



BONDWATCH

Daily

June 09, 2023

INDIA

Indian government bond yields ended higher on Friday after the debt auction added to supply, while the benchmark yield posted its biggest weekly jump after the Reserve Bank of India's (RBI) monetary policy guidance on inflation hurt sentiment.

The 10-year benchmark 7.26% 2033 bond yield ended at 7.0356%, highest since May 10 and after closing at 7.0224% in the previous session. It rose five basis points this week, the biggest such move since the week ended February 10.

On Thursday, RBI kept the key lending rate and stance unchanged as expected. However, the Governor said it needed to move towards the primary target of inflation at 4%, and that it would do "whatever is necessary to ensure that long-term inflation expectations remain firmly anchored".

The RBI expects inflation to average 5.1% in this financial year. Analysts, however, do not see inflation easing sustainably to 4% near term, despite hitting an 18-month low of 4.70% in April.

Oil prices rose on Friday and were broadly flat on the week as concern over oil demand growth was balanced by Saudi output cuts.

The Indian rupee strengthened 0.12% to quote at 82.47 per U.S. dollar, tracking the strength in most Asian currencies.

Repo: The weighted average call rates in the interbank segment increased to 6.61% vs 6.59% as on the previous day while that the TREP segment increased to 6.44% vs 6.60% as on the previous day.

Market Observations

G-sec

- G-sec cut off was in line with market expectations.
- Demand was seen in new 40-year G-sec by pension fund post cut off @7.23/24 levels.
- Mutual Funds and PD's were seen selling 5 and 10-year SDL's.

Corporate Bonds

- Overall market volume was thin.
- Mutual funds were active in the 2025-2026 segment.

CP/CD

- Market was active in the 3-month segment.

GOI Yield	9-Jun	8-Jun	2-Jun	11-May
1 Year	6.850	6.850	6.850	6.970
5 Year	6.980	6.980	6.887	6.968
10 Year	7.036	7.022	6.982	7.023

AAA Bmk	9-Jun	8-Jun	2-Jun	11-May
1 Year	7.40	7.40	7.42	7.45
5 Year	7.43	7.43	7.45	7.48
10 Year	7.40	7.40	7.40	7.50

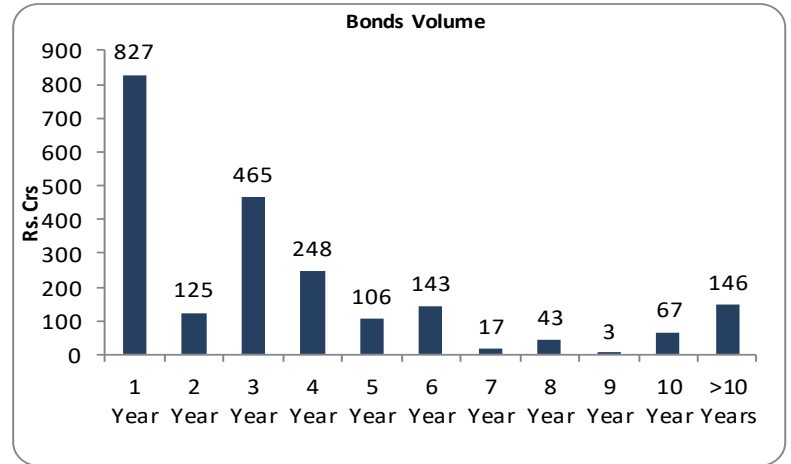
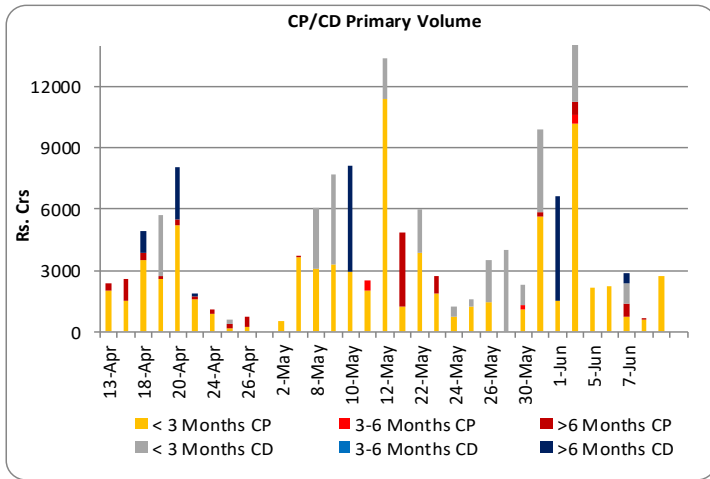
CD	9-Jun	8-Jun	2-Jun	11-May
3 Month	6.90	6.90	6.90	7.15
6 Month	7.20	7.20	7.18	7.35
1 Year	7.40	7.40	7.40	7.50

