



BONDWATCH

Daily

September 11, 2023

INDIA

Indian government bond yields ended higher on Monday as sharp paying in overnight indexed swap rates soured sentiment, while traders await key inflation prints this week.

The new 10-year benchmark 7.18% 2033 bond yield ended at 7.2135%, after ending the previous session at 7.1774%.

India's overnight index swap rates rose on Monday amid paying interest from offshore investors as well as the triggering of stop losses, which pushed the five-year swap rate to levels last seen in November 2022.

The five-year swap rate jumped to 6.81%, while the one-year swap rate rose to a six-month high of 7.08%.

Meanwhile, U.S. Treasury yields continued to stay elevated, with the 10-year rate at 4.30% amid fears that interest rates will remain higher for longer.

Even though the Federal Reserve is not expected to hike rates next week, the odds of a rate increase in November are nearly 50%.

The benchmark Brent crude oil contract was trading above the \$90-per-barrel mark amid concerns over supply. This could push inflation rate higher.

India's retail inflation likely eased in August from a 15-month high in July but will be above RBI's upper band for a second month.

The Indian rupee weakened 0.11% to quote at 83.03 per U.S. dollar as demand for the greenback from oil companies and importers overshadowed a rally in the Chinese yuan and a softer dollar.

Repo: The weighted average call rates in the interbank segment decreased to 6.67% vs 6.71% as on the previous day while that the TREP segment decreased to 6.68% vs 6.71% as on the previous day.

GOI Yield	11-Sep	8-Sep	4-Sep	11-Aug
1 Year	6.988	7.010	7.000	6.940
5 Year	7.258	7.206	7.184	7.186
10 Year	7.246	7.207	7.205	7.202

AAA Bmk	11-Sep	8-Sep	4-Sep	11-Aug
1 Year	7.50	7.45	7.45	7.45
5 Year	7.68	7.64	7.64	7.66
10 Year	7.63	7.61	7.62	7.62

CD	11-Sep	8-Sep	4-Sep	11-Aug
3 Month	7.02	7.02	7.02	7.00
6 Month	7.25	7.25	7.20	7.20
1 Year	7.50	7.50	7.50	7.50

CP	11-Sep	8-Sep	4-Sep	11-Aug
3 Month	7.12	7.12	7.12	7.10
6 Month	7.35	7.35	7.35	7.30
1 Year	7.60	7.60	7.60	7.60

OIS Rate	11-Sep	8-Sep	4-Sep	11-Aug
1 Year	7.08	7.02	7.00	6.91
2 Year	6.84	6.78	6.73	6.62
3 Year	6.77	6.74	6.66	6.60
5 Year	6.80	6.69	6.63	6.53

	11-Sep	8-Sep	4-Sep	11-Aug
Sensex	67,127	66,599	65,628	65,323
Nifty	19,996	19,820	19,529	19,428
USD/INR	83.03	82.95	82.75	82.85
Gold (USD)	1,925	1,918	1,938	1,913
Oil (USD)	90.36	90.65	89.00	86.81

NDF	11-Sep	8-Sep	4-Sep	11-Aug
3 Month	83.33	83.26	83.00	83.20
1 Year	84.52	84.40	84.09	84.35
2 Year	86.92	86.60	86.29	86.47
3 Year	89.82	89.30	88.99	89.12

