The weighted average call rates in the interbank segment decreased to 6.44% vs 6.49% as on the previous day while that the TREP segment increased to 6.29% vs 6.34% as on the previous day.

Market Observations

G-sec

- Demand was seen in 6 to 9-year illiquid G-sec by Private Banks @7.10 centric levels.

Corporate Bonds

- Major activity was seen in 2025-2026 papers.
- Banks and insurance companies along with Mutual funds were active in the MMY segment.

CP/CD

- Major activity was seen across all segments.

| GOI Yield | 5-Mar | 4-Mar | 27-Feb | 5-Feb |
|-----------|-------|-------|--------|-------|
| 1 Year | 7.100 | 7.090 | 7.105 | 7.100 |
| 5 Year | 7.060 | 7.064 | 7.050 | 7.022 |
| 10 Year | 7.057 | 7.060 | 7.071 | 7.094 |

| AAA Bmk | 5-Mar | 4-Mar | 27-Feb | 5-Feb |
|---------|-------|-------|--------|-------|
| 1 Year | 7.85 | 7.85 | 7.90 | 7.90 |
| 5 Year | 7.64 | 7.65 | 7.65 | 7.62 |
| 10 Year | 7.55 | 7.55 | 7.57 | 7.60 |

| CD | 5-Mar | 4-Mar | 27-Feb | 5-Feb |
|---------|-------|-------|--------|-------|
| 3 Month | 7.65 | 7.68 | 7.70 | 7.80 |
| 6 Month | 7.70 | 7.75 | 7.75 | 7.85 |
| 1 Year | 7.75 | 7.75 | 7.75 | 7.85 |

| CP | 5-Mar | 4-Mar | 27-Feb | 5-Feb |
|---------|-------|-------|--------|-------|
| 3 Month | 7.80 | 7.80 | 7.80 | 7.95 |
| 6 Month | 7.85 | 7.85 | 7.85 | 7.95 |
| 1 Year | 7.90 | 7.90 | 7.90 | 8.00 |

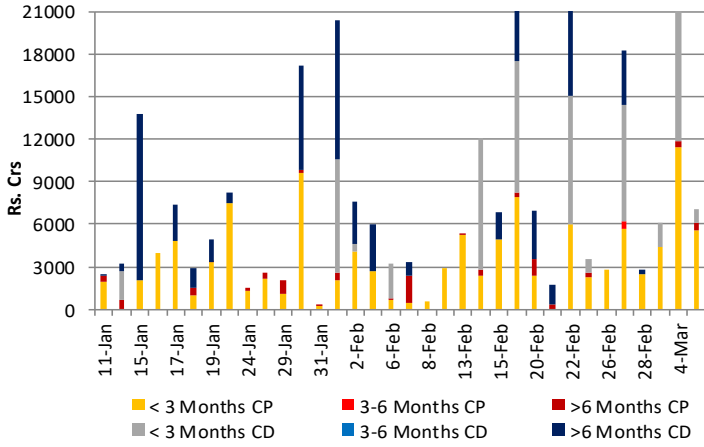
| OIS Rate | 5-Mar | 4-Mar | 27-Feb | 5-Feb |
|----------|-------|-------|--------|-------|
| 1 Year | 6.74 | 6.75 | 6.73 | 6.62 |
| 2 Year | 6.43 | 6.43 | 6.42 | 6.28 |
| 3 Year | 6.37 | 6.37 | 6.37 | 6.24 |
| 5 Year | 6.33 | 6.32 | 6.35 | 6.21 |

| | 5-Mar | 4-Mar | 27-Feb | 5-Feb |
|------------|--------|--------|--------|--------|
| Sensex | 73,677 | 73,872 | 73,095 | 71,731 |
| Nifty | 22,356 | 22,406 | 22,198 | 21,772 |
| USD/INR | 82.90 | 82.89 | 82.90 | 83.06 |
| Gold (USD) | 2,125 | 2,115 | 2,030 | 2,025 |
| Oil (USD) | 82.70 | 82.80 | 83.65 | 77.99 |

