



BONDWATCH

Daily

November 06, 2023

INDIA

Indian government bond yields ended lower on Monday, tracking their U.S. peers after job growth in the world's largest economy slowed more than expected in October, reinforcing expectations that the Federal Reserve will not raise rates further.

The 10-year benchmark 7.18% 2033 bond yield ended at 7.3074%, after closing at 7.3140%, in the previous session.

The 10-year U.S. Treasury yield fell to five-week lows on Friday after data showed U.S. non-farm payrolls increased by 150,000 jobs last month, below economists' expectations for a gain of 180,000.

The U.S. 10-year yield was last trading at 4.5953% in Asian hours. U.S. bond yields have been easing since the Fed's monetary policy decision last week, on optimism that the central bank will not hike rates any more.

Meanwhile, Indian bond trading volumes continued to remain impacted by the uncertainty of when the Reserve Bank of India would conduct its planned open market sale of bonds to absorb liquidity.

RBI net sold 28.25 billion rupees of government bonds via screen-based trades in the secondary market in the week ended Oct. 27, lower than the 41.75 billion rupees of sale in the previous week.

Oil prices rose on Monday, after top exporters Saudi Arabia and Russia reaffirmed their commitment to extra voluntary oil supply cuts until the end of the year.

The Indian rupee strengthened 0.08% versus the U.S. dollar, and quoted at 83.21 per dollar, tracking its Asian peers.

Repo: The weighted average call rates in the interbank segment increased to 6.76% vs 6.11% as on the previous day while that the TREP segment increased to 6.73% vs 6.48% as on the previous day.

Market Observations

G-sec

- 10-year switches were dealt around 7.25 levels. Foreign banks and Mutual funds were active in this segment.
- Shorter end t-bills were heavily traded.
- Foreign banks and insurance companies were active in longer end switches.

Corporate Bonds

- Market was active in the 2024-25 segment.
- Mutual funds were active in this segment.

CP/CD

- Activity was seen in the 3-month segment.

GOI Yield	6-Nov	3-Nov	30-Oct	9-Oct
1 Year	7.125	7.120	7.149	7.110
5 Year	7.281	7.286	7.361	7.428
10 Year	7.307	7.314	7.370	7.381

AAA Bmk	6-Nov	3-Nov	30-Oct	9-Oct
1 Year	7.70	7.64	7.60	7.54
5 Year	7.80	7.78	7.83	7.80
10 Year	7.75	7.75	7.78	7.75

CD	6-Nov	3-Nov	30-Oct	9-Oct
3 Month	7.25	7.25	7.30	7.15
6 Month	7.55	7.55	7.50	7.35
1 Year	7.70	7.70	7.70	7.60

CP	6-Nov	3-Nov	30-Oct	9-Oct
3 Month	7.35	7.35	7.40	7.25
6 Month	7.65	7.65	7.60	7.45
1 Year	7.80	7.80	7.80	7.70

OIS Rate	6-Nov	3-Nov	30-Oct	9-Oct
1 Year	6.88	6.89	6.96	7.05
2 Year	6.59	6.61	6.72	6.85
3 Year	6.55	6.59	6.70	6.85
5 Year	6.56	6.59	6.72	6.89

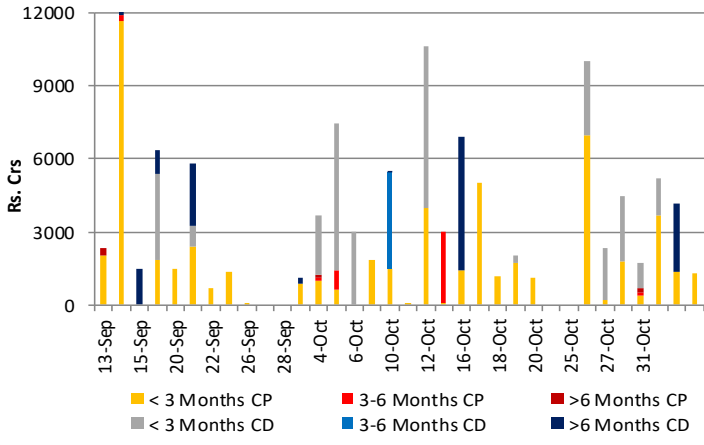
	6-Nov	3-Nov	30-Oct	9-Oct
Sensex	64,959	64,364	64,113	65,512
Nifty	19,412	19,231	19,141	19,512
USD/INR	83.22	83.29	83.25	83.26
Gold (USD)	1,987	1,992	1,996	1,861
Oil (USD)	87.12	87.12	87.45	88.15