Market Observations

G-sec

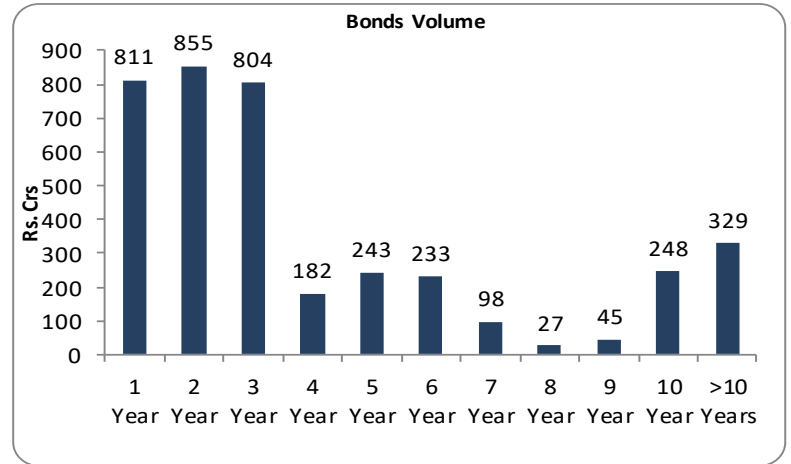
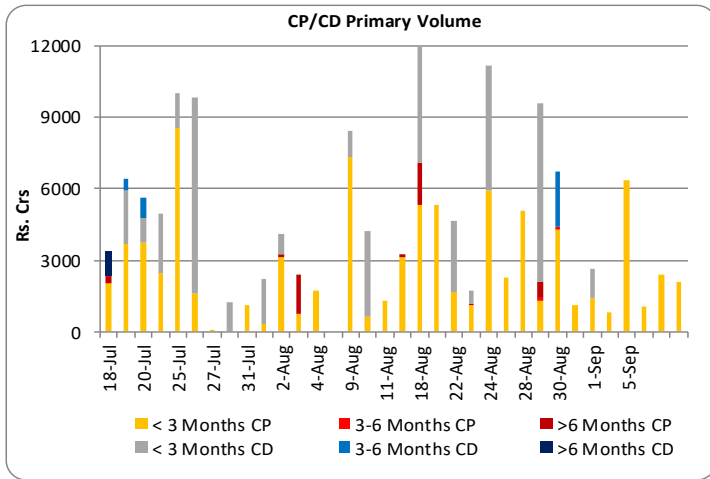
- Selling was seen in the 2 to 4-year G-sec by foreign banks.
- Selling was seen in 7-year G-sec by pension funds and foreign banks.

Corporate Bonds

- Corporates were seen selling in short term maturities up to 1-year.
- Pension funds were active in the longer end.

CP/CD

- Demand was seen in the 3-month segment.



10 Year Benchmarks	11-Sep	8-Sep	4-Sep	11-Aug
India	7.21	7.20	7.20	7.20
US	4.30	4.26	4.17	4.17
South Korea	3.97	3.90	3.86	3.83
Russia	12.57	12.60	12.11	11.78
Brazil	11.34	11.34	11.16	10.95
Germany	2.64	2.60	2.58	2.62
China	2.66	2.67	2.65	2.65

Top Traded Securities	Volume	8-Sep	7-Sep	1-Sep	10-Aug
7.26 2033	16,485	7.20	7.17	7.18	7.15
7.06 2028	2,150	7.26	7.24	7.25	7.30
7.62 2039	-	7.21	7.20	7.19	7.18
7.30 2053	960	7.35	7.33	7.33	7.36
6.64 2035	1,240	7.17	7.16	7.22	7.24
7.40 2035	-	7.20	7.18	7.24	7.23