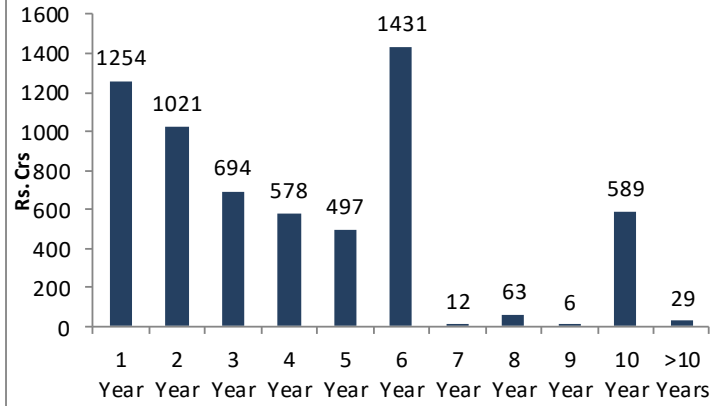
| NDF | 5-Mar | 4-Mar | 27-Feb | 5-Feb |
|---------|-------|-------|--------|-------|
| 3 Month | 83.10 | 83.04 | 83.08 | 83.34 |
| 1 Year | 84.24 | 84.27 | 84.26 | 84.51 |
| 2 Year | 86.24 | 86.53 | 86.35 | 86.77 |
| 3 Year | 88.85 | 89.10 | 88.80 | 89.52 |



CP/CD Primary Volume



Bonds Volume



| 10 Year Benchmarks | 5-Mar | 4-Mar | 27-Feb | 5-Feb |
|--------------------|-------|-------|--------|-------|
| India | 7.06 | 7.06 | 7.07 | 7.09 |
| US | 4.18 | 4.22 | 4.32 | 4.16 |
| South Korea | 3.41 | 3.43 | 3.43 | 3.37 |
| Russia | 13.06 | 13.02 | 12.78 | 12.41 |
| Brazil | 10.71 | 10.71 | 10.83 | 10.69 |
| Germany | 2.36 | 2.40 | 2.46 | 2.32 |
| China | 2.33 | 2.36 | 2.39 | 2.40 |

| Top Traded Securities | Volume | 5-Mar | 4-Mar | 27-Feb | 5-Feb |
|-----------------------|--------|-------|-------|--------|-------|
| 7.26 2033 | 85 | 7.10 | 7.10 | 7.10 | 7.12 |
| 7.06 2028 | 575 | 7.08 | 7.08 | 7.07 | 7.04 |
| 7.62 2039 | - | 0.00 | 7.14 | 7.14 | 7.12 |
| 7.30 2053 | 1,045 | 7.12 | 7.12 | 7.16 | 7.16 |
| 6.64 2035 | 190 | 7.13 | 7.11 | 7.12 | 7.13 |
| 7.40 2035 | 25 | 7.14 | 7.11 | 7.12 | 7.10 |

| MF | DEBT | | |
|----------|----------------|-------------|----------------|
| | Gross Purchase | Gross Sales | Net Investment |
| 1-Mar-24 | 237 | 240 | -3 |

| EQUITY | Gross Purchase | Gross Sales | Net Investment |
|--------|----------------|-------------|----------------|
| | 321 | 774 | -453 |

| TOTAL (Rs.Crs) | | |
|----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 558 | 1015 | -457 |

