



BONDWATCH

Daily

October 10, 2023

INDIA

Indian government bond yields settled lower on Tuesday as the recent surge in yields made fresh investments attractive and as U.S. Treasury rates came off highs.

However, the fall in yields was capped as caution prevailed on the Reserve Bank of India's plan to sell bonds to contain banking system liquidity.

The benchmark 10-year bond yield closed at 7.3471% after ending the previous session at 7.3806%. The yield rose 17 basis points in the last two sessions.

Market participants keenly await the timing and the choice of papers that will be up for sale at the so-called open market operations

Meanwhile, global pressures on bonds eased marginally. The 10-year U.S. benchmark made their sharpest rally in more than a month on Tuesday amid demand for safe assets following the military conflict in the Middle East.

The 10-year U.S. yield was at 4.7028% against Friday's close of 4.887%, which was the highest since 2007.

Crude oil prices also eased after rallying more than 4% in the previous session.

The Indian rupee strengthened 0.02% versus the U.S. dollar, and quoted at 83.2450 per dollar amid a decline in U.S. Treasury yields and concerns over high crude oil prices following the Middle East conflict.

Repo: The weighted average call rates in the interbank segment decreased to 6.70% vs 6.71% as on the previous day while that the TREP segment increased to 6.74% vs 6.73% as on the previous day.

GOI Yield	10-Oct	9-Oct	4-Oct	11-Sep
1 Year	7.100	7.110	7.110	6.988
5 Year	7.390	7.428	7.257	7.258
10 Year	7.347	7.381	7.237	7.246

AAA Bmk	10-Oct	9-Oct	4-Oct	11-Sep
1 Year	7.54	7.54	7.71	7.50
5 Year	7.80	7.80	7.72	7.68
10 Year	7.75	7.75	7.65	7.63

CD	10-Oct	9-Oct	4-Oct	11-Sep
3 Month	7.15	7.15	7.05	7.02
6 Month	7.35	7.35	7.35	7.25
1 Year	7.60	7.60	7.55	7.50

CP	10-Oct	9-Oct	4-Oct	11-Sep
3 Month	7.25	7.25	7.15	7.12
6 Month	7.45	7.45	7.40	7.35
1 Year	7.70	7.70	7.65	7.60

OIS Rate	10-Oct	9-Oct	4-Oct	11-Sep
1 Year	7.03	7.05	7.13	7.08
2 Year	6.82	6.85	6.91	6.84
3 Year	6.81	6.85	6.90	6.77
5 Year	6.84	6.89	6.90	6.80

	10-Oct	9-Oct	4-Oct	11-Sep
Sensex	66,079	65,512	65,226	67,127
Nifty	19,690	19,512	19,436	19,996
USD/INR	83.25	83.26	83.24	83.03
Gold (USD)	1,856	1,861	1,821	1,922
Oil (USD)	87.75	88.15	85.81	90.64

NDF	10-Oct	9-Oct	4-Oct	11-Sep
3 Month	83.64	83.78	83.73	83.20
1 Year	84.89	84.99	85.04	84.35
2 Year	87.17	87.13	87.14	86.65
3 Year	89.80	89.73	89.74	89.25

Market Observations

G-sec

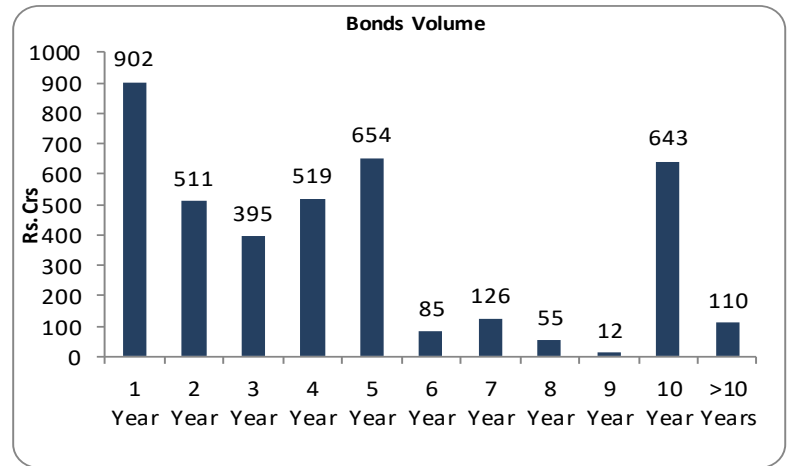
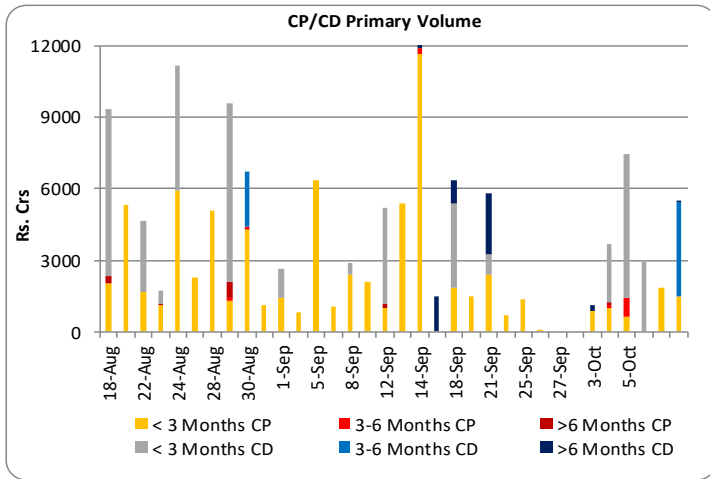
- SDL cut off was a few bps higher than market expectations.
- Selling was seen in 3-year G-sec which got dealt @7.35 centric level, major sellers are PD and foreign banks.
- Selling was seen in the new 30-year G-sec by foreign banks @7.54/7.55 levels.

