



BONDWATCH

Daily

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INDIA

Indian government bond yields fell on Thursday, as the Reserve Bank of India is seeking feedback from market participants on settling bond trades on the Euroclear platform.

The benchmark 7.26% 2033 bond yield settled at 7.1772%, after ending the previous session at 7.2083%. The yield posted biggest single day fall since Aug. 18.

Euroclear settlement are expected to expand the foreign investor base for Indian debt and facilitate the listing of securities on global bond indices.

Overseas investors had stepped up purchases of government bonds in August, ahead of JP Morgan's review for a possible index inclusion, which is expected next month.

Indian bond yields have risen in recent sessions, tracking U.S. yields and oil prices and amid concerns over domestic inflation staying elevated.

The 10-year U.S. yield hit 4.30% in Asian trading hours, while the benchmark Brent crude oil contract stayed above the \$90-per-barrel mark amid supply shortage concerns.

Bond traders now await the RBI's next move to curb excess liquidity and curtail inflation. The central bank may, by Friday, ask lenders to continue maintaining additional cash reserves for the next two fortnights, while lowering the ratio.

The Indian rupee weakened 0.10% versus the U.S. dollar, and quoted at 83.21 per dollar despite likely dollar selling intervention from Reserve Bank of India (RBI) as elevated U.S. treasury yields and weakness in other Asian currencies weighed on the local unit.

Repo: The weighted average call rates in the interbank segment increased to 6.40% vs 6.33% as on the previous day while that the TREP segment increased to 6.44% vs 6.26% as on the previous day.

GOI Yield	7-Sep	5-Sep	31-Aug	10-Aug
1 Year	7.010	7.000	7.000	6.920
5 Year	7.178	7.187	7.158	7.138
10 Year	7.177	7.207	7.166	7.152

AAA Bmk	7-Sep	5-Sep	31-Aug	10-Aug
1 Year	7.45	7.45	7.45	7.40
5 Year	7.65	7.65	7.64	7.63
10 Year	7.62	7.62	7.62	7.62

CD	7-Sep	5-Sep	31-Aug	10-Aug
3 Month	7.05	7.02	7.05	7.00
6 Month	7.25	7.20	7.25	7.20
1 Year	7.50	7.50	7.50	7.50

CP	7-Sep	5-Sep	31-Aug	10-Aug
3 Month	7.15	7.12	7.10	7.10
6 Month	7.35	7.35	7.35	7.30
1 Year	7.60	7.60	7.60	7.60

OIS Rate	7-Sep	5-Sep	31-Aug	10-Aug
1 Year	7.02	7.01	6.96	6.86
2 Year	6.77	6.75	6.67	6.58
3 Year	6.73	6.71	6.62	6.54
5 Year	6.68	6.67	6.57	6.48

	7-Sep	5-Sep	31-Aug	10-Aug
Sensex	66,266	65,780	64,831	65,688
Nifty	19,727	19,575	19,254	19,543
USD/INR	83.21	83.04	82.79	82.71
Gold (USD)	1,921	1,926	1,940	1,912
Oil (USD)	90.12	90.04	86.86	86.40

NDF	7-Sep	5-Sep	31-Aug	10-Aug
3 Month	83.52	83.42	82.94	83.07
1 Year	84.66	84.55	84.06	84.11
2 Year	86.91	86.74	86.34	86.25
3 Year	89.71	89.44	89.16	88.90

Market Observations

G-sec

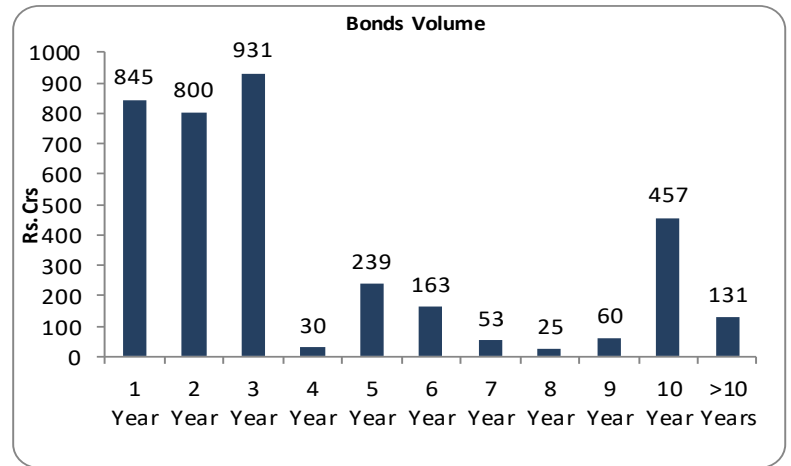
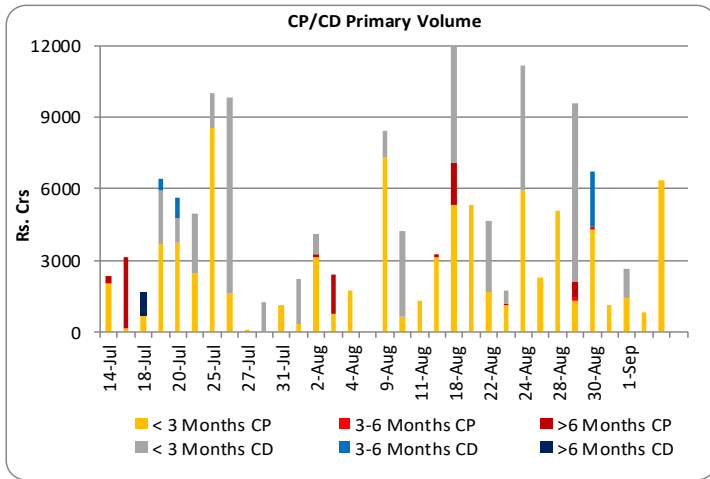
- Higher activity was seen in the longer end G-sec.
- Insurance companies were active in the 8-10-year segment.