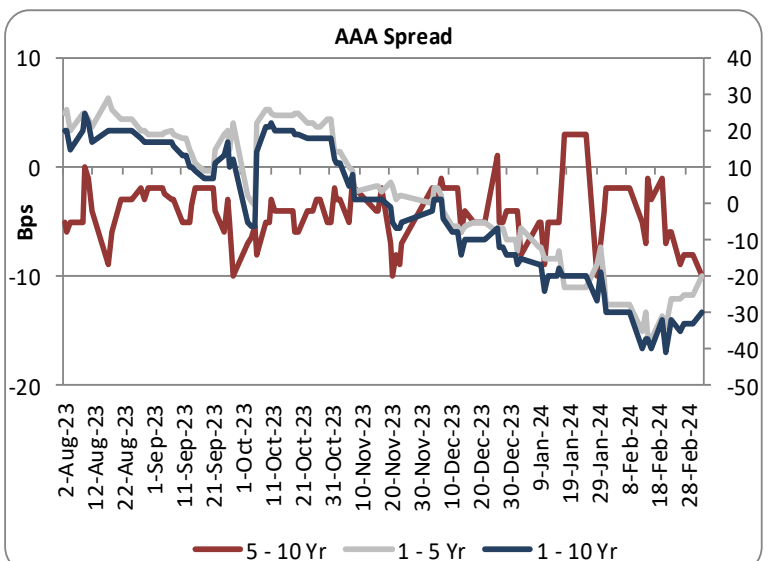
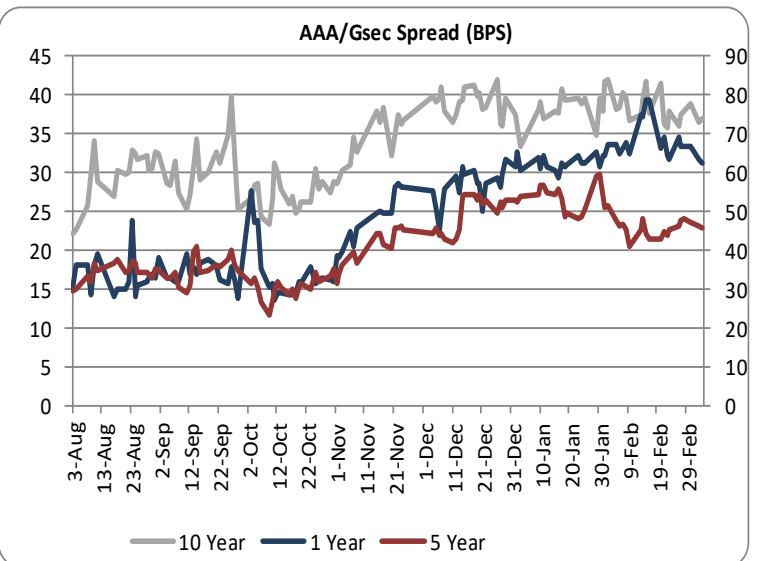
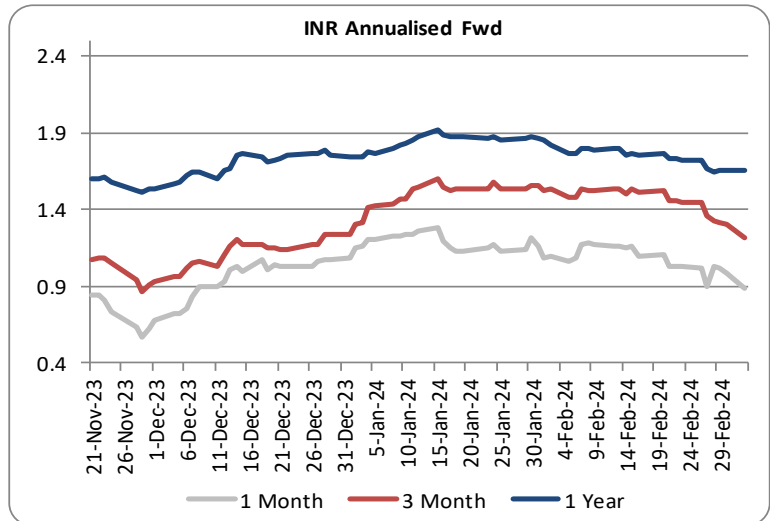
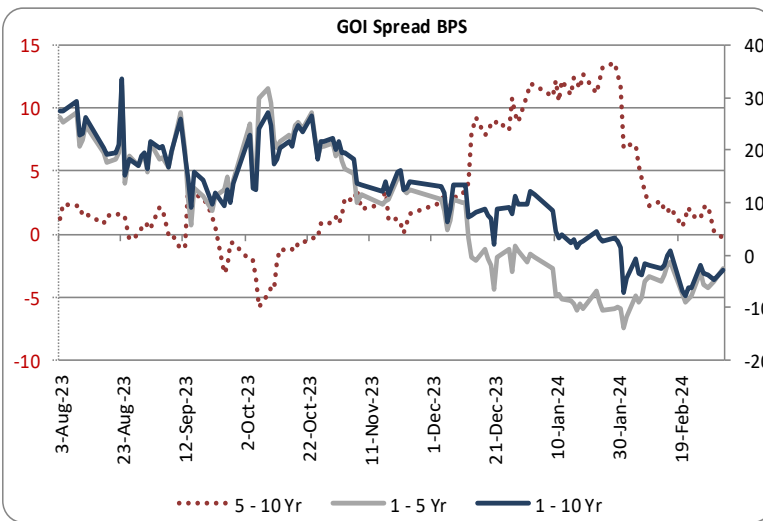
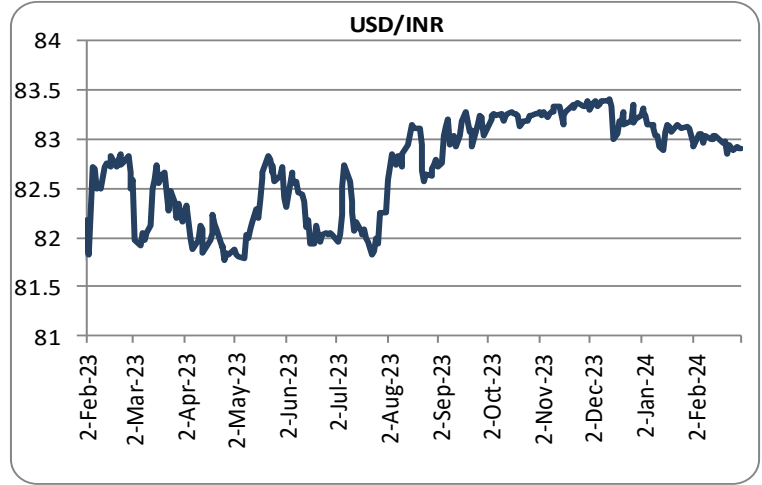
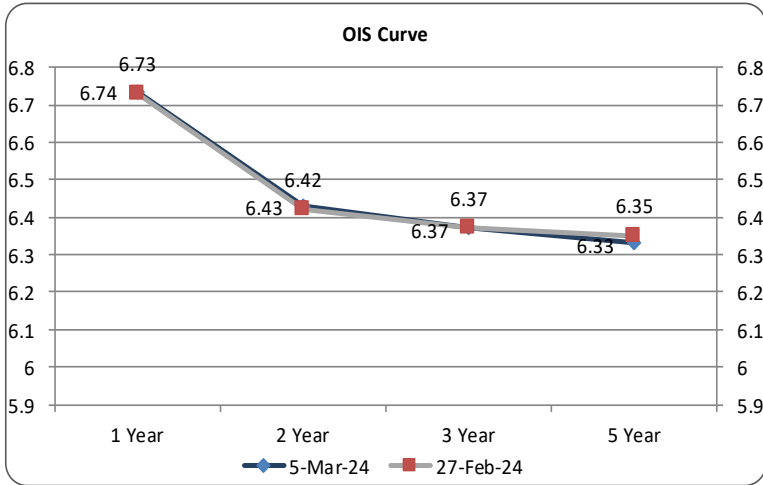
| FII | DEBT | | |
|----------|----------------|-------------|----------------|
| | Gross Purchase | Gross Sales | Net Investment |
| 5-Mar-24 | 1019 | 442 | 577 |