CP	9-Jun	8-Jun	2-Jun	11-May
3 Month	7.00	7.00	7.00	7.25
6 Month	7.30	7.30	7.28	7.45
1 Year	7.50	7.50	7.50	7.60

OIS Rate	9-Jun	8-Jun	2-Jun	11-May
1 Year	6.64	6.65	6.57	6.60
2 Year	6.32	6.33	6.20	6.22
3 Year	6.21	6.22	6.05	6.06
5 Year	6.15	6.13	5.99	6.02

	9-Jun	8-Jun	2-Jun	11-May
Sensex	62,626	62,849	62,547	61,905
Nifty	18,563	18,635	18,534	18,297
USD/INR	82.46	82.56	82.31	82.09
Gold (USD)	1,968	1,968	1,948	2,016
Oil (USD)	76.09	75.96	76.13	74.98

NDF	9-Jun	8-Jun	2-Jun	11-May
3 Month	82.73	82.77	82.67	82.50
1 Year	83.85	83.85	83.87	83.86
2 Year	86.00	85.96	86.05	86.26
3 Year	88.73	88.71	88.80	89.11



10 Year Benchmarks	9-Jun	8-Jun	2-Jun	11-May
India	7.04	7.02	6.98	7.02
US	3.72	3.71	3.69	3.40
South Korea	3.59	3.63	3.50	3.29
Russia	10.85	10.84	10.80	10.66
Brazil	11.31	11.13	11.44	11.95
Germany	2.39	2.42	2.31	2.22
China	2.69	2.71	2.72	2.71

Top Traded Securities	Volume	9-Jun	8-Jun	2-Jun	11-May
5.74 2026	170	#N/A	6.95	#N/A	6.94
7.38 2027	-	6.98	6.98	6.89	6.97
7.10 2029	-	7.02	7.01	6.96	7.03
6.54 2032	-	7.09	7.07	7.03	7.09
7.26 2032	#VALUE!	7.07	7.06	7.02	7.08
7.54 2036	-	7.14	7.12	7.09	7.14