Corporate Bonds

- Mutual funds were active in the 2025-2026 segment.
- Insurance companies were active in the longer end segment.

CP/CD

- Demand was seen in above 6-month segment.



10 Year Benchmarks	7-Sep	5-Sep	31-Aug	10-Aug
India	7.18	7.21	7.17	7.15
US	4.28	4.27	4.09	4.08
South Korea	3.98	3.89	3.82	3.79
Russia	12.53	12.16	12.05	11.72
Brazil	11.36	11.23	11.14	10.93
Germany	2.64	2.61	2.47	2.50
China	2.67	2.64	2.59	2.66

Top Traded Securities	Volume	29-Aug	28-Aug	22-Aug	31-Jul
7.26 2033	26,750	7.18	7.18	7.22	7.17
7.06 2028	1,925	7.28	7.29	7.33	7.31
7.62 2039	-	7.20	7.19	7.23	7.21
7.30 2053	285	#N/A	7.22	7.28	7.33
6.64 2035	785	7.22	7.26	7.28	7.30
7.40 2035	20	7.25	7.24	7.28	7.33

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
23-Aug-23	5219	4778	441

EQUITY		
Gross Purchase	Gross Sales	Net Investment
8538	8569	-31

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
13757	13346	410

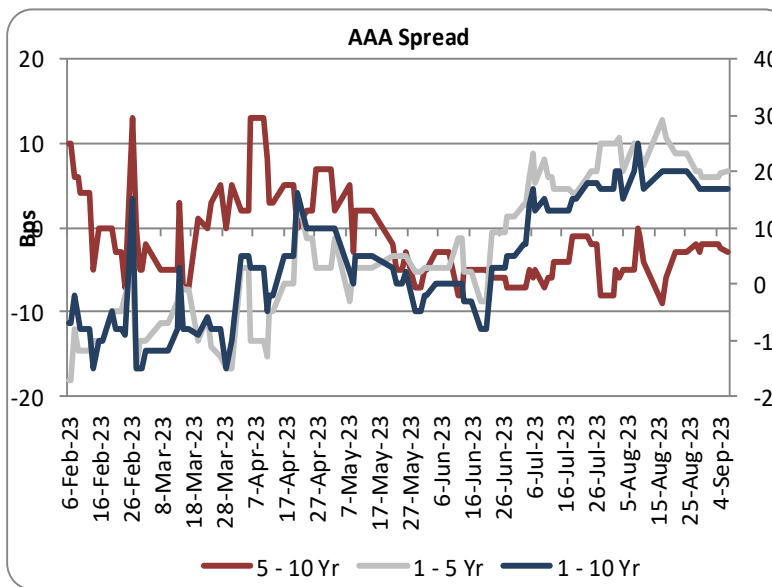
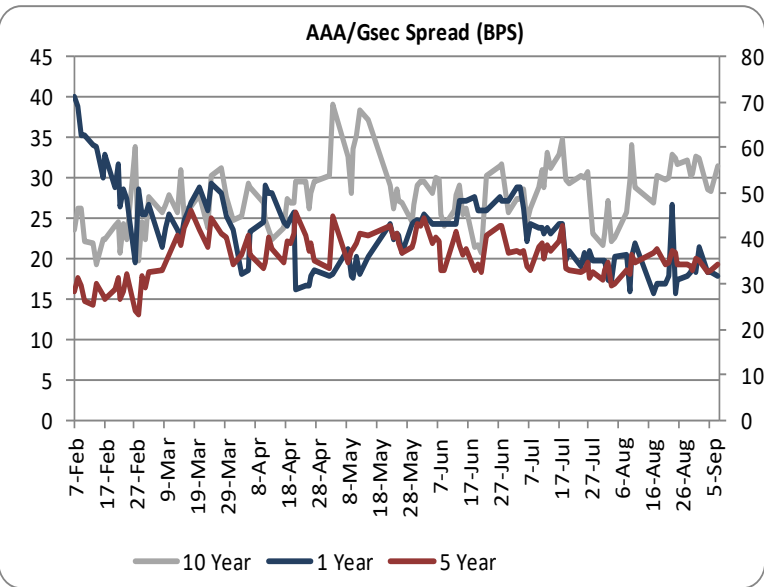
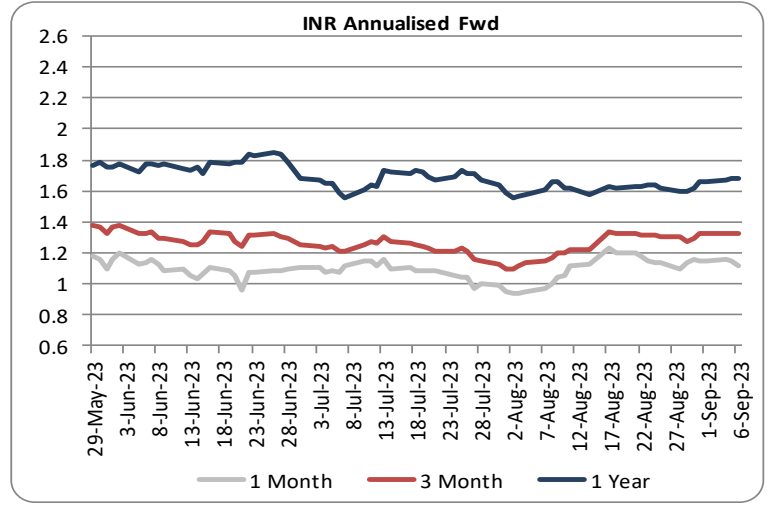
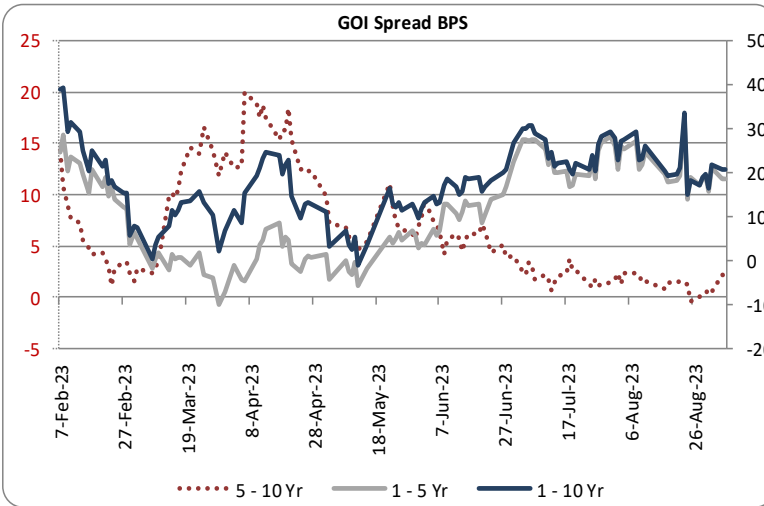
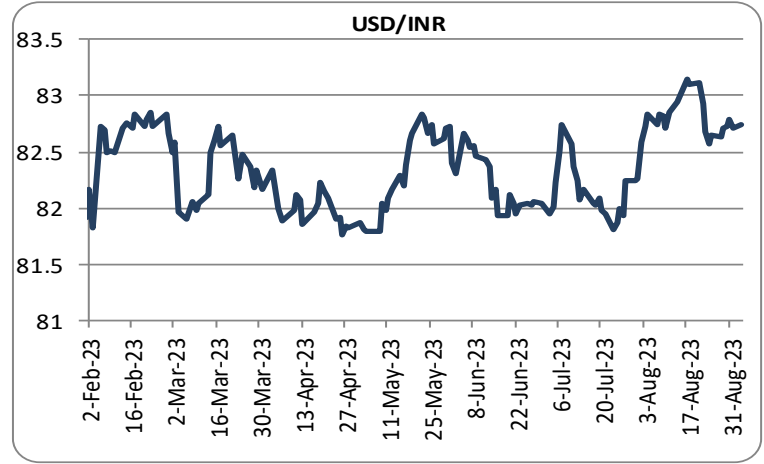
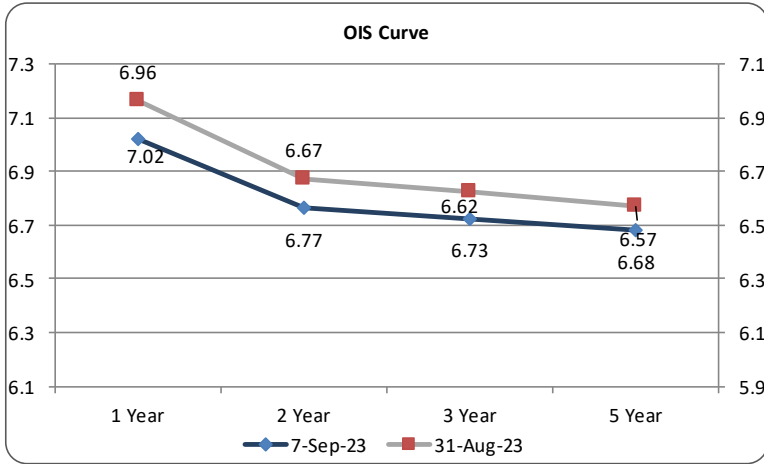
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
7-Sep-23	435	260	175

