



BONDWATCH

Daily

INDIA

February 09, 2023

Indian government bond yields ended higher on Thursday, a day ahead of a debt auction, while the central bank's hawkish outlook on monetary policy continued to weigh on sentiment.

The benchmark 10-year yield, however, remained largely unchanged to end at 7.3432%. Other bond yields ended 1-2 basis points (bps) higher.

The Govt. aims to raise 300 billion rupees (\$3.64 billion) through the sale of bonds on Friday, which includes the liquid 14-year paper.

This comes after the government raised 80 billion rupees through the sale of five-year and 10-year green bonds.

The market has turned mildly bearish after the RBI raised the repo rate by 25 bps and surprised the market by leaving the door open to more tightening, saying core inflation remained high.

The RBI raised the repo rate for the sixth consecutive time, on expected lines, but said the policy stance would remain focused on the withdrawal of accommodation, with four of the six Monetary Policy Committee members voting in its favour.

The RBI is likely to raise interest rates once again in April as inflation pressures persist and the U.S. Federal Reserve continues to tighten, analysts said on Thursday.

The RBI has raised rates to 250 bps in the current fiscal.

Repo: The weighted average call rates in the interbank segment increased to 6.71% vs 6.39% on the previous day while that the TREP segment increased to 6.71% vs 6.4% as on the previous day.

GOI Yield	9-Feb	8-Feb	2-Feb	12-Jan
1 Year	7.050	6.950	6.920	6.860
5 Year	7.254	7.235	7.140	7.143
10 Year	7.343	7.344	7.296	7.286

AAA Bmk	9-Feb	8-Feb	2-Feb	12-Jan
1 Year	7.80	7.76	7.75	7.60
5 Year	7.68	7.68	7.66	7.60
10 Year	7.74	7.74	7.68	7.65

CD	9-Feb	8-Feb	2-Feb	12-Jan
3 Month	7.25	7.25	7.20	7.07
6 Month	7.60	7.65	7.65	7.45
1 Year	7.80	7.80	7.75	7.75

CP	9-Feb	8-Feb	2-Feb	12-Jan
3 Month	7.35	7.35	7.30	7.03
6 Month	7.70	7.75	7.75	7.50
1 Year	7.82	7.82	7.85	7.80

OIS Rate	9-Feb	8-Feb	2-Feb	12-Jan
1 Year	6.83	6.79	6.63	6.62
2 Year	6.46	6.40	6.24	6.29
3 Year	6.35	6.33	6.11	6.24
5 Year	6.36	6.33	6.12	6.27

	9-Feb	8-Feb	2-Feb	12-Jan
Sensex	60,806	60,664	59,932	59,958
Nifty	17,893	17,872	17,610	17,858
USD/INR	82.51	82.49	82.17	81.55
Gold (USD)	1,881	1,876	1,912	1,897
Oil (USD)	85.40	85.09	82.17	84.03

NDF	9-Feb	8-Feb	2-Feb	12-Jan
3 Month	83.06	83.15	82.64	81.60
1 Year	84.32	84.46	83.97	82.96
2 Year	80.84	80.80	86.05	84.96
3 Year	89.20	88.87	88.75	87.71

Market Observations

G-sec

- The 2nd tranche of green bonds worth 8000 Crores was auctioned today. Cut off 10yr maturity green bond was according to the market expectation but in 5yr maturity it was a few bps higher as the selloff was seen in the shorter end of the curve