DEBT			
	Gross Purchase	Gross Sales	Net Investment
MF			
7-Jun-23	4188	3891	296

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	9835	10162	-327

TOTAL (Rs.Crs)			
	Gross Purchase	Gross Sales	Net Investment
	14022	14053	-31

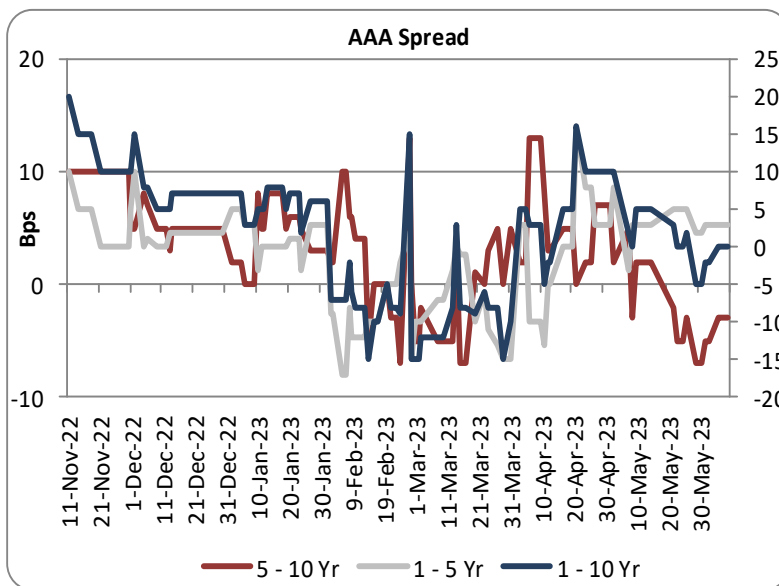
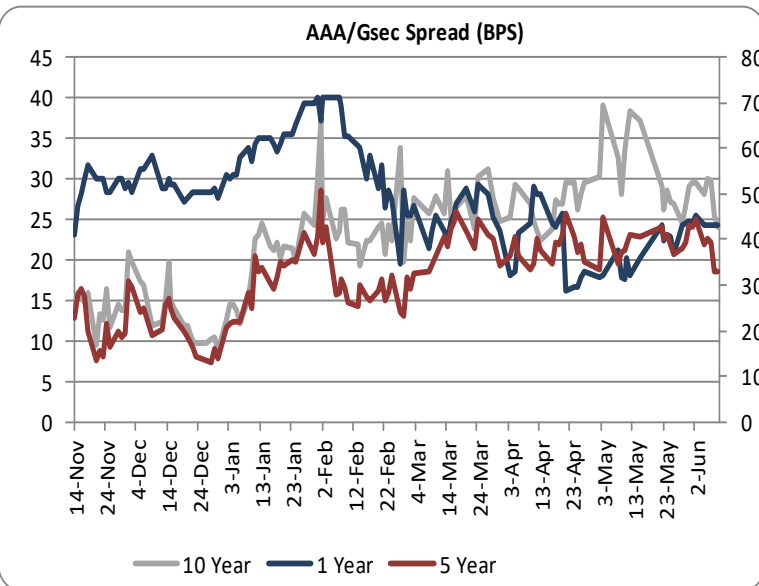
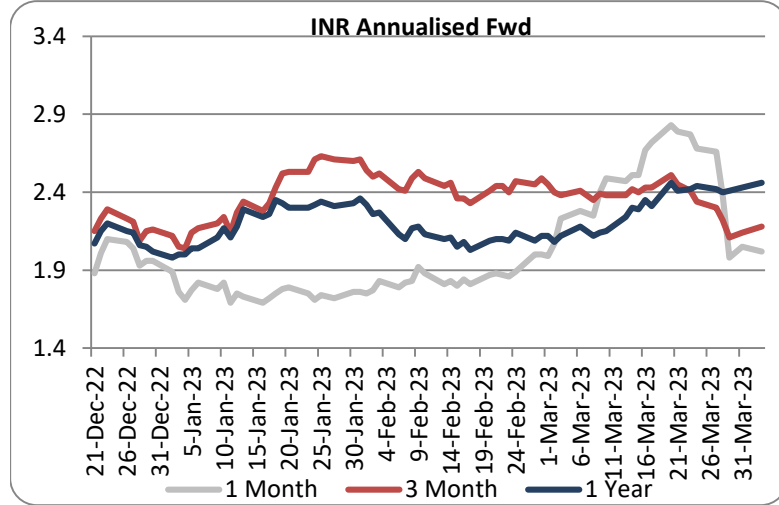
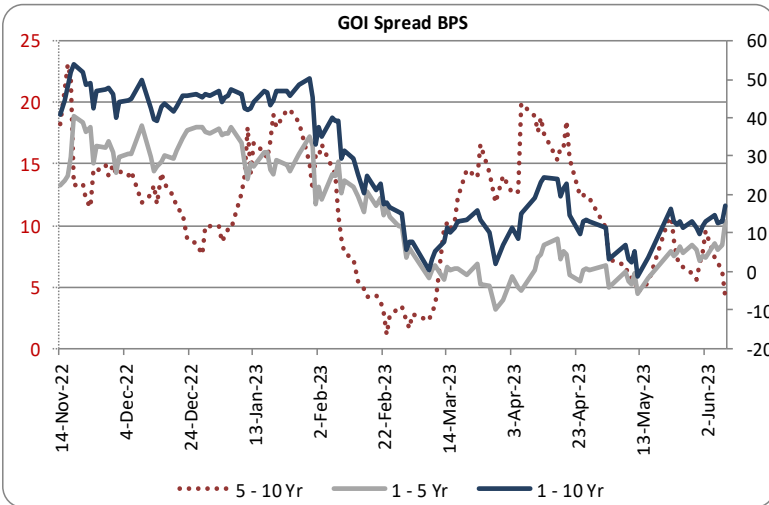
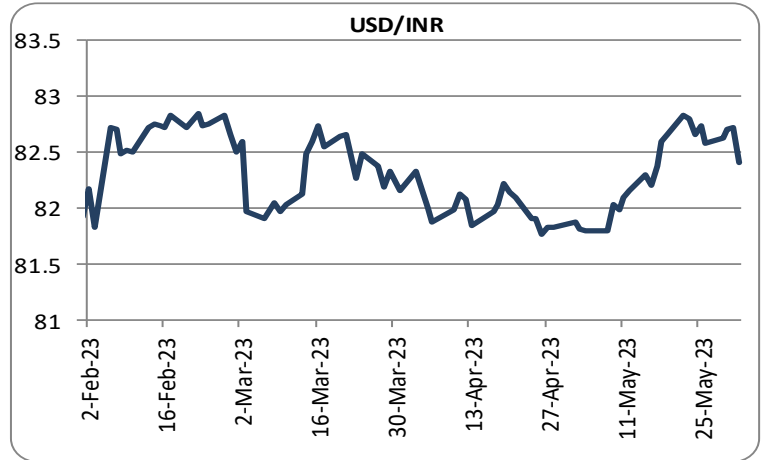
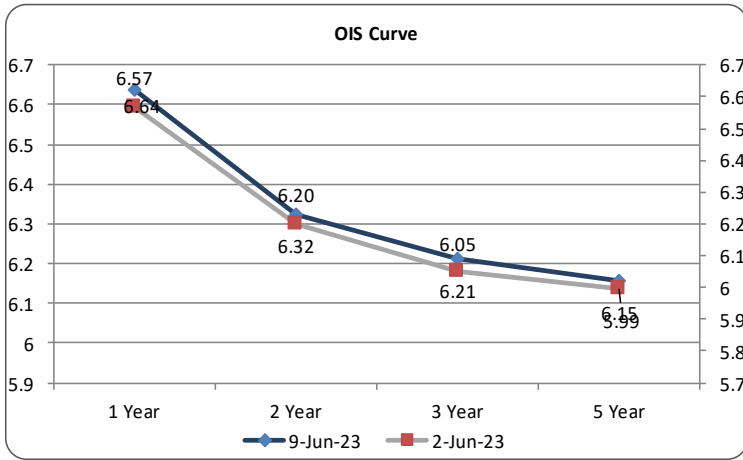
DEBT			
	Gross Purchase	Gross Sales	Net Investment
FII			
9-Jun-23	1220	1496	-277

