



# BONDWATCH

Daily

May 08, 2023

INDIA

Indian government bond yields started the week higher, as they rose for second straight session on Monday, tracking similar movement in U.S. peers last week.

The 10-year benchmark 7.26% 2033 bond yield ended at 7.0488%, after closing at 7.0140% on Thursday. Indian government bond markets were closed on Friday for a local holiday.

Domestic benchmark bond yield had briefly moved below the key 7%-mark last week after the U.S. central bank hinted at a pause following a widely-expected 25 bps rate hike.

U.S. yields rose on Friday after stronger economic data showed that the U.S. Federal Reserve will have to hike interest rates to control inflation.

The 10-year U.S. bond yield rose by nearly 10 basis points (bps) and was last at 3.4654%. The upward move in longer-dated U.S. Treasury yields marked a reversal in course seen in the prior week, when investors bet that the Fed would start cutting rates from next quarter.

Oil prices rose on Monday as fears of a recession in US started receding on the back of a healthy US jobs report for April, a weaker dollar and expectations of a supply cut at the next OPEC meeting.

The Indian rupee strengthened 0.01% versus the U.S. dollar, and quoted at 81.7950 per dollar and likely dollar purchase by the Indian central bank kept gains in check despite a weaker greenback.

Repo: The weighted average call rates in the interbank segment increased to 6.75% vs 6.63% as on the previous day while that the TREP segment decreased to 6.76% vs 6.82% as on the previous day.

GOI Yield	8-May	3-May	2-May	10-Apr
1 Year	6.980	6.975	6.980	7.040
5 Year	6.981	6.933	6.995	7.043
10 Year	7.049	7.006	7.092	7.231

AAA Bmk	8-May	3-May	2-May	10-Apr
1 Year	7.48	7.42	7.42	7.60
5 Year	7.45	7.50	7.45	7.50
10 Year	7.50	7.52	7.52	7.63

CD	8-May	3-May	2-May	10-Apr
3 Month	7.20	7.10	7.05	7.05
6 Month	7.35	7.30	7.30	7.25
1 Year	7.45	7.45	7.50	7.50

CP	8-May	3-May	2-May	10-Apr
3 Month	7.30	7.15	7.15	7.10
6 Month	7.45	7.35	7.40	7.30
1 Year	7.55	7.55	7.60	7.60

OIS Rate	8-May	3-May	2-May	10-Apr
1 Year	6.62	6.57	6.62	6.59
2 Year	6.21	6.17	6.25	6.17
3 Year	6.02	6.01	6.09	6.08
5 Year	6.00	5.99	6.09	6.11

	8-May	3-May	2-May	10-Apr
Sensex	61,764	61,193	61,355	59,847
Nifty	18,264	18,090	18,148	17,624
USD/INR	81.80	81.82	81.88	81.98
Gold (USD)	2,025	2,039	2,016	1,990
Oil (USD)	77.07	72.33	75.32	84.18

NDF	8-May	3-May	2-May	10-Apr
3 Month	82.12	82.14	82.12	82.40
1 Year	83.56	83.52	83.61	83.96
2 Year	85.98	85.94	85.87	86.40
3 Year	89.02	88.84	88.77	89.70

## Market Observations

### G-sec

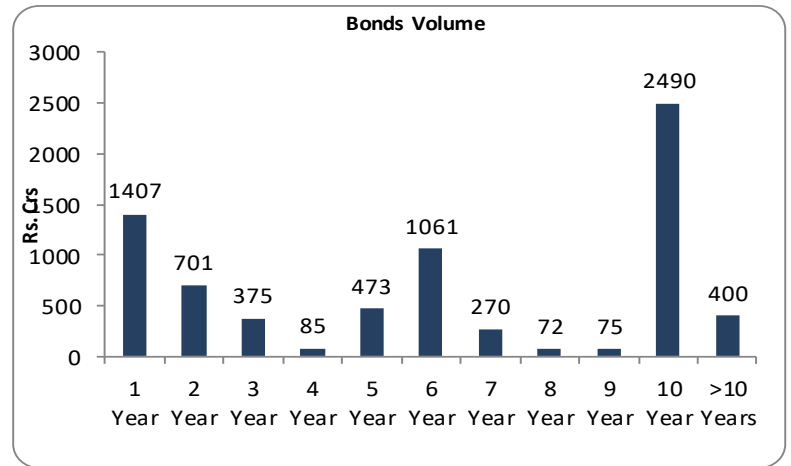
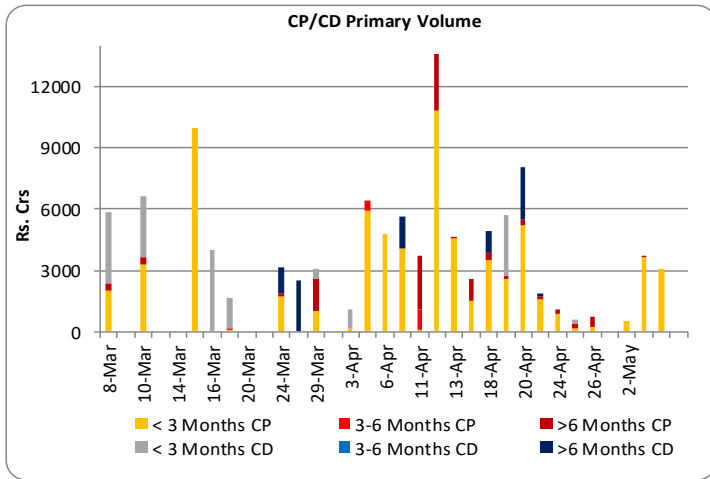
- Demand was seen in 9 to 12-year SDL by Pension fund and life insurance company @7.35 to 7.38 levels.

