



BONDWATCH

Daily

INDIA

April 06, 2023

India's government bond yields plunged on Thursday, pushing the 10-year benchmark yield to a four-month low, after the Reserve Bank of India (RBI) surprised the market with a pause on rates.

The 10-year benchmark 7.26% 2032 bond yield ended at 7.2120% after closing at 7.2750% on Wednesday. The yield ended the week 11 basis points lower, its biggest such move in two months.

The RBI held its key repo rate steady on Thursday at 6.50% after six consecutive hikes saying it was closely monitoring the impact of recent global financial turbulence on the economy. Most market participants expect a prolonged pause even though the RBI governor said that the central bank stood ready to act against inflation if conditions warranted, and the decision to pause was "for this meeting only".

Market participants expect the benchmark bond yield fall to remain capped amid heavy supply of longer duration bonds in April-September, and expect the 10-year bond yield to trade in 7.15%-7.30% range in the near term.

The Indian rupee strengthened 0.14% versus the U.S. dollar, and quoted at 81.91 per dollar after the Reserve Bank of India (RBI) surprised markets by holding rates.

US government debt rallied on Thursday, pushing Treasury yields to their lowest level in seven months, after investors digested weaker than expected reports on the US labor market and services sector.

Repo: The weighted average call rates in the interbank segment increased to 6.40% vs 6.26% as on the previous day while that the TREP segment increased to 6.39% vs 6.23% as on the previous day.

Market Observations

G-sec

- Private banks seen churning portfolio in 9 months to 1 year maturity bills.
- Pension funds seen buying 10 year maturity SDL.

Corporate Bonds

- Yields were lower by 10-15 bps tracking gsec post pause in RBI repo hike

CP/CD

- Demand was seen in the manufacturing segment.
- 3 months and 1 year papers saw increased demand.

GOI Yield	6-Apr	5-Apr	31-Mar	8-Mar
1 Year	7.060	7.190	7.250	7.450
5 Year	7.013	7.148	7.177	7.432
10 Year	7.212	7.275	7.318	7.455

AAA Bmk	6-Apr	5-Apr	31-Mar	8-Mar
1 Year	7.60	7.65	7.80	7.97
5 Year	7.50	7.68	7.65	7.90
10 Year	7.63	7.70	7.70	7.85

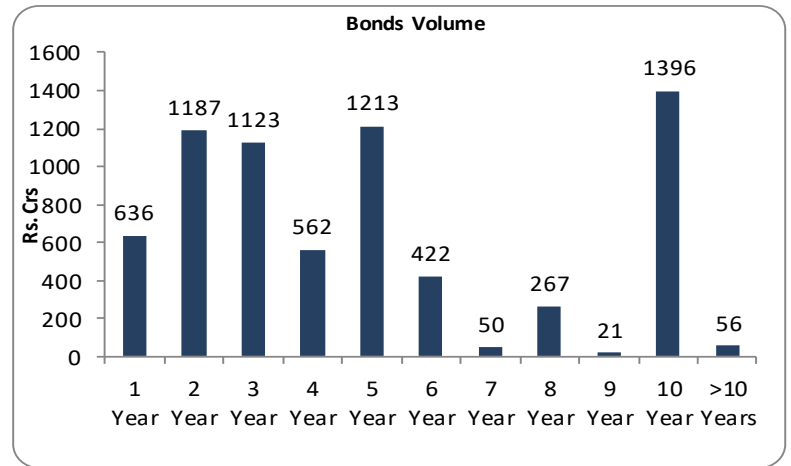
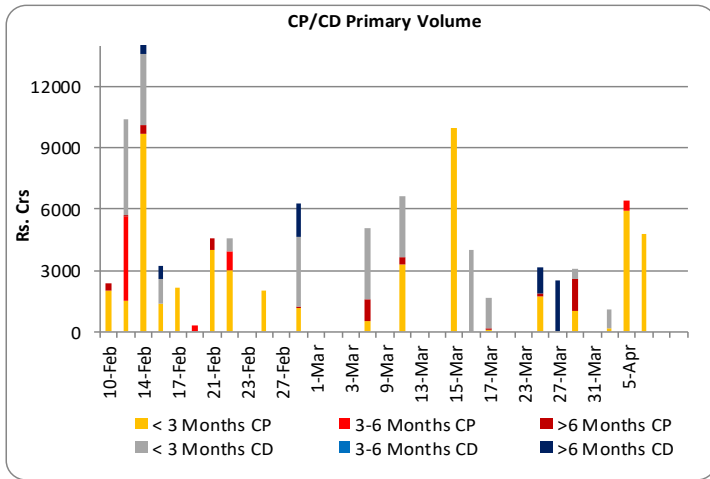
CD	6-Apr	5-Apr	31-Mar	8-Mar
3 Month	7.10	7.20	7.15	7.70
6 Month	7.30	7.40	7.30	7.80
1 Year	7.40	7.50	7.50	7.93