	DEBT		
	Gross Purchase	Gross Sales	Net Investment
MF			
23-Aug-23	5219	4778	441

	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	8538	8569	-31

	TOTAL (Rs.Crs)		
	Gross Purchase	Gross Sales	Net Investment
	13757	13346	410

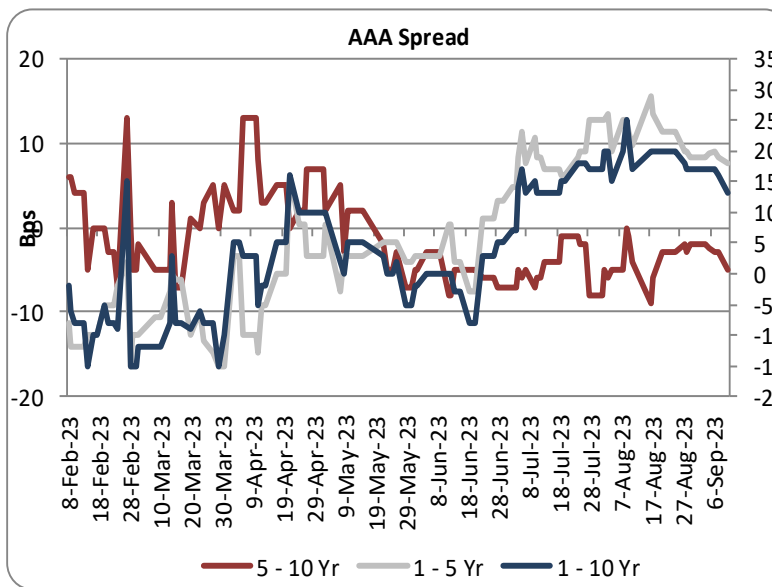