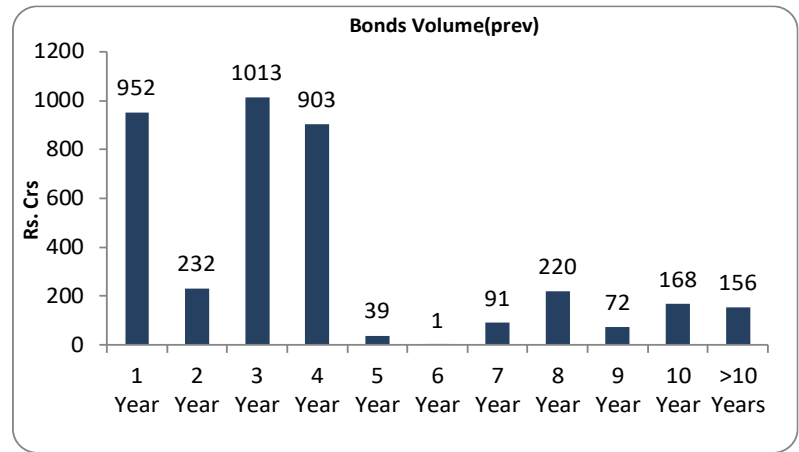
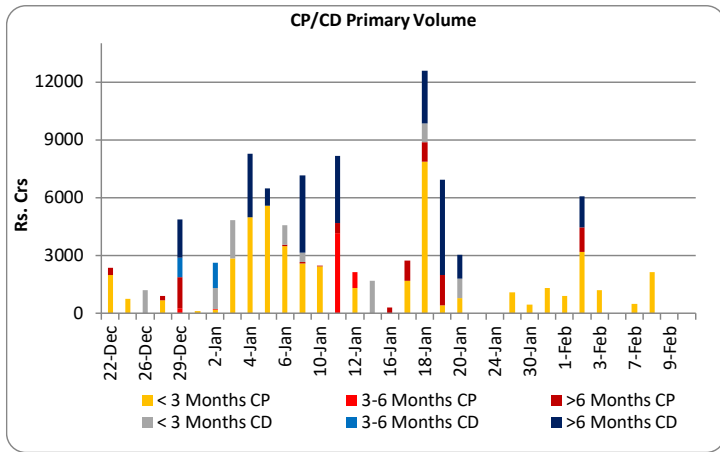
- Sell off was seen in longer end Gsec with a very timid demand. Foreign bank were keenly interested in switching 30 and 40 year Gsec.

Corporate Bonds

-The market saw activity in the 3-5yr maturity bonds. Mutual Funds were most active.

CP/CD

- Major demand was witnessed across all segments.



10 Year Benchmarks	9-Feb	8-Feb	2-Feb	12-Jan
India	7.34	7.34	7.30	7.29
US	3.60	3.65	3.40	3.45
South Korea	3.36	3.32	3.21	3.41
Russia	10.81	10.70	10.59	10.38
Brazil	13.35	13.35	13.02	12.32
Germany	2.28	2.37	2.07	2.13
China	2.90	2.91	2.94	2.92

Top Traded Securities	Volume	9-Feb	8-Feb	2-Feb	12-Jan
5.74 2026	1,180	7.23	7.21	7.09	7.08
7.38 2027	-	7.25	7.24	7.14	7.14
7.10 2029	65	7.33	7.31	7.23	7.26
6.54 2032	-	7.35	7.34	7.31	7.31
7.26 2032	-	7.34	7.34	7.30	7.29
7.54 2036	-	7.43	7.41	7.39	7.37

