



# BONDWATCH

INDIA

Daily

April 12, 2023

Indian government bond yields ended marginally lower on Wednesday, as markets kept their focus on the March inflation reading from the U.S. as well as at home, both due later in the day.

The 10-year benchmark 7.26% 2032 bond yield ended at 7.2134%, after closing at 7.2224% on Tuesday. Indian financial markets will be shut on Friday.

India's consumer inflation likely eased in March to 5.80%, dipping below the Reserve Bank of India's (RBI) upper tolerance limit of 6% for the first time in 2023. The data will follow RBI's surprise move last week to hold its key interest rate steady at 6.50%, against analyst expectations of a 25 bps hike.

The RBI will likely keep interest rates unchanged at least until the end of this fiscal year as it evaluates the delayed impact of previous hikes on economic growth and high inflation.

Meanwhile, the U.S. consumer inflation is the last print before the next U.S. Federal Reserve meeting on May 2-3. The data will play a pivotal role in the Fed's decision, with the odds of a 25-basis point (bps) hike rising to over 71%.

The Indian rupee strengthened 0.06% versus the U.S. dollar, and quoted at 82.0775 per dollar, as caution prevailed prior to an inflation report that would influence the Federal Reserve's next policy move.

Repo: The weighted average call rates in the interbank segment remained same at 6.31% vs 6.31% as on the previous day while that the TREP segment decreased to 6.27% vs 6.28% as on the previous day.

## Market Observations

### G-sec

- Demand was seen in 10Yr SDLs by banks and life insurance company @7.58 levels.
- Demand was seen in 10Yr illiquid Gsec. Major buyer pension fund and insurance companies.
- Tbill cut off was in line with market expectation.

### Corporate Bonds

- MF's were active on the buying and selling side in the 2-3-year segment.
- Banks were on the selling side in the 5-year segment and on the buying side in 1-year segment.
- In the longer segment insurance companies were selling and pension funds were on the buying side.

### CP/CD

- Demand was seen in 3-month and 1-year segment.

GOI Yield	12-Apr	11-Apr	6-Apr	13-Mar
1 Year	6.980	7.010	7.060	7.280
5 Year	7.026	7.047	7.013	7.260
10 Year	7.213	7.222	7.212	7.358

AAA Bmk	12-Apr	11-Apr	6-Apr	13-Mar
1 Year	0.00	7.65	7.60	7.83
5 Year	0.00	7.52	7.50	7.80
10 Year	0.00	7.60	7.63	7.75

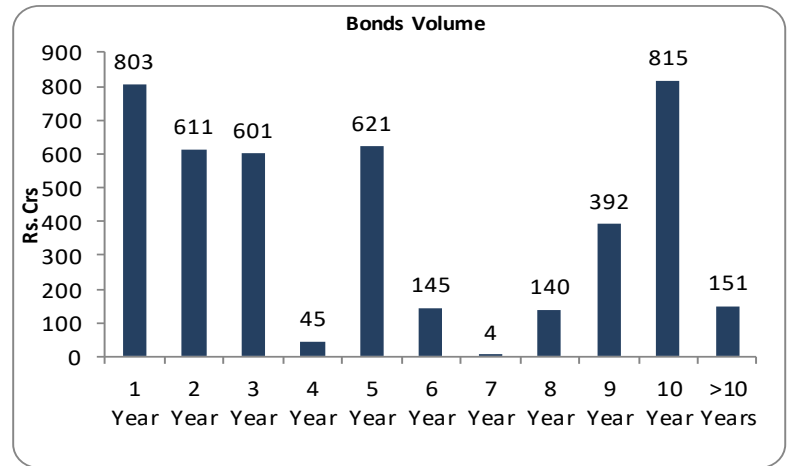
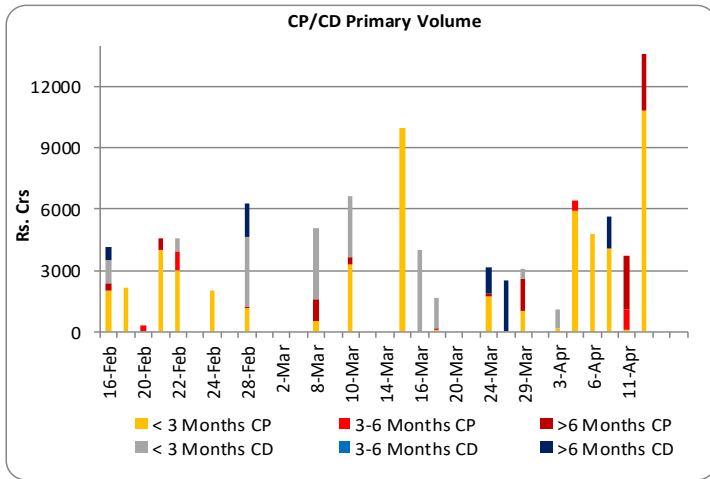
CD	12-Apr	11-Apr	6-Apr	13-Mar
3 Month	7.05	7.05	7.10	7.45
6 Month	7.35	7.25	7.30	7.65
1 Year	7.50	7.50	7.40	7.85