CP	6-Apr	5-Apr	31-Mar	8-Mar
3 Month	7.20	7.30	7.25	8.00
6 Month	7.40	7.50	7.40	8.20
1 Year	7.50	7.60	7.60	8.30

OIS Rate	6-Apr	5-Apr	31-Mar	8-Mar
1 Year	6.63	6.81	6.81	7.12
2 Year	6.19	6.39	6.38	6.82
3 Year	6.08	6.28	6.29	6.71
5 Year	6.12	6.28	6.30	6.70

	6-Apr	5-Apr	31-Mar	8-Mar
Sensex	59,833	59,689	58,992	60,348
Nifty	17,599	17,557	17,360	17,754
USD/INR	81.89	82.00	82.17	82.06
Gold (USD)	2,018	2,020	1,968	1,814
Oil (USD)	85.00	84.99	79.77	82.66

NDF	6-Apr	5-Apr	31-Mar	8-Mar
3 Month	82.33	82.40	82.52	82.44
1 Year	83.92	84.03	83.93	83.70
2 Year	86.44	86.82	86.50	85.50
3 Year	89.54	89.32	89.45	88.49



10 Year Benchmarks	6-Apr	5-Apr	31-Mar	8-Mar
India	7.21	7.27	7.32	7.46
US	3.28	3.29	3.49	3.98
South Korea	3.28	3.33	3.33	3.72
Russia	10.45	10.44	10.31	10.97
Brazil	12.58	12.60	12.93	13.39
Germany	2.15	2.18	2.31	2.65
China	2.87	2.87	2.86	2.90

Top Traded Securities	Volume	6-Apr	5-Apr	31-Mar	8-Mar
5.74 2026	505	7.01	7.14	7.17	7.43
7.38 2027	125	7.01	7.15	7.18	7.44
7.10 2029	90	7.10	7.19	7.22	7.46
6.54 2032	5	7.23	7.29	7.33	7.47
7.26 2032	-	7.21	7.28	7.32	7.45
7.54 2036	10	7.30	7.33	7.39	7.51

