



BONDWATCH

INDIA

Daily

April 10, 2023

Indian government bond yields edged higher on Monday as traders continued to book profits after the Reserve Bank of India's rate pause, though the benchmark bond yield remained near its lowest level in over four months.

The 10-year benchmark 7.26% 2032 bond yield ended at 7.2313% after closing at 7.2120% on Thursday, which was its lowest since December 1. Banks, especially state-run lenders, have been booking profit since Thursday, after the RBI in a surprise move maintained status quo on the repo rate at 6.50%, following six consecutive hikes.

Most market participants now expect a prolonged pause, even though RBI Governor Shaktikanta Das said the Thursday's decision was "a pause and not a pivot." Meanwhile, the overnight indexed swap rates are pricing in interest rate cuts by the RBI before the end of 2023.

U.S. yields rose after strong economic data raised bets of another rate hike by the Federal Reserve in May. The 10-year U.S. yield was at 3.36%, up seven basis points from its previous close.

The Indian rupee weakened 0.11% versus the U.S. dollar, and quoted at 81.98 per dollar after recent U.S. data bolstered bets of another Federal Reserve rate hike.

Oil prices appear to have regained some stability after soaring early last week, with Brent trading close to \$85.

Repo: The weighted average call rates in the interbank segment decreased to 6.32% vs 6.40% as on the previous day while that the TREP segment decreased to 6.29% vs 6.39% as on the previous day.

Market Observations

G-sec

- Demand was seen in 10Yr SDLs @7.55 to 7.58 lvls by pension and insurance companies.
- Demand was seen in 1yr Tbill @7.03 lvls and in sep Tbills @7.00 lvls.
- Demand was seen in 5year SDLs by MFs @7.28 to 7.30 lvls.

Corporate Bonds

- Mutual funds were active throughout the day.

CP/CD

- Demand was seen across tenor

GOI Yield	10-Apr	6-Apr	3-Apr	10-Mar
1 Year	7.040	7.060	7.200	7.380
5 Year	7.043	7.013	7.188	7.398
10 Year	7.231	7.212	7.314	7.432

AAA Bmk	10-Apr	6-Apr	3-Apr	10-Mar
1 Year	0.00	7.60	7.65	7.97
5 Year	0.00	7.50	7.68	7.90
10 Year	0.00	7.63	7.70	7.85

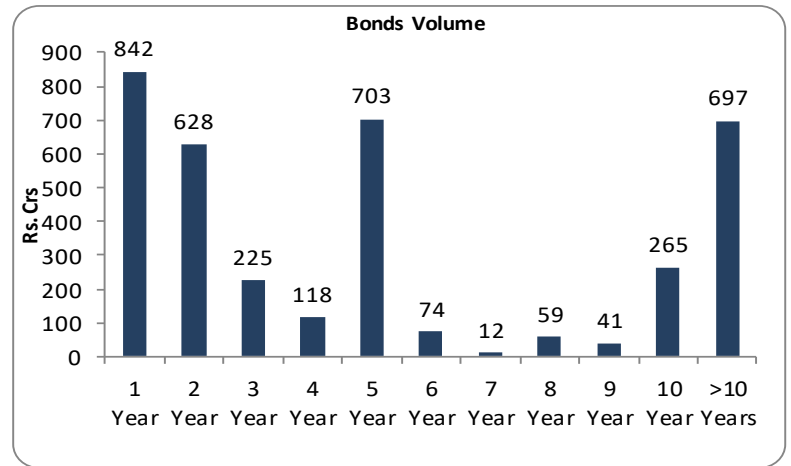
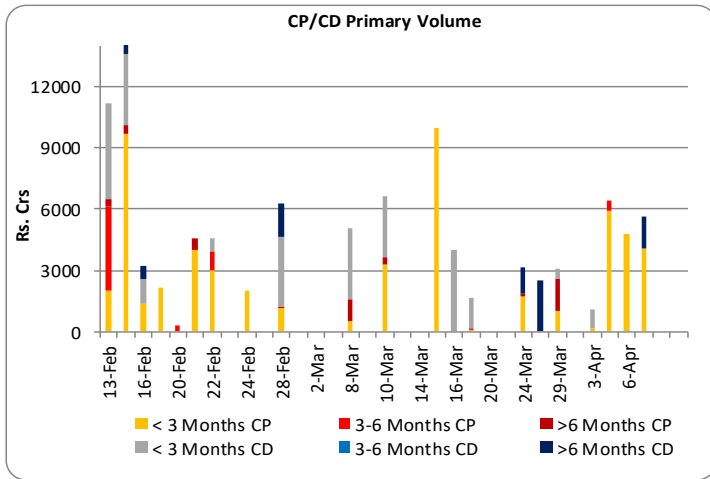
CD	10-Apr	6-Apr	3-Apr	10-Mar
3 Month	7.05	7.10	7.20	7.45
6 Month	7.25	7.30	7.40	7.65
1 Year	7.50	7.40	7.50	7.85