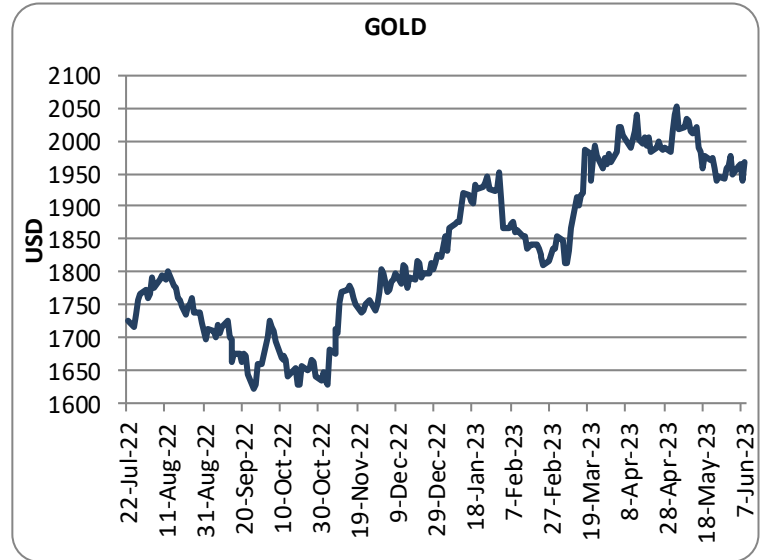
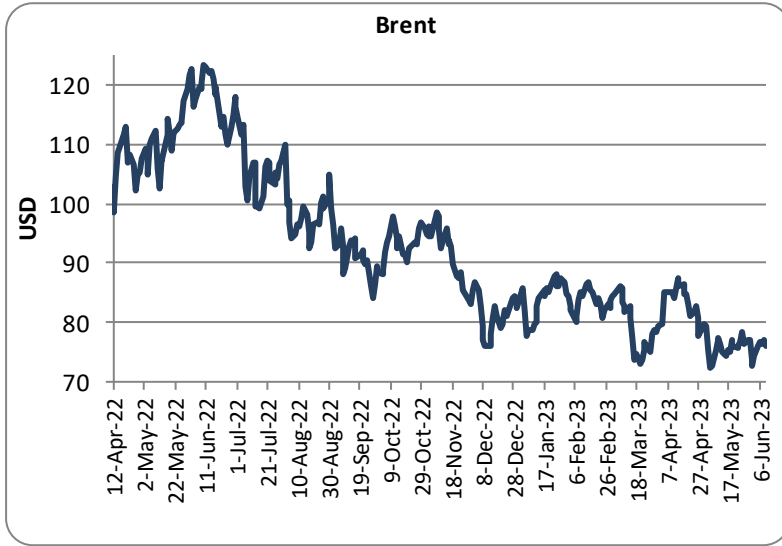
EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	8292	7680	613

TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	9512	9176	336

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-23	6.1	4.4
CAD (\$ Bn)	Dec-22	-18.2	-30.9
Trade Deficit (\$ Bn)	Dec-22	-72.7	-78.3
WPI (%)	Apr-23	-0.9	1.3
CPI (%)	Apr-23	4.7	5.7
IIP (%)	Mar-23	1.1	5.6
PMI Manufacturing	May-23	58.7	57.2
PMI Service	May-23	61.2	62

Economic Calender	Country	Date	Poll	Prior
Repo Rate	India	8-Jun-23	6.5	6.5
GDP YY	Euro Zone	08-Jun-23	1.20	1.30
CPI	China	09-Jun-23	-	0.10
CPI	Russia	09-Jun-23	2.40	2.30
CPI	Germany	13-Jun-23	-	6.10
GDP YY	UK	14-Jun-23	-	0.30
WPI	India	14-Jun-23	-	(0.92)
Retail Sales	Brazil	14-Jun-23	-	3.20





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

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