### Corporate Bonds

- Mutual funds selling in short with other Mutual funds.
- Insurance companies and banks were on the buying side.

### CP/CD

- Demand was seen in the 3-month segment.



10 Year Benchmarks	8-May	3-May	2-May	10-Apr
India	7.05	7.01	7.11	7.23
US	3.47	3.40	3.44	3.42
South Korea	3.31	3.33	3.37	3.24
Russia	10.65	10.61	10.60	10.47
Brazil	12.21	12.20	12.35	12.80
Germany	2.33	2.25	2.25	2.18
China	2.75	2.79	2.79	2.85

Top Traded Securities	Volume	8-May	3-May	2-May	10-Apr
5.74 2026	190	6.93	6.91	6.96	7.02
7.38 2027	-	6.98	6.93	6.99	7.04
7.10 2029	145	7.03	6.98	7.06	7.14
6.54 2032	90	7.12	7.07	7.16	7.25
7.26 2032	15	7.09	7.06	7.14	7.23
7.54 2036	10	7.15	7.12	7.22	7.34

	DEBT		
	Gross Purchase	Gross Sales	Net Investment
MF			
27-Apr-23	161	203	-42

	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	203	0	203

	TOTAL (Rs.Crs)		
	Gross Purchase	Gross Sales	Net Investment
	364	203	161

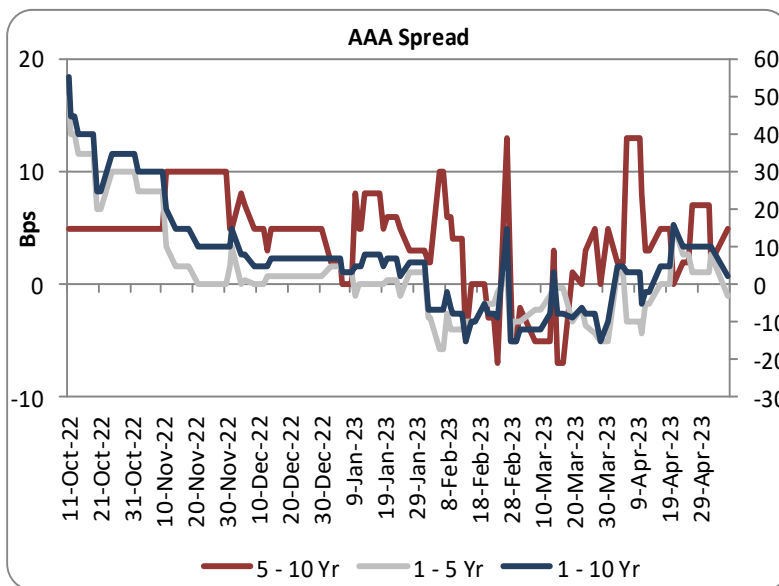
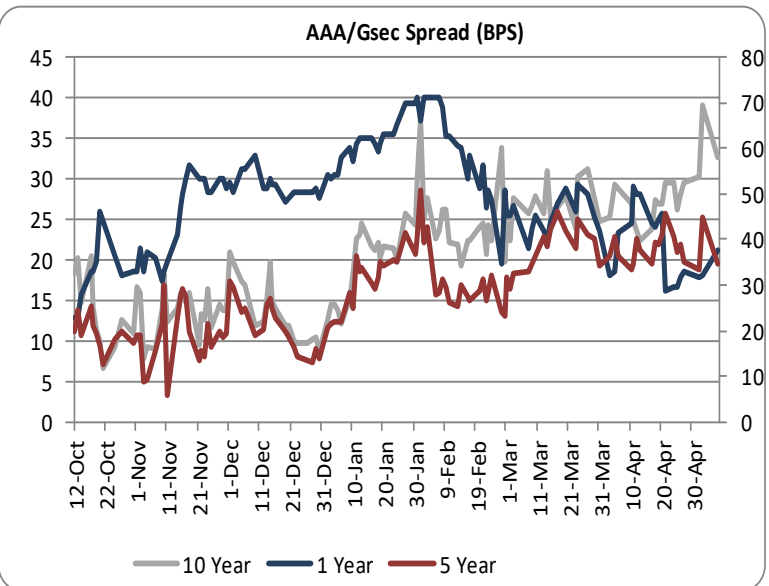
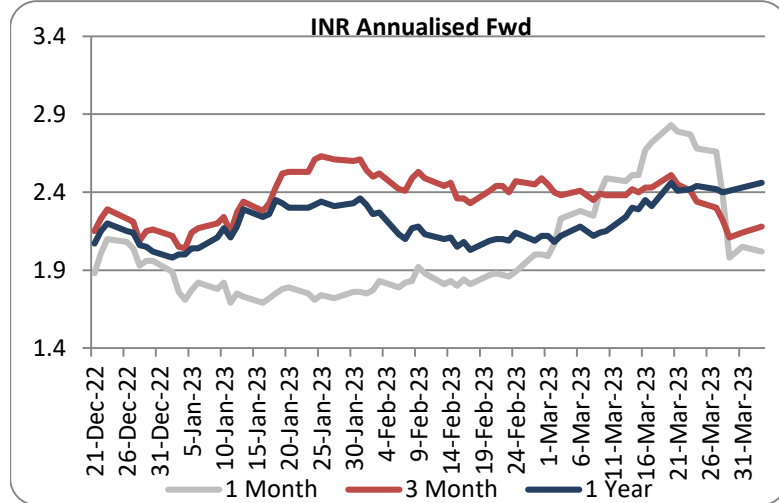
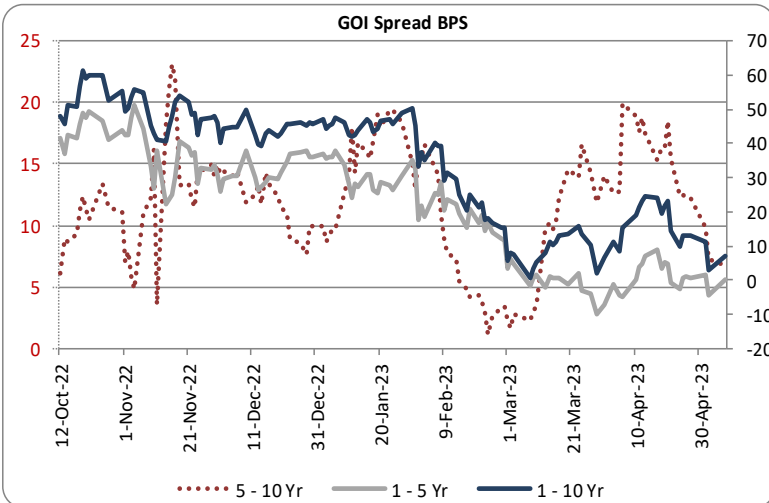
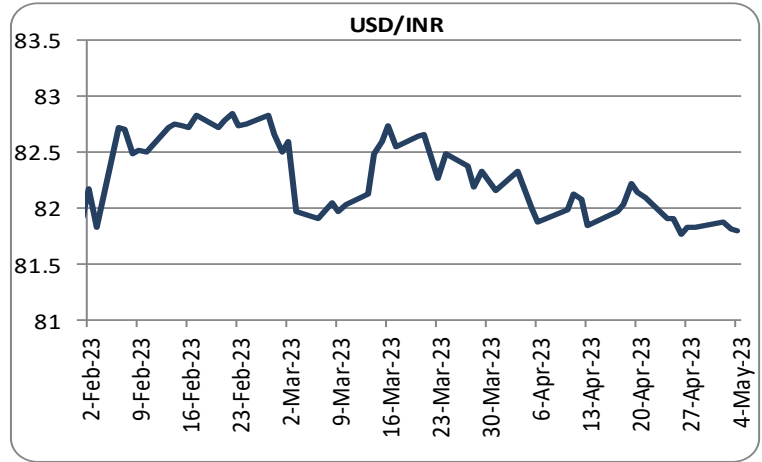
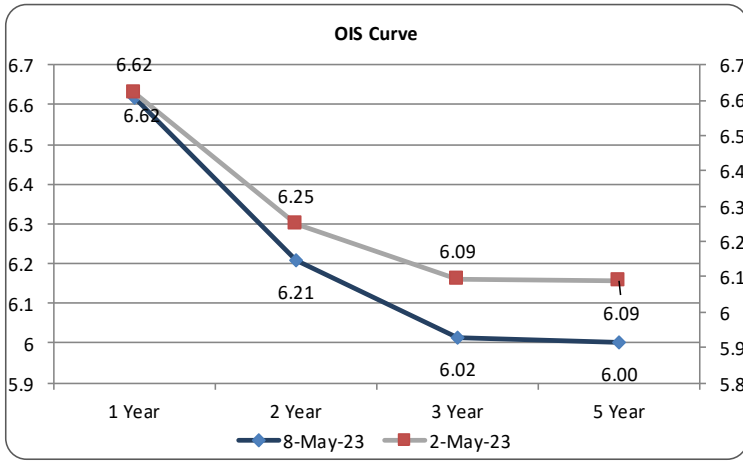
	DEBT		
	Gross Purchase	Gross Sales	Net Investment
FII			
8-May-23	996	224	772