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
31-Mar-23	6345	4115	2231

EQUITY	Gross Purchase	Gross Sales	Net Investment
	10556	8156	2400

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
16902	12271	4631

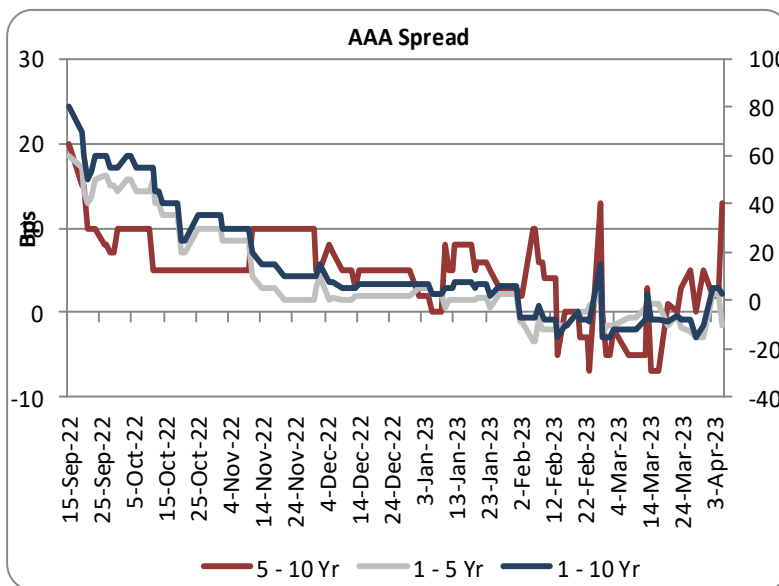
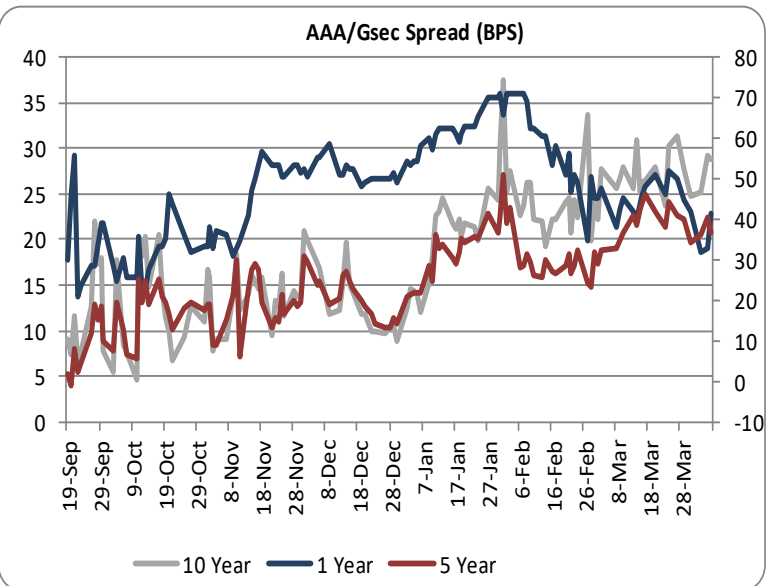
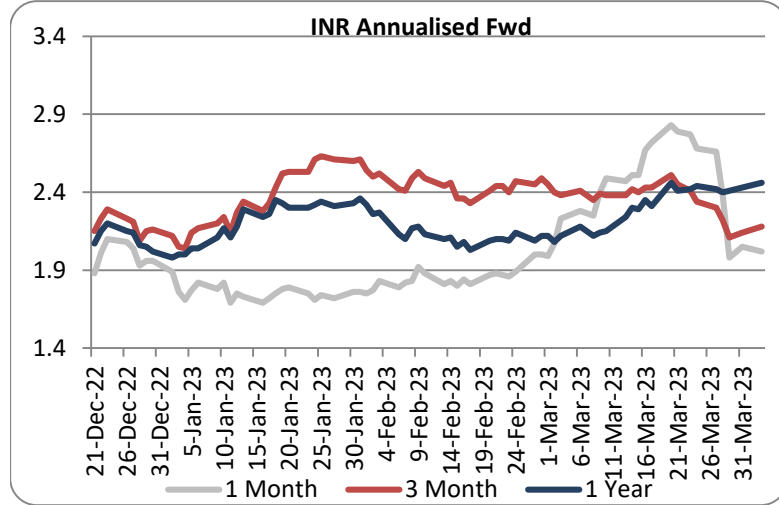
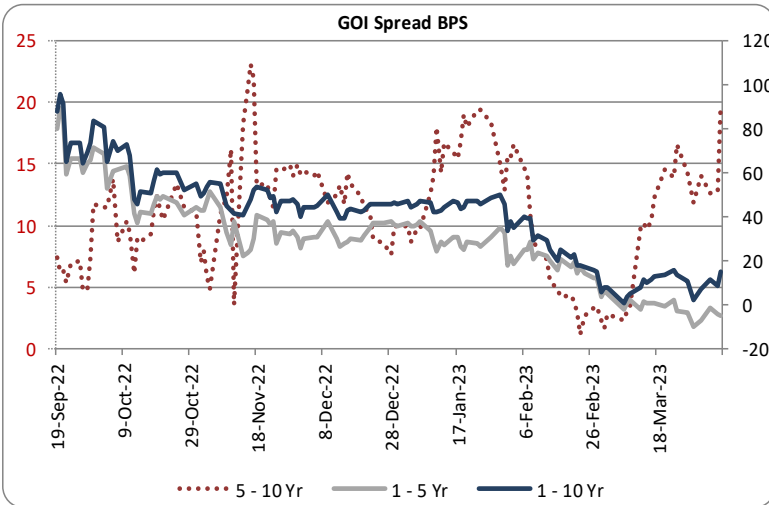
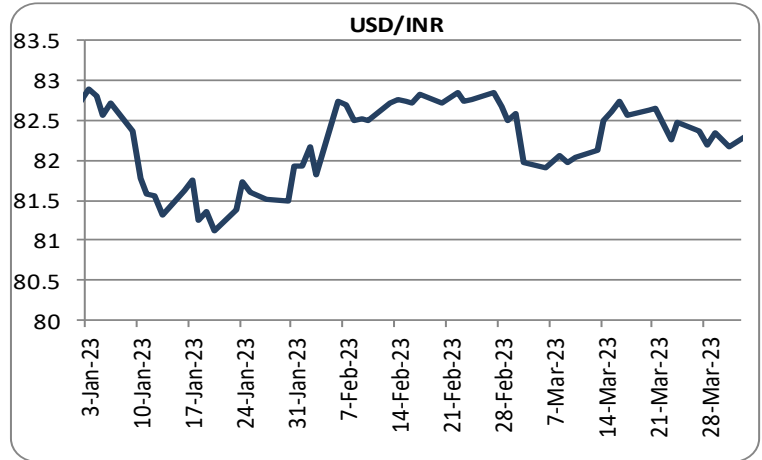
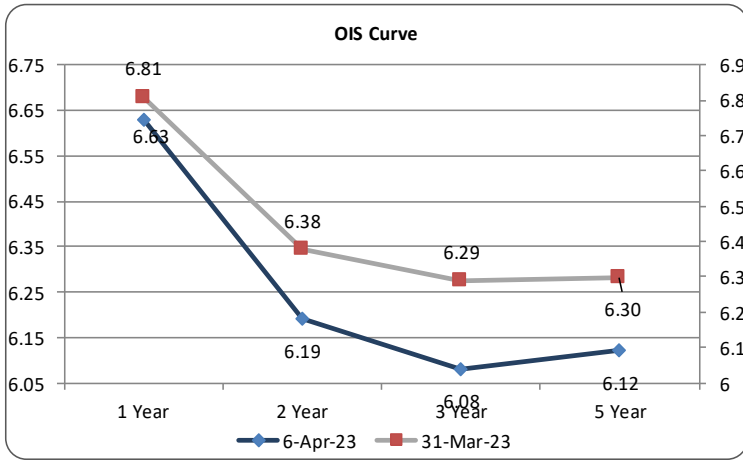
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
6-Apr-23	858	1996	-1138