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
6-Feb-23	4828	3628	1201

EQUITY		
Gross Purchase	Gross Sales	Net Investment
7933	8276	-343

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
12761	11904	857

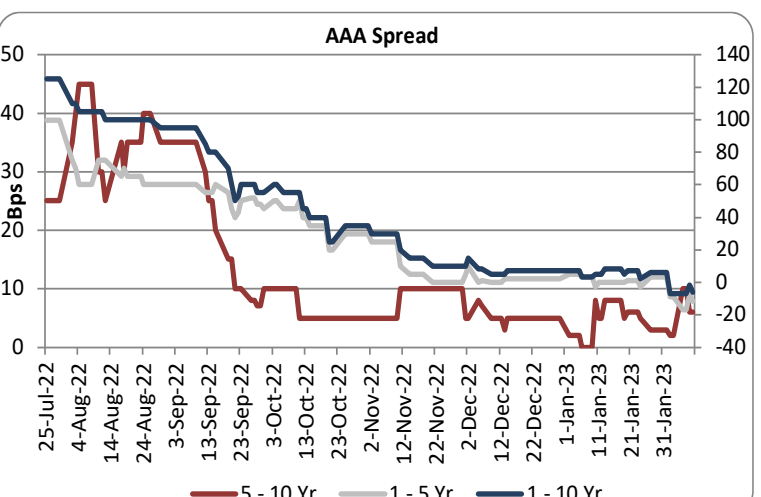
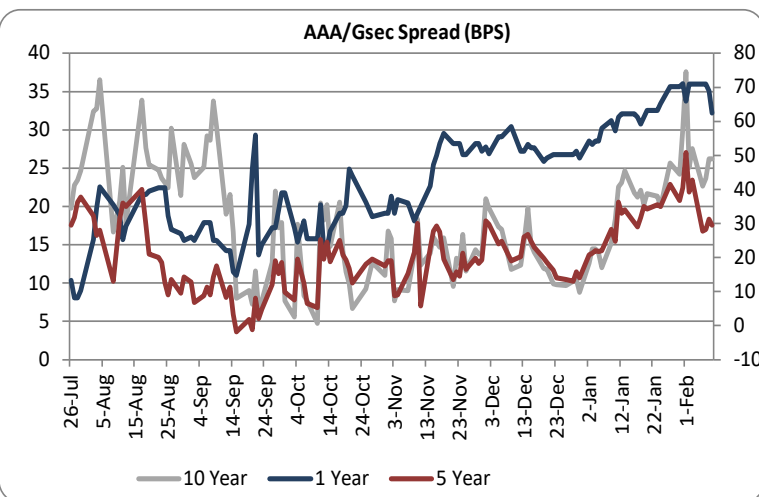
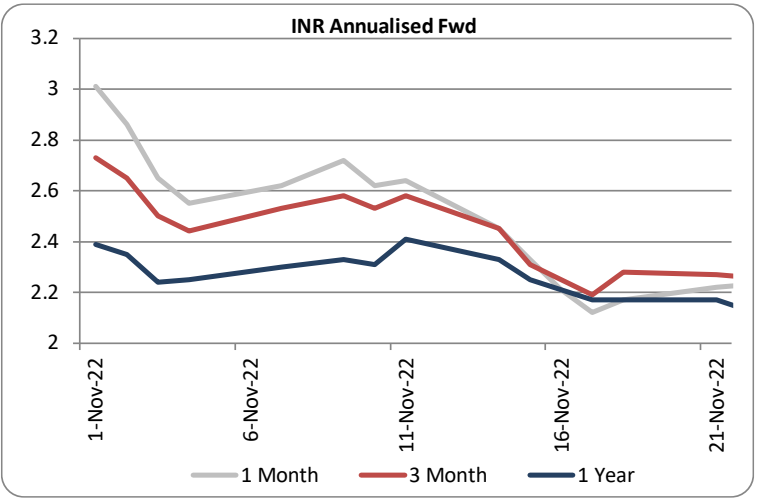
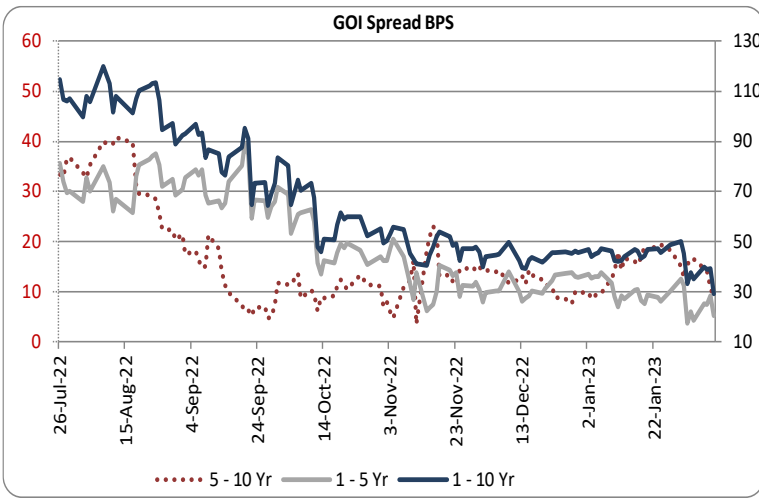
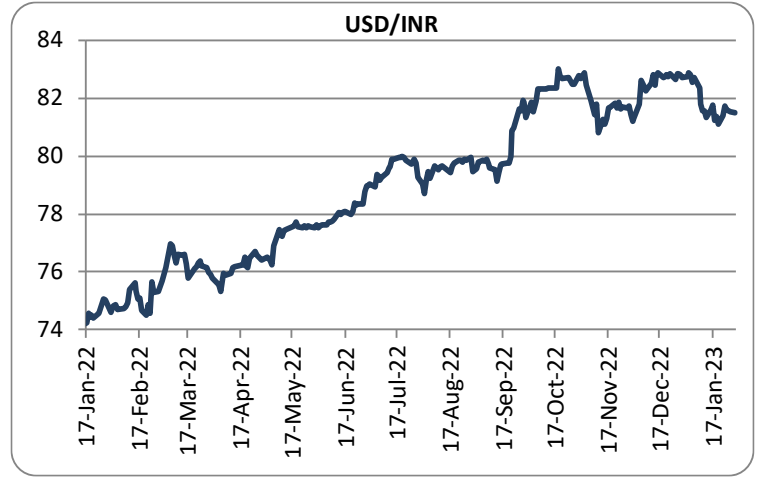
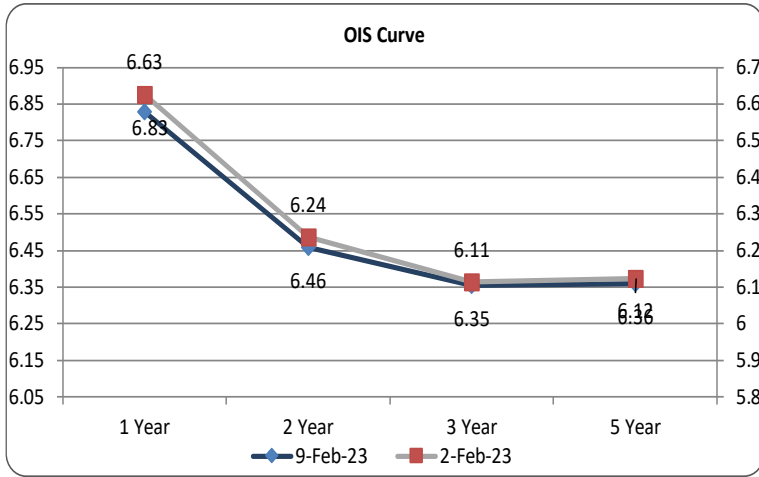
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
9-Feb-23	683	1930	-1247