10 Year Benchmarks	6-Nov	3-Nov	30-Oct	9-Oct
India	7.32	7.32	7.37	7.39
US	4.65	4.65	4.88	4.78

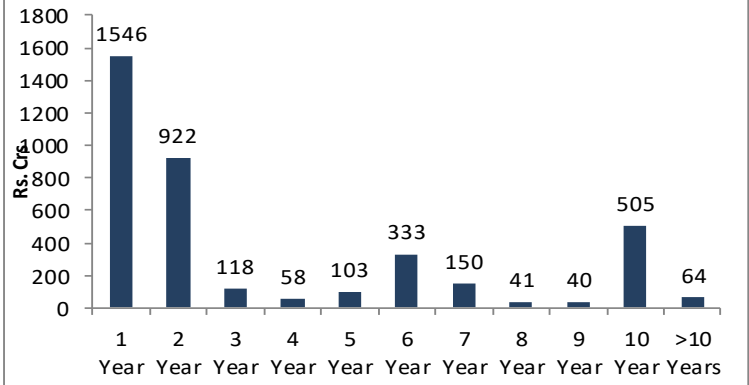
NDF	3-Nov	2-Nov	27-Oct	6-Oct
3 Month	83.52	83.47	83.54	83.51
1 Year	84.69	84.73	84.89	84.73
2 Year	86.57	86.78	86.91	86.83
3 Year	89.21	89.28	89.21	89.43



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	3-Nov	2-Nov	27-Oct	6-Oct
India	7.32	7.32	7.35	7.34
US	4.65	4.67	4.85	4.78
South Korea	4.11	4.17	4.28	4.24
Russia	12.18	12.27	12.52	12.27
Brazil	11.73	11.74	11.74	12.23
Germany	2.71	2.71	2.84	2.89
China	2.67	2.68	2.73	2.72

Top Traded Securities	Volume	2-Nov	1-Nov	26-Oct	4-Oct
7.26 2033	970	7.37	7.40	7.41	7.28
7.06 2028	715	7.46	7.48	7.50	7.37
7.62 2039	-	7.39	7.41	7.43	7.30
7.30 2053	445	7.43	7.45	7.48	7.30
6.64 2035	10	#N/A	7.43	7.47	7.31
7.40 2035	30	7.44	7.45	7.47	7.30