Corporate Bonds

- Banks, insurance companies and Mutual funds were active in the 2026-28 segment.

CP/CD

- Activity was seen in the 1-3-month segment.



10 Year Benchmarks	10-Oct	9-Oct	4-Oct	11-Sep
India	7.35	7.39	7.24	7.21
US	4.70	4.78	4.74	4.29
South Korea	4.22	4.24	4.35	3.97
Russia	12.40	12.32	12.18	12.58
Brazil	11.81	11.81	11.98	11.29
Germany	2.82	2.77	2.94	2.64
China	2.71	2.70	2.72	2.66

Top Traded Securities	Volume	8-Sep	7-Sep	1-Sep	10-Aug
7.26 2033	2,745	7.20	7.17	7.18	7.15
7.06 2028	1,405	7.26	7.24	7.25	7.30
7.62 2039	-	7.21	7.20	7.19	7.18
7.30 2053	145	7.35	7.33	7.33	7.36
6.64 2035	145	7.17	7.16	7.22	7.24
7.40 2035	160	7.20	7.18	7.24	7.23

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
6-Oct-23	4644	4096	548

EQUITY		
Gross Purchase	Gross Sales	Net Investment
5789	6985	-1196

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
10433	11081	-648

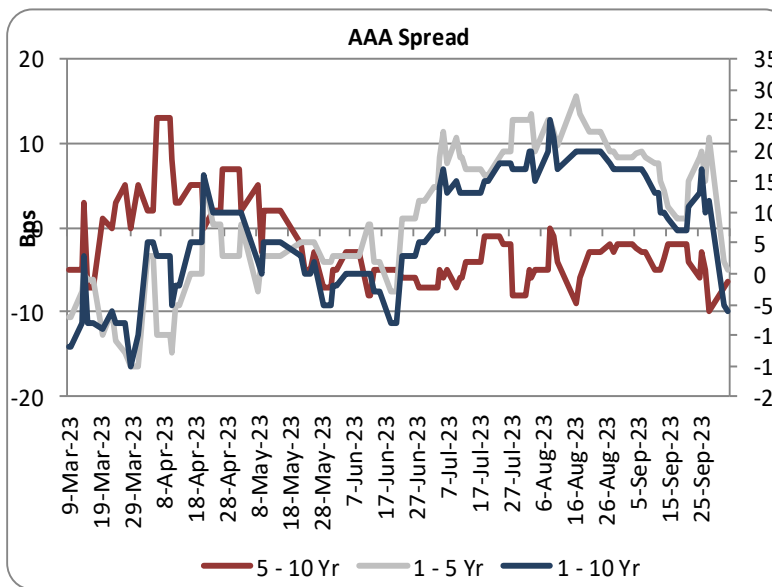
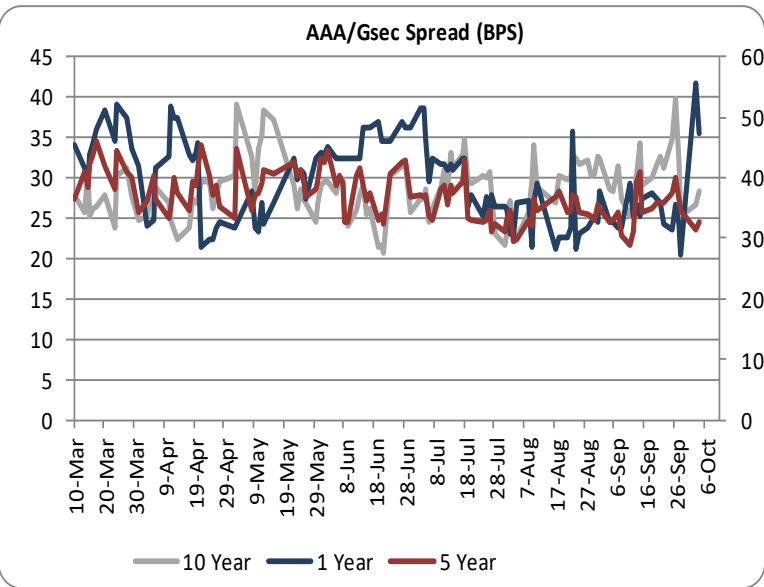
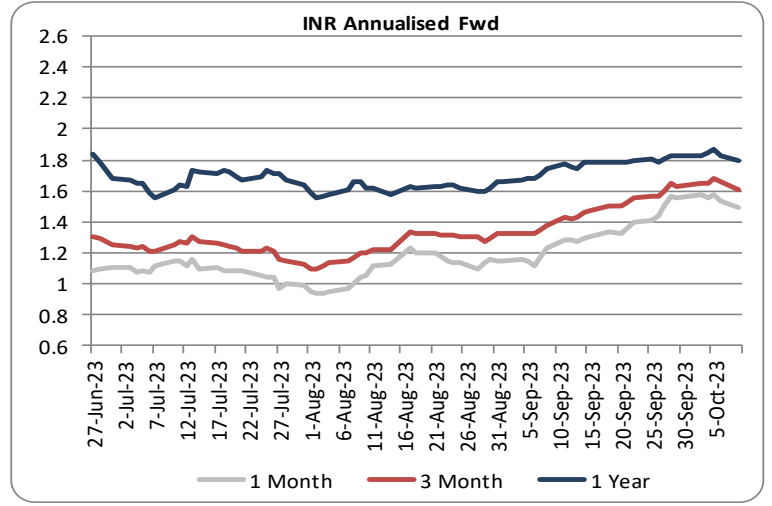
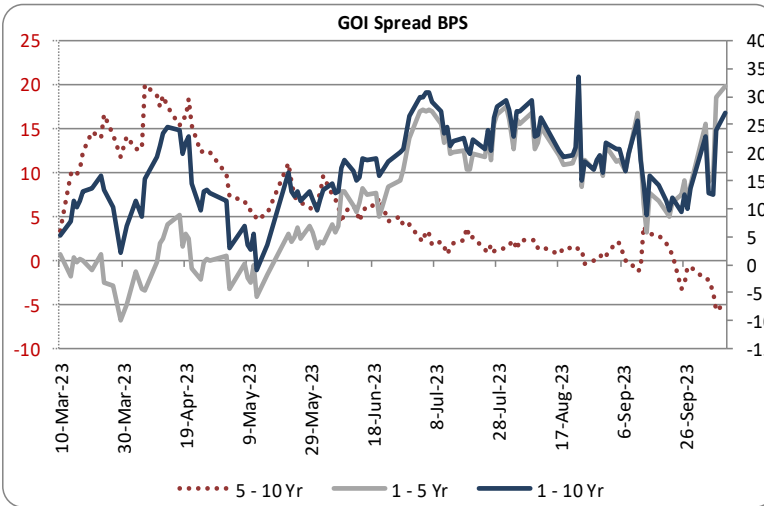
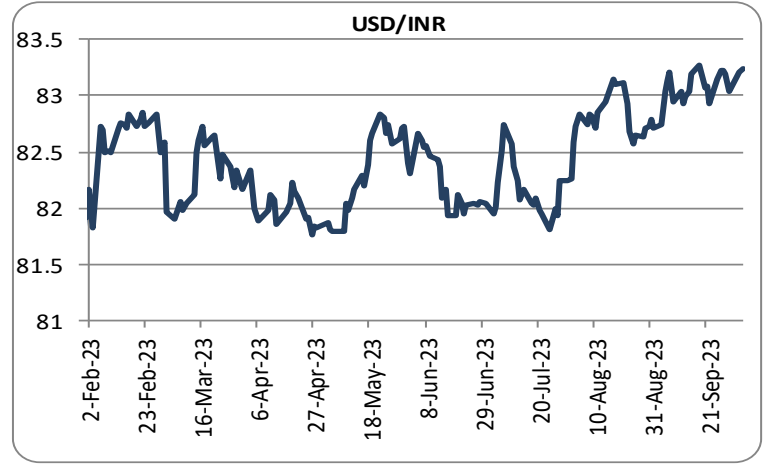
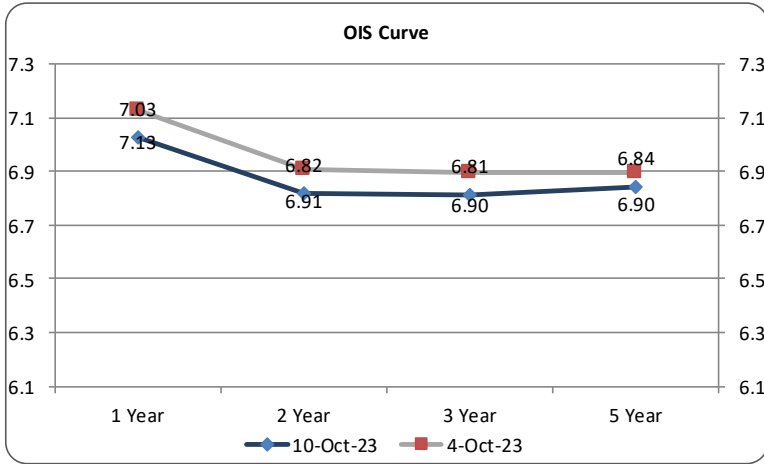
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
10-Oct-23	399	886	-487