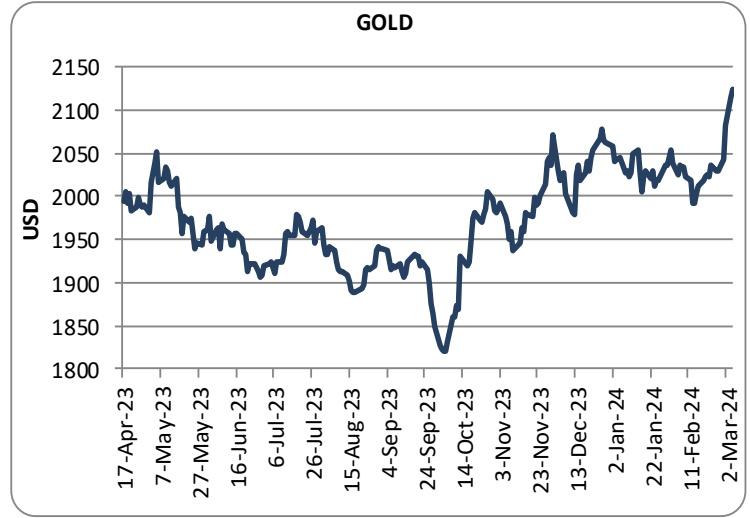
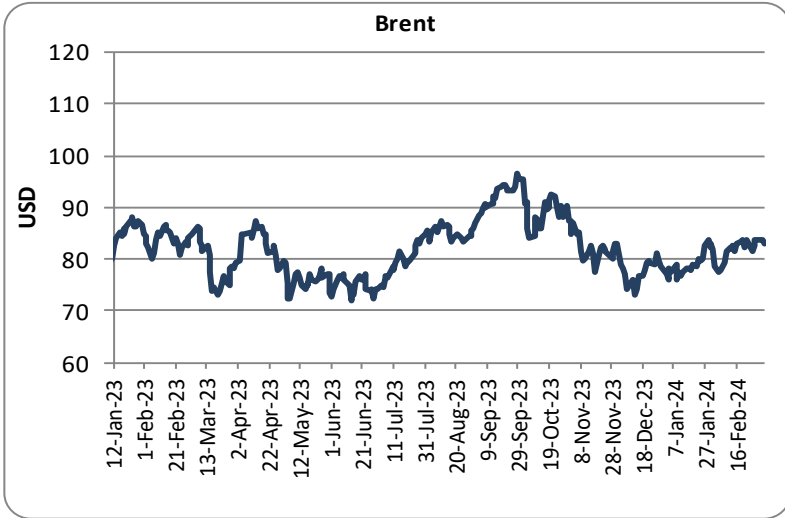
| EQUITY | Gross Purchase | Gross Sales | Net Investment |
|--------|----------------|-------------|----------------|
| | 13899 | 13911 | -12 |