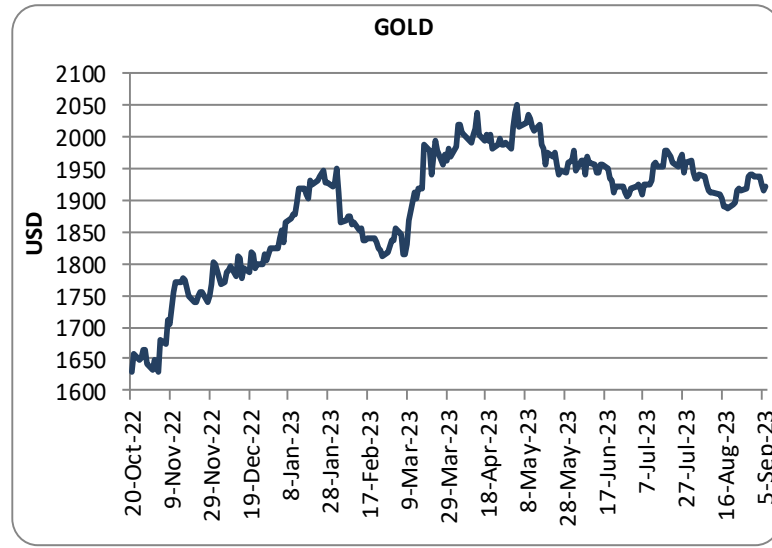
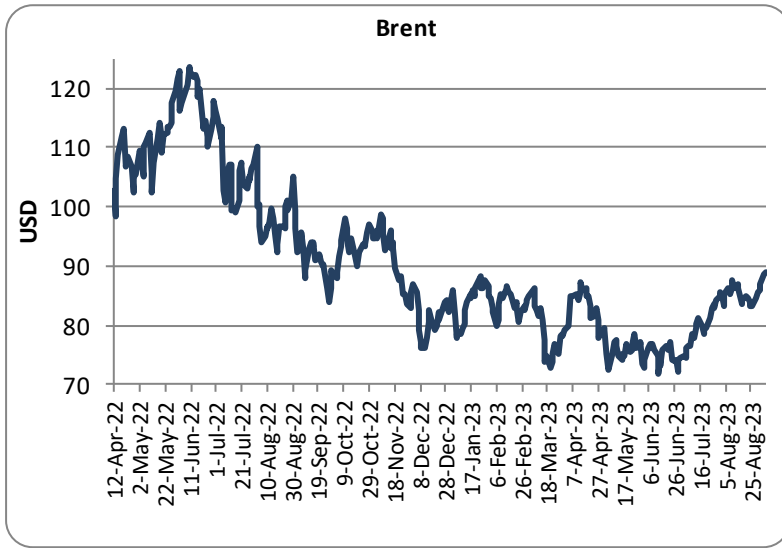
EQUITY		
Gross Purchase	Gross Sales	Net Investment
10380	13213	-2833

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
10815	13473	-2658

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-23	7.8	6.1
CAD (\$ Bn)	Mar-23	-1.3	-16.8
Trade Deficit (\$ Bn)	Mar-23	-52.6	-72.7
WPI (%)	Jul-23	-1.4	-4.1
CPI (%)	Jul-23	7.4	4.9
IIP (%)	Jun-23	3.7	5.2
PMI Manufacturing	Aug-23	58.6	57.7
PMI Service	Aug-23	60.1	62.3

Economic Calender	Country	Date	Poll	Prior
GDP	Brazil	1-Sep-23	2.7	4
Industrial Output	Brazil	05-Sep-23	-	0.30
Real GDP	Australia	06-Sep-23	-	2.30
Retail Sales	Euro Zone	06-Sep-23	-	(1.40)
Industrial Production	Germany	07-Sep-23	-	(1.83)
CPI	Germany	08-Sep-23	-	6.10
CPI	China	09-Sep-23	-	(0.30)
CPI	India	12-Sep-23	-	7.44





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

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