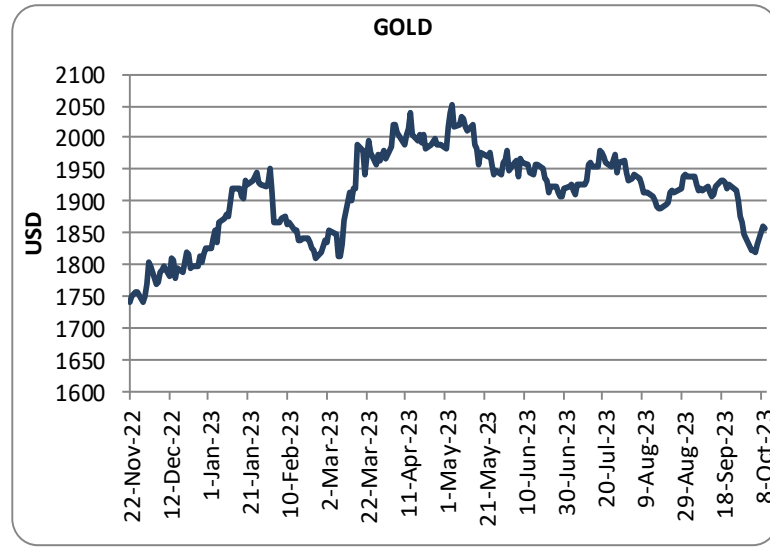
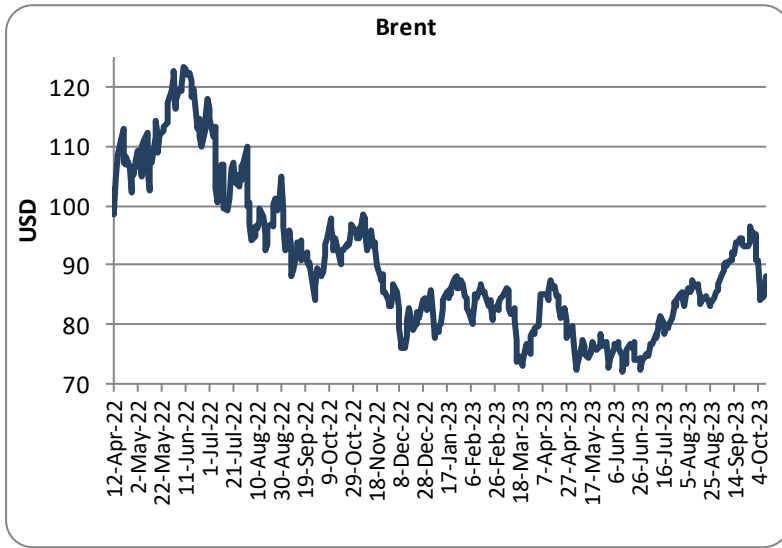
EQUITY		
Gross Purchase	Gross Sales	Net Investment
6848	6075	773

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
7247	6961	286

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-23	7.8	6.1
CAD (\$ Bn)	Jun-23	-9.2	-1.3
Trade Deficit (\$ Bn)	Jun-23	-56.6	-52.6
WPI (%)	Aug-23	-0.5	-1.4
CPI (%)	Aug-23	6.8	7.4
IIP (%)	Jul-23	5.7	3.7
PMI Manufacturing	Sep-23	57.5	58.6
PMI Service	Sep-23	61	60.1

Economic Calender	Country	Date	Poll	Prior
Repo Rate	India	6-Oct-23	6.5	6.5
Unemployment Rate	USA	06-Oct-23	3.70	3.80
Industrial Output	Germany	09-Oct-23	-	(2.25)
CPI	Germany	11-Oct-23	-	4.50
CPI	India	12-Oct-23	-	6.83
CPI	USA	12-Oct-23	-	3.70
CPI	China	13-Oct-23	-	0.10
WPI	India	13-Oct-23	-	(0.52)





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

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