CP	10-Apr	6-Apr	3-Apr	10-Mar
3 Month	7.10	7.20	7.30	8.00
6 Month	7.30	7.40	7.50	8.20
1 Year	7.60	7.50	7.60	8.30

OIS Rate	10-Apr	6-Apr	3-Apr	10-Mar
1 Year	6.59	6.63	6.86	7.02
2 Year	6.17	6.19	6.44	6.67
3 Year	6.08	6.08	6.33	6.57
5 Year	6.11	6.12	6.34	6.56

	10-Apr	6-Apr	3-Apr	10-Mar
Sensex	59,847	59,833	59,106	59,135
Nifty	17,624	17,599	17,398	17,413
USD/INR	81.98	81.89	82.33	82.04
Gold (USD)	2,002	2,008	1,984	1,868
Oil (USD)	85.02	85.12	84.93	82.78

NDF	10-Apr	6-Apr	3-Apr	10-Mar
3 Month	82.41	82.27	82.64	82.54
1 Year	83.89	83.72	84.18	83.91
2 Year	86.39	86.46	87.00	85.98
3 Year	89.67	89.66	89.75	88.80



10 Year Benchmarks	10-Apr	6-Apr	3-Apr	10-Mar
India	7.23	7.22	7.32	7.43
US	3.37	3.29	3.43	3.70
South Korea	3.24	3.28	3.39	3.58
Russia	10.47	10.45	10.32	10.92
Brazil	12.74	12.74	12.84	13.18
Germany	2.18	2.18	2.24	2.50
China	2.85	2.87	2.87	2.88

Top Traded Securities	Volume	10-Apr	6-Apr	3-Apr	10-Mar
5.74 2026	505	7.02	7.01	7.17	7.39
7.38 2027	120	7.04	7.01	7.19	7.40
7.10 2029	25	7.14	7.10	7.23	7.42
6.54 2032	-	7.25	7.23	7.33	7.45
7.26 2032	-	7.23	7.21	7.31	7.43
7.54 2036	-	7.34	7.30	7.38	7.49