CP	12-Apr	11-Apr	6-Apr	13-Mar
3 Month	7.15	7.10	7.20	7.55
6 Month	7.45	7.30	7.40	7.75
1 Year	7.60	7.60	7.50	8.05

OIS Rate	12-Apr	11-Apr	6-Apr	13-Mar
1 Year	6.59	6.60	6.63	6.86
2 Year	6.19	6.20	6.19	6.48
3 Year	6.10	6.11	6.08	6.41
5 Year	6.12	6.13	6.12	6.41

	12-Apr	11-Apr	6-Apr	13-Mar
Sensex	60,393	60,158	59,833	58,238
Nifty	17,812	17,722	17,599	17,154
USD/INR	82.08	82.13	81.89	82.12
Gold (USD)	2,008	2,003	2,008	1,913
Oil (USD)	85.57	85.61	85.12	80.77

NDF	12-Apr	11-Apr	6-Apr	13-Mar
3 Month	82.50	82.47	82.27	82.92
1 Year	84.05	84.02	83.72	84.28
2 Year	86.46	86.48	86.46	86.37
3 Year	89.76	89.78	89.66	89.02



10 Year Benchmarks	12-Apr	11-Apr	6-Apr	13-Mar
India	7.21	7.22	7.22	7.37
US	3.44	3.43	3.29	3.52
South Korea	3.26	3.26	3.28	3.40
Russia	10.52	10.47	10.45	10.95
Brazil	12.59	12.49	12.74	12.94
Germany	2.32	2.30	2.18	2.28
China	2.82	2.83	2.87	2.88

Top Traded Securities	Volume	12-Apr	11-Apr	6-Apr	13-Mar
5.74 2026	400	7.02	7.04	7.01	7.25
7.38 2027	-	7.03	7.05	7.01	7.26
7.10 2029	-	7.12	7.14	7.10	7.34
6.54 2032	-	7.24	7.25	7.23	7.38
7.26 2032	25	7.21	7.22	7.21	7.36
7.54 2036	15	7.35	7.35	7.30	7.45