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
18-Oct-23	6033	5077	956

EQUITY		
Gross Purchase	Gross Sales	Net Investment
6401	8807	-2405

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
12434	13883	-1449

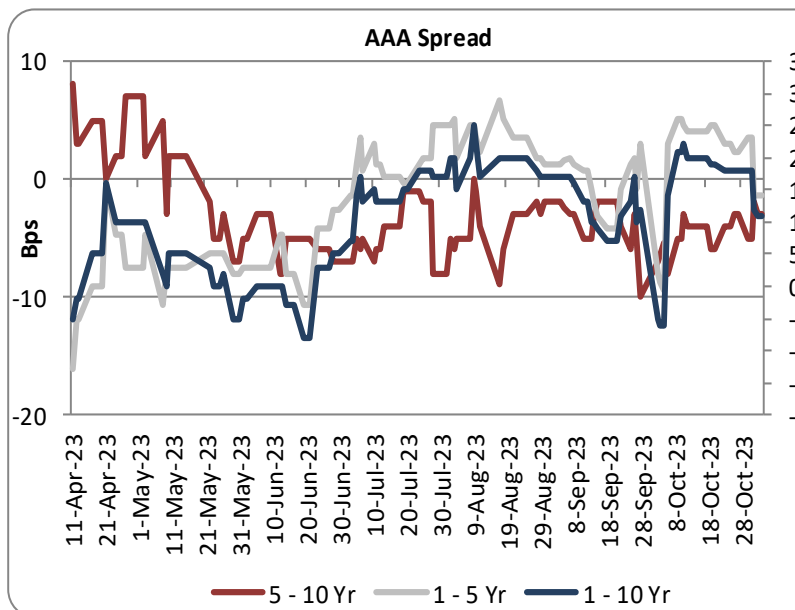
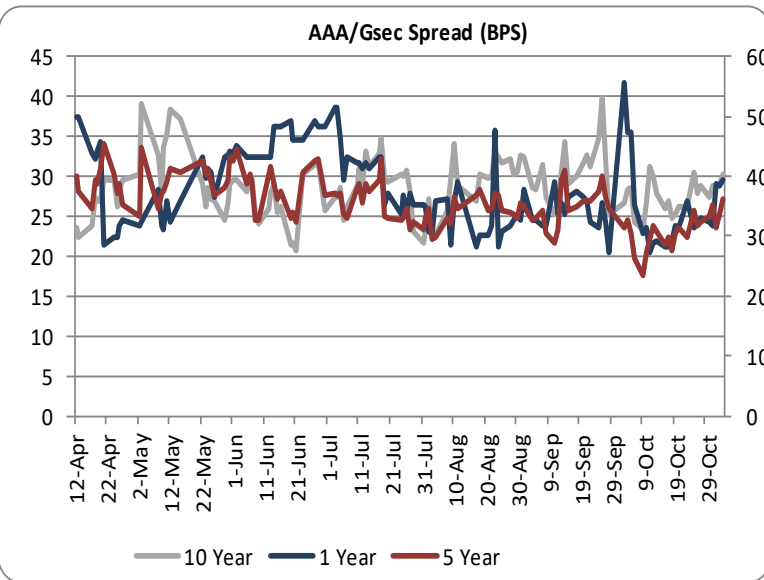
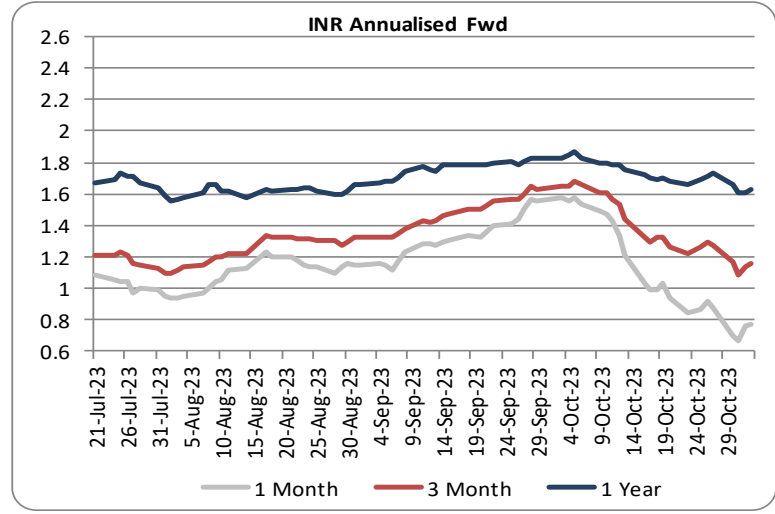
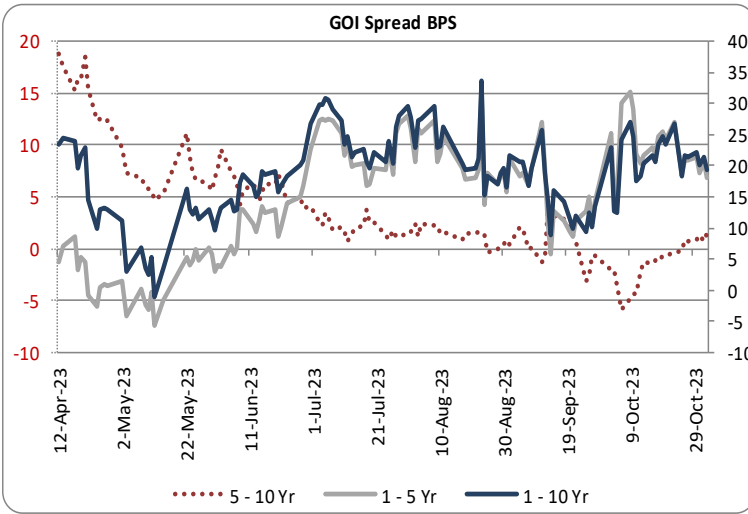
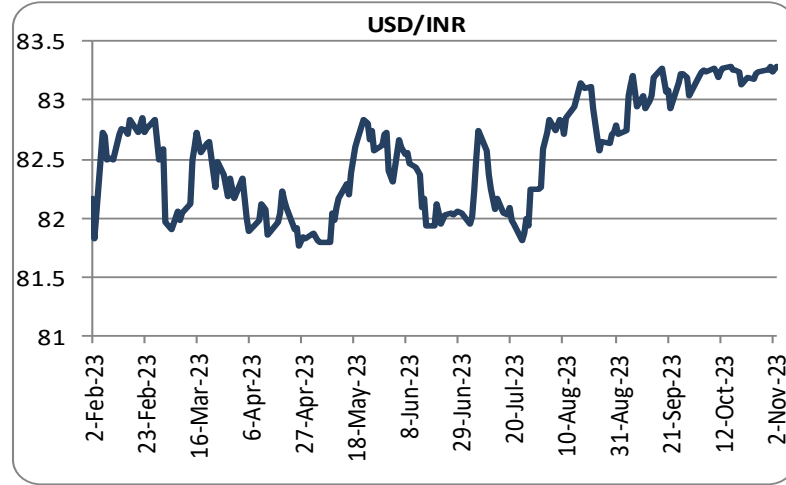
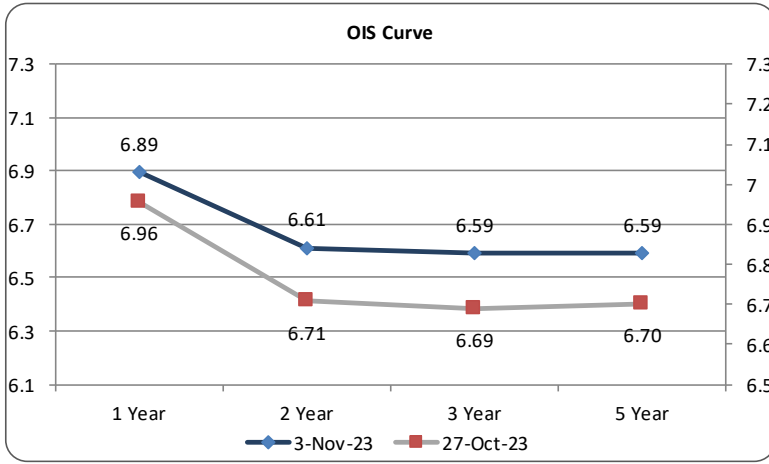
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
6-Nov-23	9030	8468	562