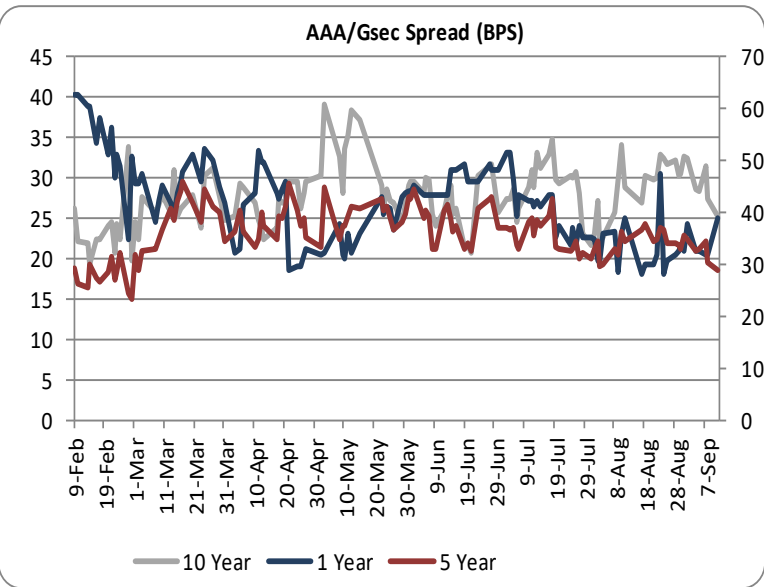
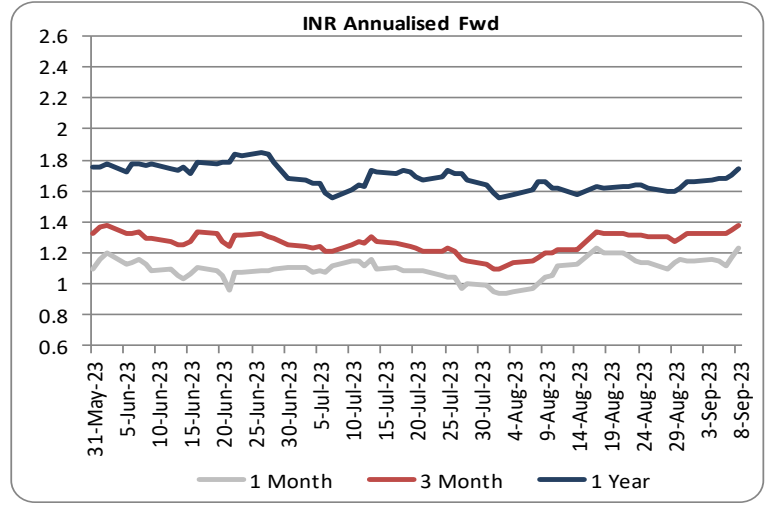
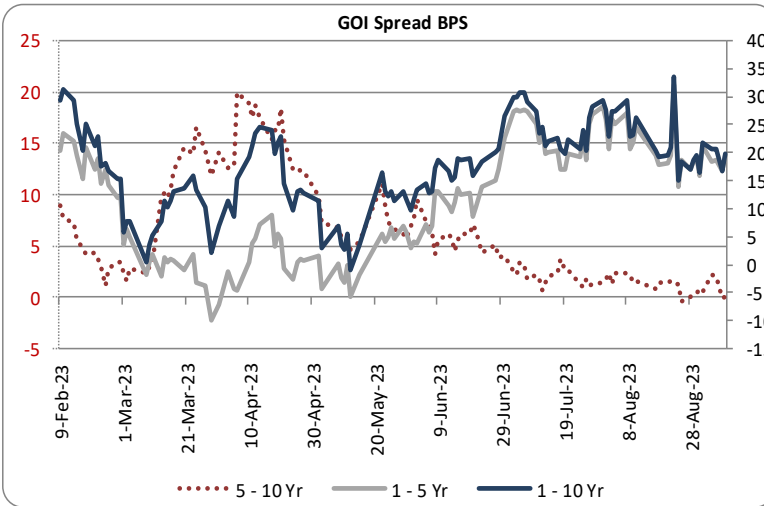
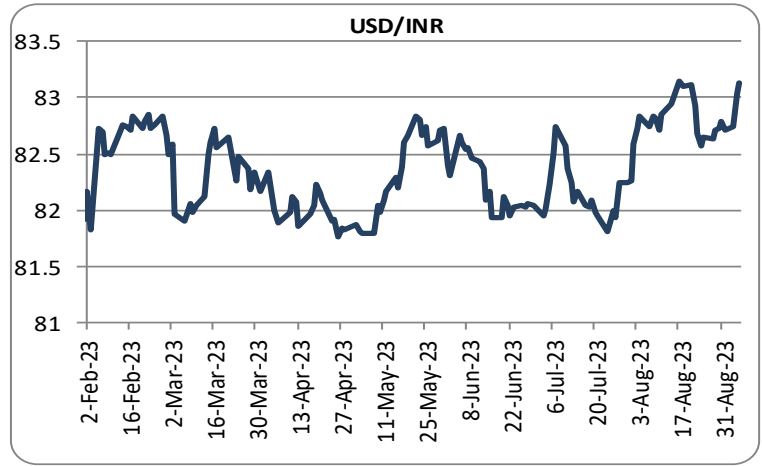
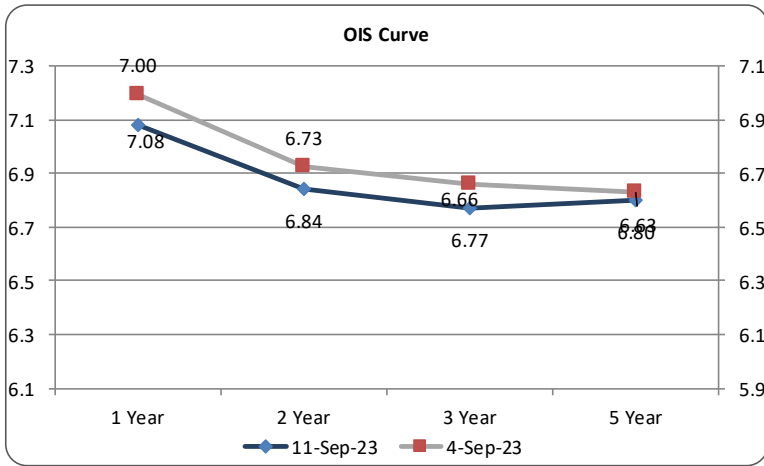
	DEBT		
	Gross Purchase	Gross Sales	Net Investment
FII			
11-Sep-23	550	544	7