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

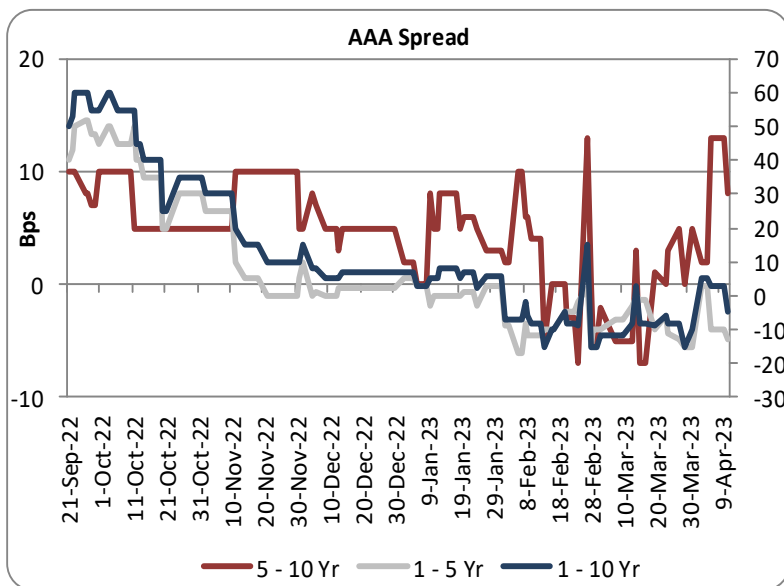
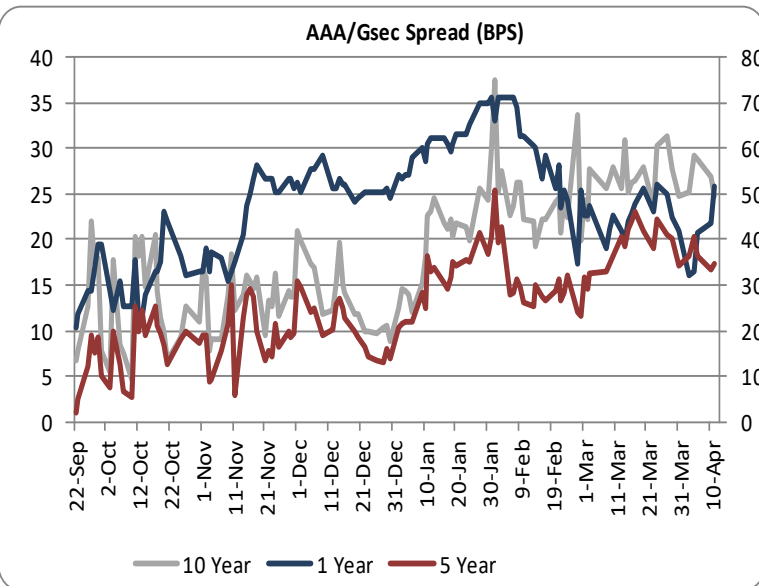
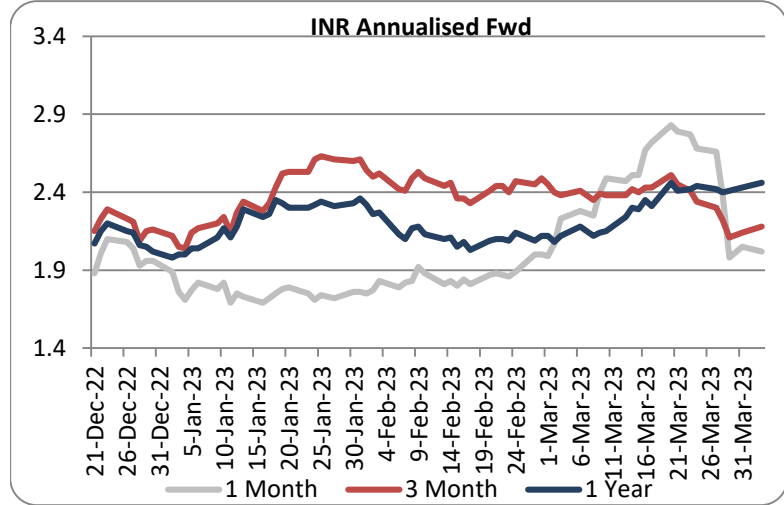
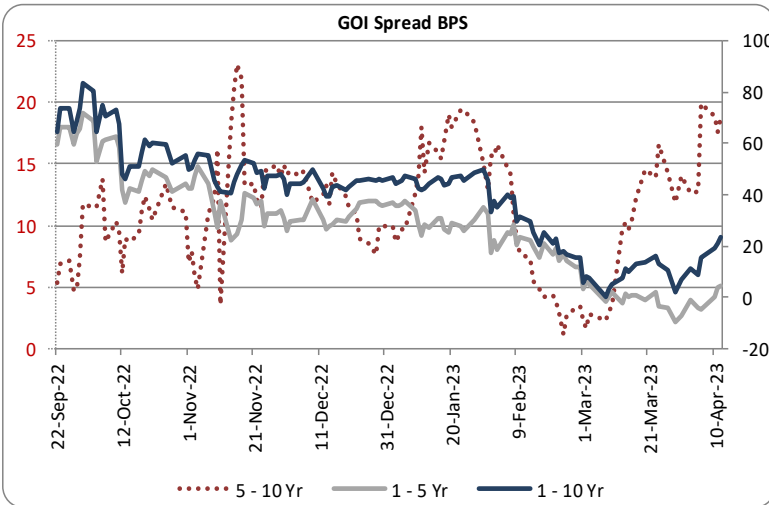
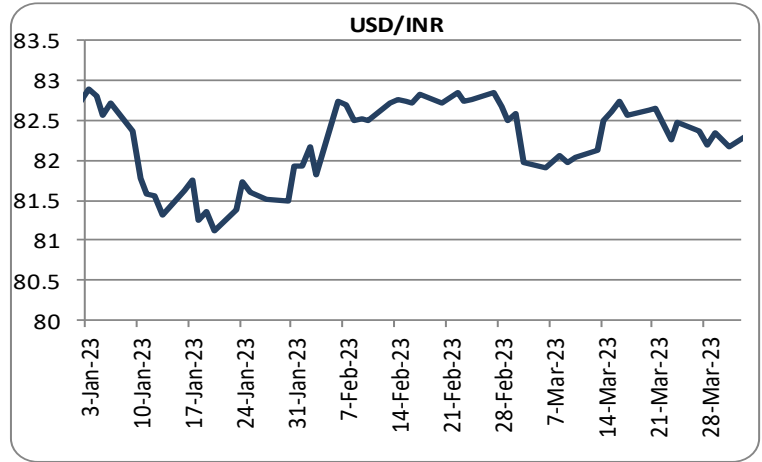
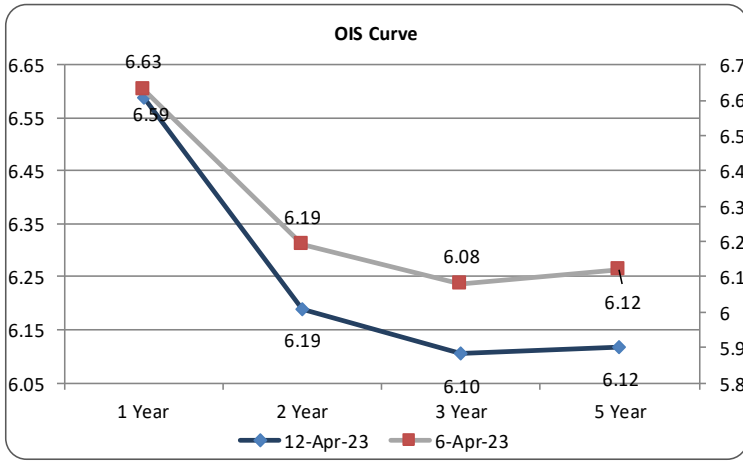
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
12-Apr-23	848	1289	-442