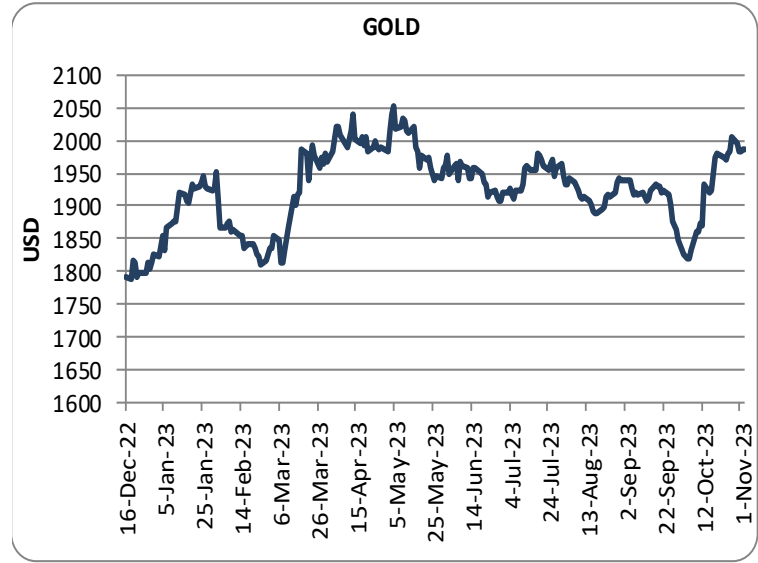
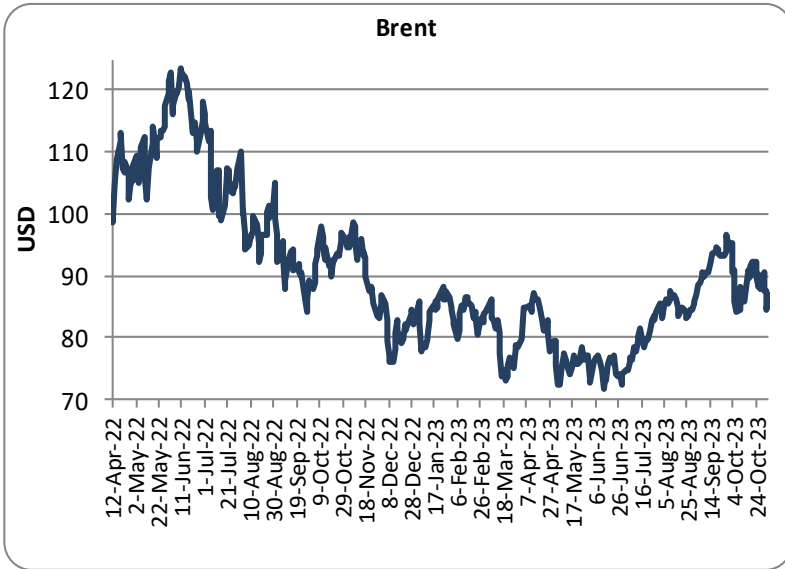
EQUITY		
Gross Purchase	Gross Sales	Net Investment
8185	8270	-85