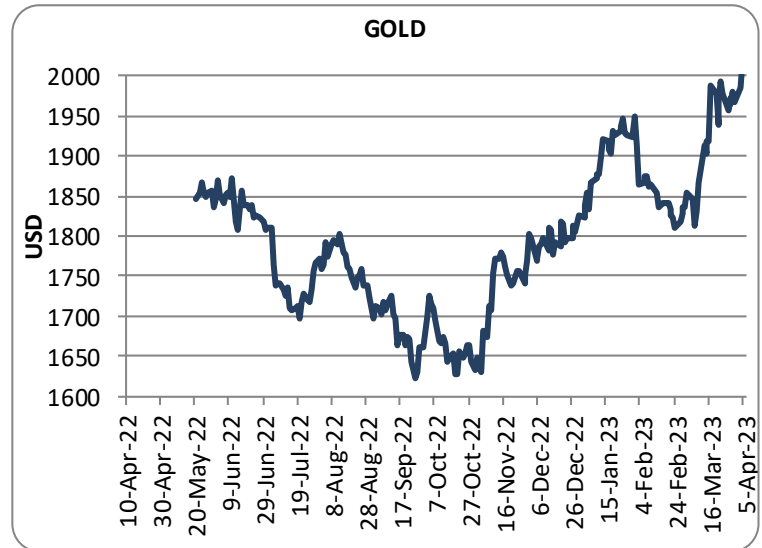
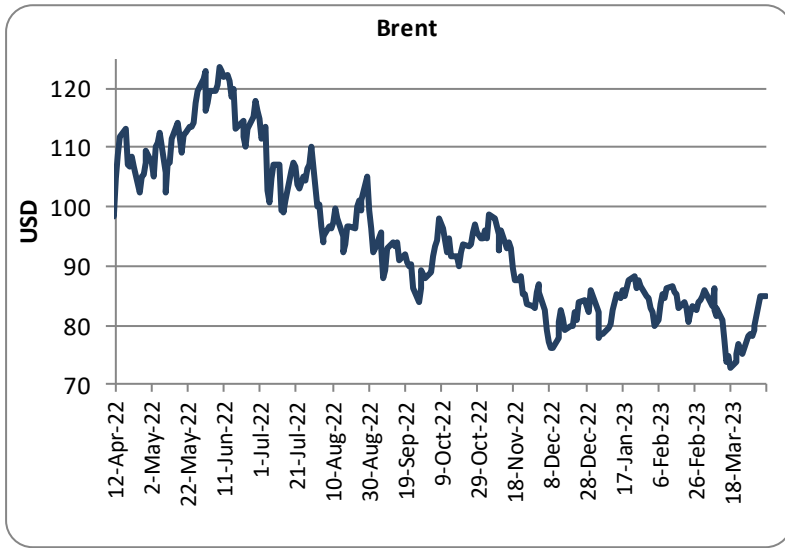
EQUITY	Gross Purchase	Gross Sales	Net Investment
	7375	6553	822

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
8233	8549	-315

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-22	4.4	6.3
CAD (\$ Bn)	Dec-22	-18.2	-30.9
Trade Deficit (\$ Bn)	Dec-22	-72.7	-78.3
WPI (%)	Feb-23	3.9	4.7
CPI (%)	Feb-23	6.4	6.5
IIP (%)	Jan-23	5.2	4.3
PMI Manufacturing	Mar-23	56.4	55.3
PMI Service	Mar-23	57.8	59.4

Economic Calender	Country	Date	Poll	Prior
Repo Rate	India	06-Apr-23	6.75	6.50
Industrial Production	Germany	06-Apr-23	-	(1.20)
Unemployment Rate	Canada	06-Apr-23	5.10	5.00
Unemployment Rate	USA	07-Apr-23	3.60	3.60
Retail Sales	Euro Zone	11-Apr-23	-	(2.30)
Industrial Output	India	12-Apr-23	-	5.20
CPI	USA	12-Apr-23	-	6.00
CPI	Russia	12-Apr-23	3.40	11.00





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

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