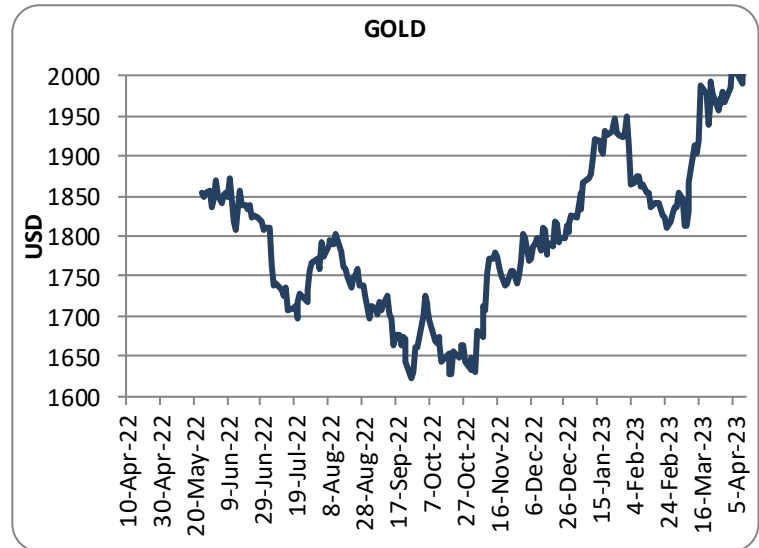
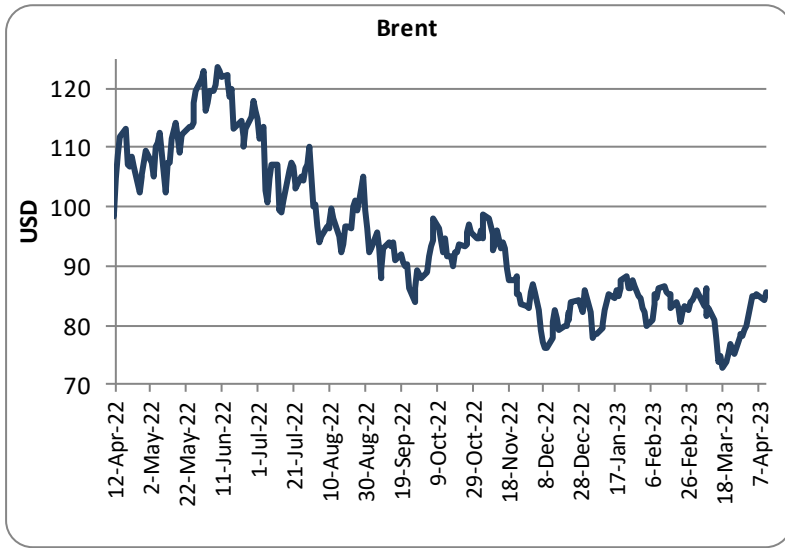
EQUITY	Gross Purchase	Gross Sales	Net Investment
	7096	6065	1030

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
7943	7355	589

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
CPI	India	12-Apr-23	-	6.44
Industrial Output	India	12-Apr-23	-	5.20
CPI	USA	12-Apr-23	-	6.00
CPI	Russia	12-Apr-23	3.40	11.00
GDP	UK	13-Apr-23	0.30	-
WPI	India	14-Apr-23	1.87	3.85
Industrial Output	China	18-Apr-23	-	2.40
CPI	UK	19-Apr-23	-	10.40





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

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