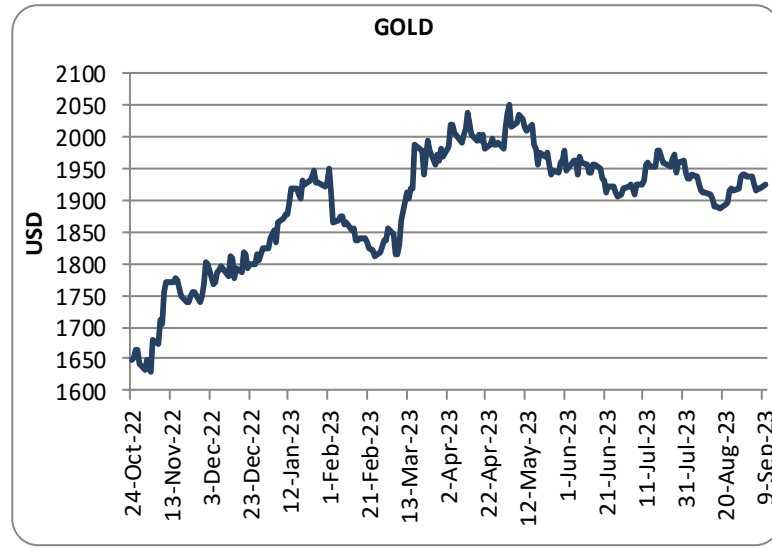
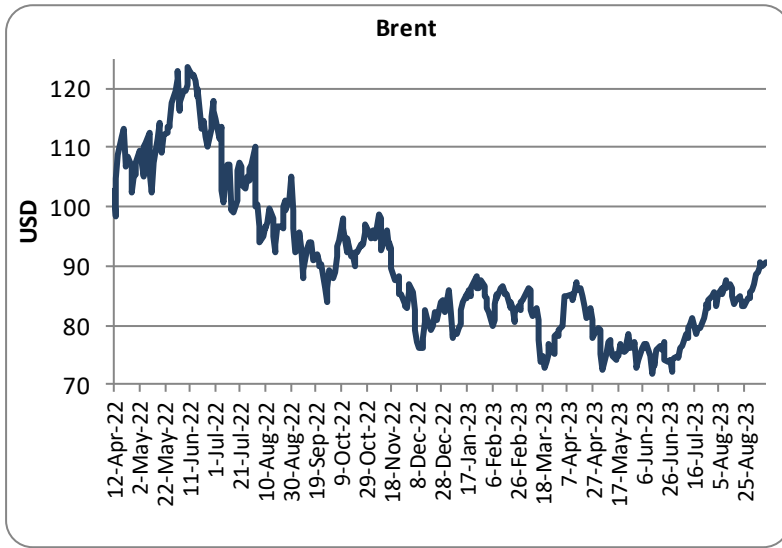
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	9886	9984	-97

	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
	10437	10527	-90

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-23	7.8	6.1
CAD (\$ Bn)	Mar-23	-1.3	-16.8
Trade Deficit (\$ Bn)	Mar-23	-52.6	-72.7
WPI (%)	Jul-23	-1.4	-4.1
CPI (%)	Jul-23	7.4	4.9
IIP (%)	Jun-23	3.7	5.2
PMI Manufacturing	Aug-23	58.6	57.7
PMI Service	Aug-23	60.1	62.3

Economic Calender	Country	Date	Poll	Prior
GDP	Brazil	1-Sep-23	2.7	4
Industrial Output	Brazil	05-Sep-23	-	0.30
Real GDP	Australia	06-Sep-23	-	2.30
Retail Sales	Euro Zone	06-Sep-23	-	(1.40)
Industrial Production	Germany	07-Sep-23	-	(1.83)
CPI	Germany	08-Sep-23	-	6.10
CPI	China	09-Sep-23	-	(0.30)
CPI	India	12-Sep-23	-	7.44





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

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