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
5-Apr-23	5289	6380	-1091

EQUITY	Gross Purchase	Gross Sales	Net Investment
	8611	4694	3916

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
13900	11074	2826

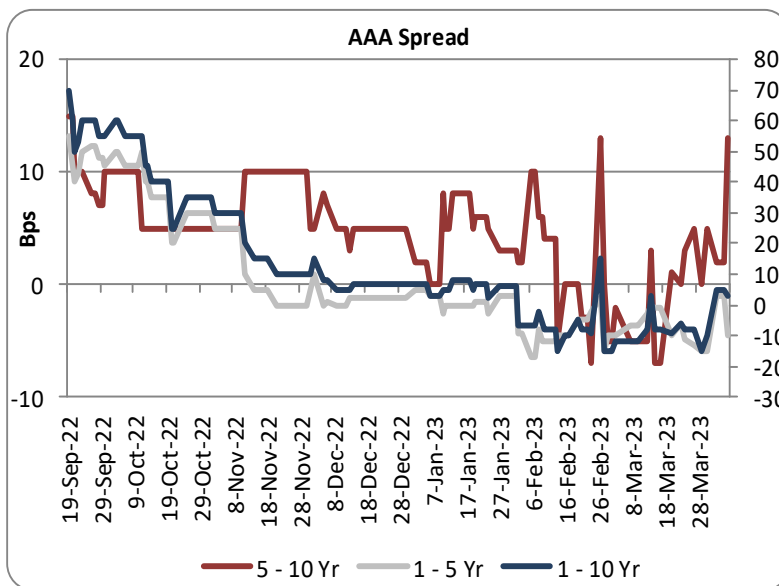
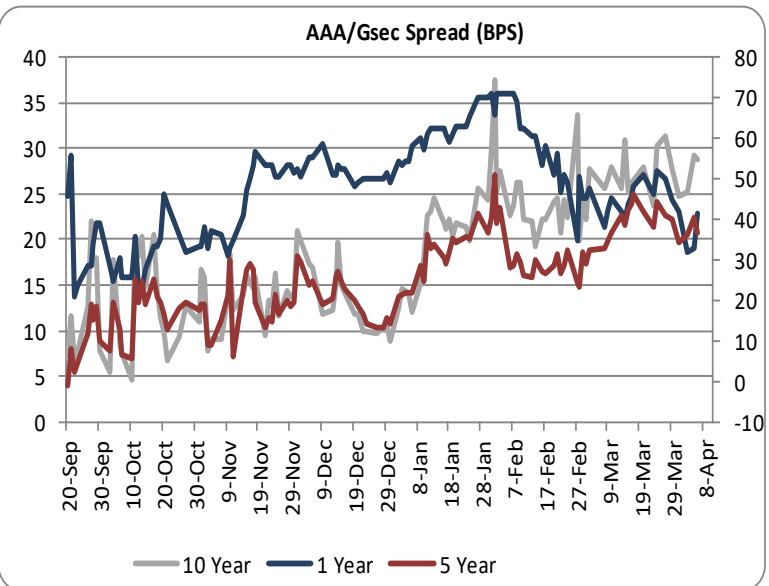
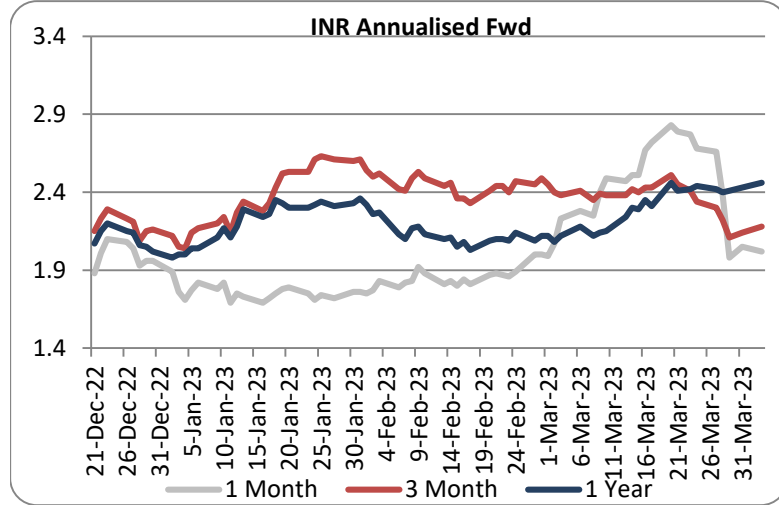
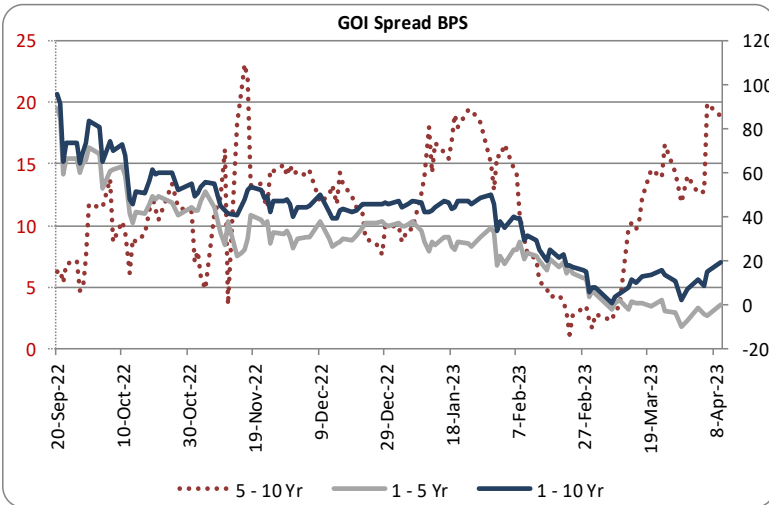
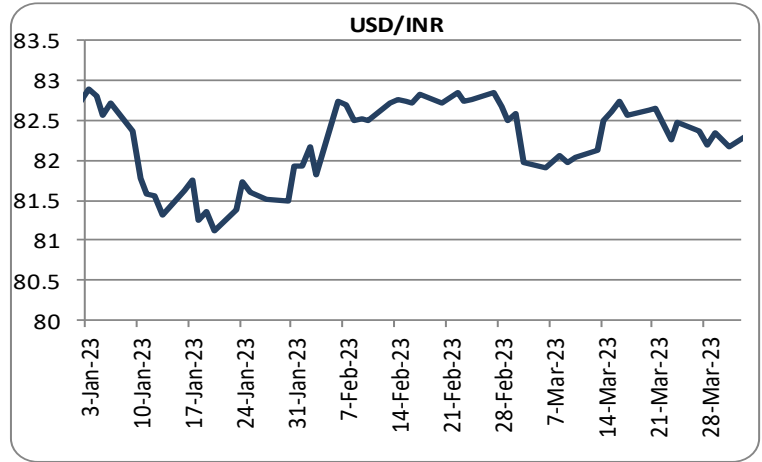
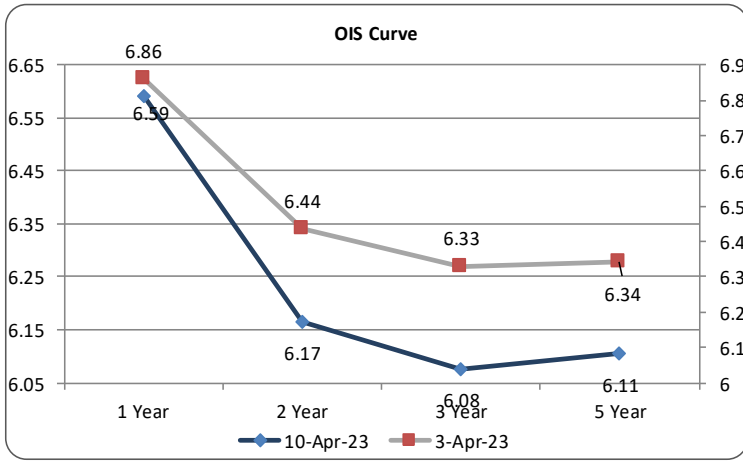
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
10-Apr-23	771	462	309