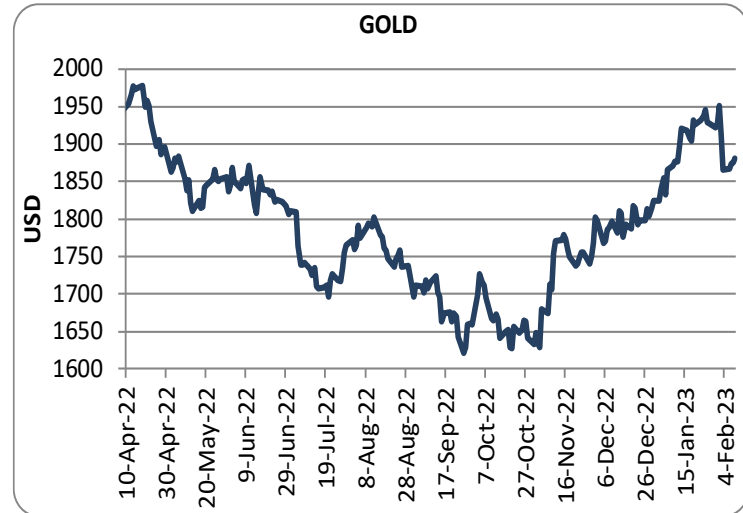
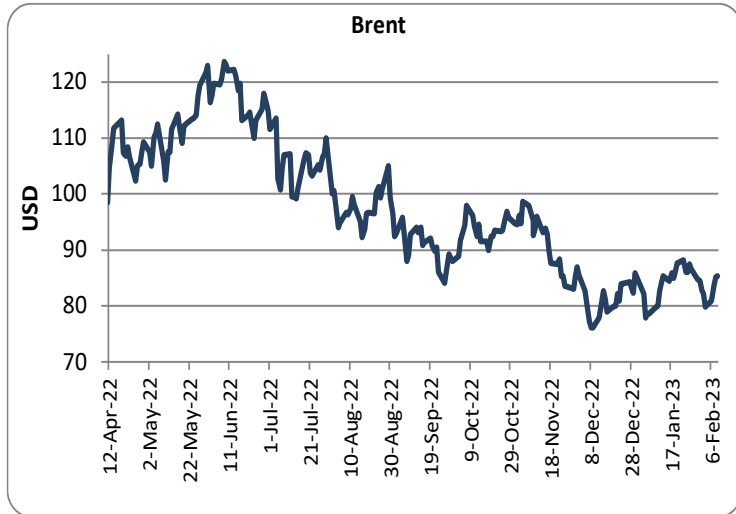
EQUITY		
Gross Purchase	Gross Sales	Net Investment
7702	8159	-456

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
8385	10089	-1704

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Sep-22	6.3	13.5
CAD (\$ Bn)	Sep-22	-36.4	-18.2
Trade Deficit (\$ Bn)	Sep-22	-83.5	-68.6
WPI (%)	Jan-00	44926.0	44895.0
CPI (%)	Jan-00	44895.0	44865.0
IIP (%)	Jan-00	44957.0	44926.0
PMI Manufacturing	Feb-00	44957	44926
PMI Service	Feb-00	57.2	58.5

Economic Calender	Country	Date	Poll	Prior
Industrial Output	Brazil	03-Feb-23	(1.10)	0.90
Unemployment Rate	US	03-Feb-23	3.60	3.50
Retail Sales	Euro Zone	06-Feb-23	(0.30)	0.80
GDP	Indonesia	06-Feb-23	4.84	5.72
Reverse repo	India	08-Feb-23	-	3.35
Unemployment Rate	Czech Republic	08-Feb-23	-	3.70
CPI	Russia	08-Feb-23	11.50	11.90
Unemployment Rate	Russia	08-Feb-23	4.00	3.70





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

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