| TOTAL (Rs. Crs) | | |
|-----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 14918 | 14352 | 565 |

| INDICATORS | PERIOD | ACTUAL | PRIOR |
|-----------------------|--------|--------|-------|
| GDP Quaterly (%) | Dec-23 | 8.4 | 7.6 |
| CAD (\$ Bn) | Sep-23 | -8.3 | -9.2 |
| Trade Deficit (\$ Bn) | Sep-23 | -61.0 | -56.6 |
| WPI (%) | Jan-24 | 0.3 | 0.7 |
| CPI (%) | Jan-24 | 5.1 | 5.7 |
| IIP (%) | Dec-23 | 3.8 | 2.4 |
| PMI Manufacturing | Feb-24 | 56.9 | 56.5 |
| PMI Service | Feb-24 | 60.6 | 61.8 |

| Economic Calender | Country | Date | Poll | Prior |
|-------------------|--------------|-----------|------|--------|
| CPI | Japan | 5-Mar-24 | 0 | 1.6 |
| GDP YY | South Africa | 05-Mar-24 | 0.90 | (0.70) |
| Real GDP | Australia | 06-Mar-24 | 1.40 | 2.10 |
| Retail Sales | Euro Zone | 06-Mar-24 | - | (0.80) |
| Refinancing rate | Euro Zone | 07-Mar-24 | 4.50 | 4.50 |
| Unemployment Rate | USA | 08-Mar-24 | 3.70 | 3.70 |
| CPI | China | 09-Mar-24 | 0.40 | (0.80) |
| CPI | Germany | 12-Mar-24 | - | 2.50 |





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

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