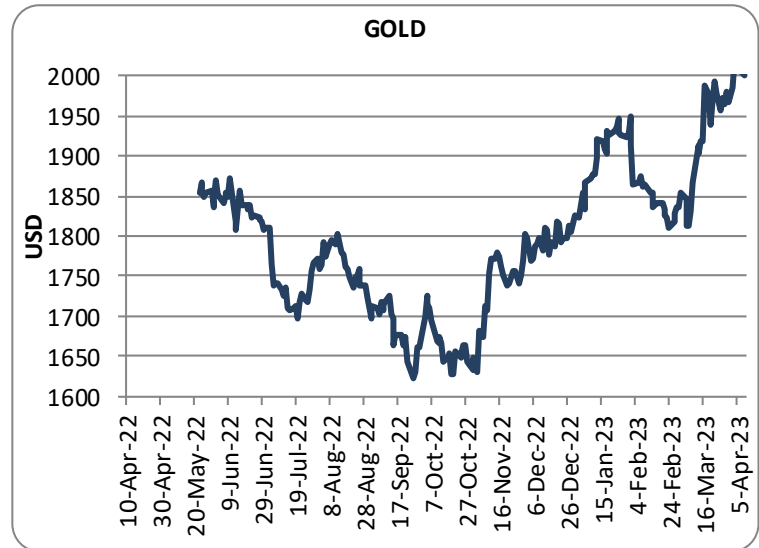
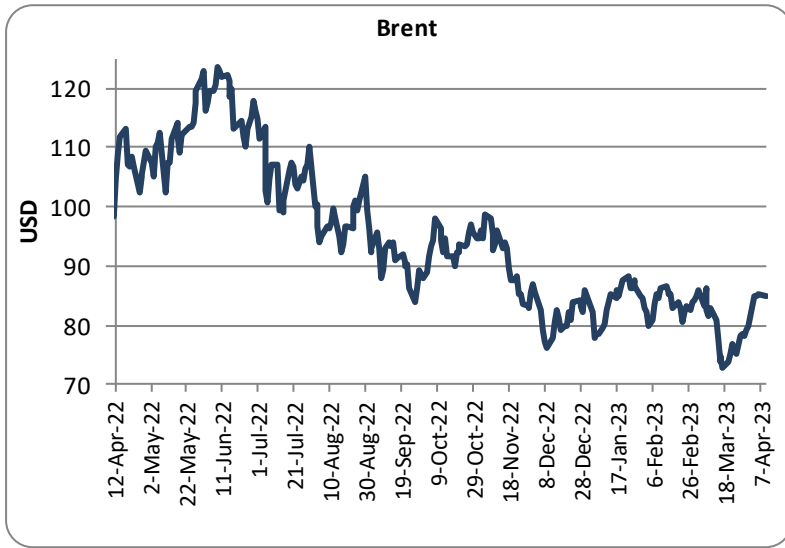
EQUITY	Gross Purchase	Gross Sales	Net Investment
	5647	5192	454

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
6418	5654	763

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 (%)	Feb-23	3.9	4.7
CPI (%)	Feb-23	6.4	6.5
IIP (%)	Jan-23	5.2	4.3
PMI Manufacturing	Mar-23	56.4	55.3
PMI Service	Mar-23	57.8	59.4

Economic Calender	Country	Date	Poll	Prior
Repo Rate	India	06-Apr-23	6.75	6.50
Industrial Production	Germany	06-Apr-23	-	(1.20)
Unemployment Rate	Canada	06-Apr-23	5.10	5.00
Unemployment Rate	USA	07-Apr-23	3.60	3.60
Retail Sales	Euro Zone	11-Apr-23	-	(2.30)
Industrial Output	India	12-Apr-23	-	5.20
CPI	USA	12-Apr-23	-	6.00
	0	00-Jan-00	-	-





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

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