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
17214	16738	476

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-23	7.8	6.1
CAD (\$ Bn)	Jun-23	-9.2	-1.3
Trade Deficit (\$ Bn)	Jun-23	-56.6	-52.6
WPI (%)	Sep-23	-0.3	-0.5
CPI (%)	Sep-23	5.0	6.8
IIP (%)	Aug-23	10.3	5.7
PMI Manufacturing	Oct-23	55.5	57.5
PMI Service	Oct-23	58.4	61

Economic Calender	Country	Date	Poll	Prior
CPI	Japan	27-Oct-23	0	2.8
CPI	Germany	30-Oct-23	-	4.50
Unemployment Rate	Japan	31-Oct-23	-	2.70
Retail Sales	Japan	31-Oct-23	-	7.00
GDP Q3	Euro Zone	31-Oct-23	-	0.50
Fed fund rate	USA	01-Nov-23	5.25-5.5	5.25-5.5
BOE bank Rate	UK	02-Nov-23	5.25	5.25
Unemployment Rate	Euro Zone	03-Nov-23	-	6.40





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

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

The information in this document has been printed based on publicly available information, internal data and other reliable sources believed to be true and is for general guidance only. While every effort is made to ensure the accuracy and completeness of information contained, the company makes no guarantee and assumes no liability for any errors or omissions of the information. No one can use the information as the basis for any claim, demand, or cause of action. Nothing contained in this publication shall constitute an offer to sell/purchase or an invitation/solicitation to do so for any Government Security, Currency, Security, and Equity. LKP Securities Ltd. accepts no liability whatsoever for any loss, howsoever arising, from any use of this document, its contents or otherwise arising in connection therewith.

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

Visit our website - <http://www.lkpsec.com/>