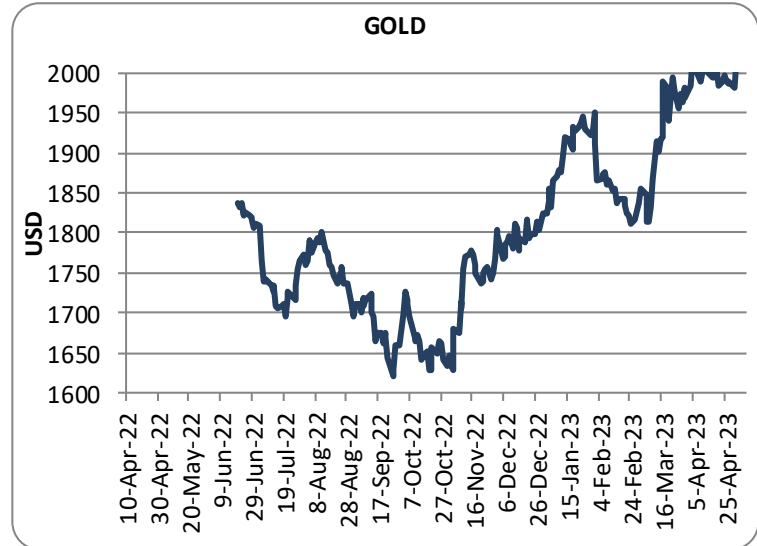
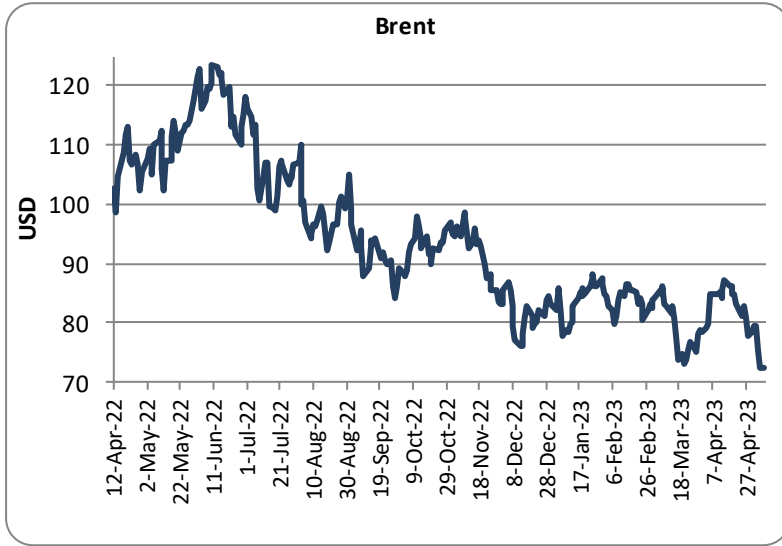
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	16826	12974	3853

	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
	17822	13198	4624

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 (%)	Mar-23	1.3	3.9
CPI (%)	Mar-23	5.7	6.4
IIP (%)	Feb-23	5.6	5.2
PMI Manufacturing	Apr-23	57.2	56.4
PMI Service	Apr-23	62	57.8

Economic Calender	Country	Date	Poll	Prior
Unemployment Rate	Euro Zone	03-May-23	6.60	6.60
Fed Fund Target Rate	USA	03-May-23	5-5.25	4.75-5
Retail Sales	Euro Zone	05-May-23	(3.10)	(3.00)
Unemployment Rate	USA	05-May-23	3.60	3.50
CPI	Germany	08-15-May-23	-	7.20
CPI	USA	10-May-23	-	5.00
Industrial Production	UK	10-15-May-23	-	(3.10)
CPI	China	11-May-23	-	7.20





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

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