



BONDWATCH

Daily

March 12, 2024

INDIA

Indian government bond yields consolidated after a fall in the previous session and settled little changed on Tuesday, with market participants shifting focus on key inflation prints due after market hours.

The benchmark 10-year yield ended at 7.0274%, following its previous close at 7.0147%.

Bond yields witnessed a decline recently, with the benchmark bond yield easing to 7.0056% on Monday, the lowest level in nine months, as U.S. Treasury yields witnessed a constant drop. Even as U.S. yields continued their downtrend, a fall in local bond yields was capped amid constant profit booking.

India Feb'24 inflation reading came at 5.09% a bit higher than market expectations of 5.02%.

The 10-year U.S. yield stayed below 4.10%, after recently hitting 4.35%, with traders keenly eyeing the U.S. inflation data due later in the day.

This would be the last major economic data before the Federal Reserve's policy decision next week. The odds for a rate cut in June stand at around 69%, up from 64% last week.

During the day, Indian states raised 355.44 billion rupees (\$4.30 billion) through the sale of bonds at cut-off yields, in line with estimates.

The Indian rupee weakened 0.01% versus the U.S. dollar, and quoted at 82.77 per dollar, ahead of crucial U.S. consumer inflation data, which will help investors gauge the timing of interest rate cuts by the Federal Reserve.

Repo: The weighted average call rates in the interbank segment decreased to 6.51% vs 6.59% as on the previous day while that the TREP segment decreased to 6.46% vs 6.67% as on the previous day.

GOI Yield	12-Mar	11-Mar	5-Mar	13-Feb
1 Year	7.080	7.070	7.100	7.125
5 Year	7.030	7.026	7.060	7.074
10 Year	7.027	7.015	7.057	7.100

AAA Bmk	12-Mar	11-Mar	5-Mar	13-Feb
1 Year	7.83	7.85	7.85	8.00
5 Year	7.57	7.57	7.64	7.65
10 Year	7.55	7.55	7.55	7.60

CD	12-Mar	11-Mar	5-Mar	13-Feb
3 Month	7.62	7.62	7.65	7.90
6 Month	7.70	7.70	7.70	7.90
1 Year	7.65	7.65	7.75	7.85

CP	12-Mar	11-Mar	5-Mar	13-Feb
3 Month	7.80	7.80	7.80	8.00
6 Month	7.85	7.85	7.85	8.00
1 Year	7.85	7.85	7.90	8.00

OIS Rate	12-Mar	11-Mar	5-Mar	13-Feb
1 Year	6.71	6.70	6.74	6.70
2 Year	6.37	6.36	6.43	6.40
3 Year	6.32	6.30	6.37	6.36
5 Year	6.27	6.25	6.33	6.32

	12-Mar	11-Mar	5-Mar	13-Feb
Sensex	73,668	73,503	73,677	71,555
Nifty	22,336	22,333	22,356	21,743
USD/INR	82.77	82.76	82.90	83.00
Gold (USD)	2,171	2,182	2,128	1,992
Oil (USD)	82.36	82.21	82.04	82.77

NDF	12-Mar	11-Mar	5-Mar	13-Feb
3 Month	82.97	82.93	83.02	83.39
1 Year	84.13	84.09	84.24	84.60
2 Year	86.29	86.29	86.40	86.87
3 Year	88.94	88.94	88.85	89.52

Market Observations

G-sec

- Selling was seen in 8 to 10-year illiquid G-sec by banks @7.06 centric levels.

- SDL cut off was in line with market expectations, size was traded in 2036 SDL @7.37 levels. Major buyers were insurance companies and pension funds.

Corporate Bonds

- Major activity was seen in 2024-2026 segment.

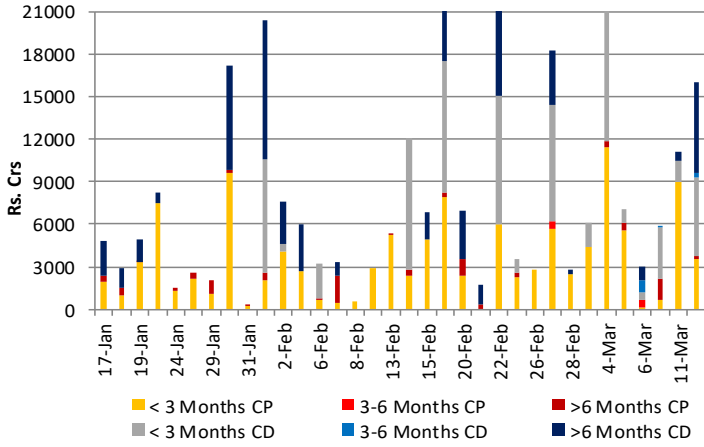
- Mutual funds were active on both sides.

CP/CD

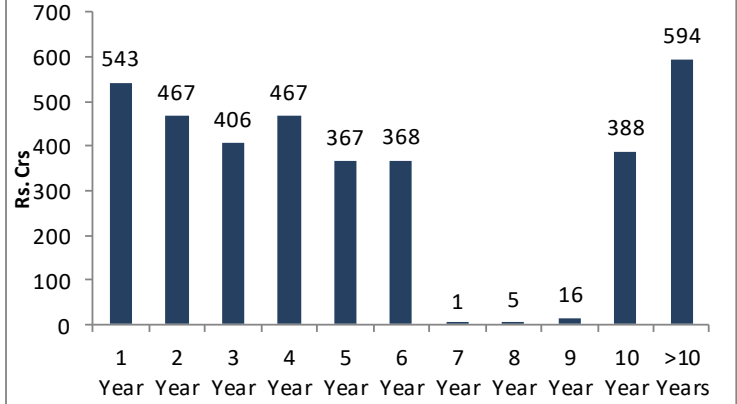
- Major activity was seen in the 3-month segment.



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	12-Mar	11-Mar	5-Mar	13-Feb
India	7.03	7.01	7.06	7.10
US	4.09	4.10	4.14	4.32
South Korea	3.34	3.34	3.41	3.46
Russia	13.28	13.26	13.11	12.50
Brazil	10.82	10.82	10.65	10.68
Germany	2.29	2.30	2.32	2.39
China	2.36	2.31	2.34	2.46

Top Traded Securities	Volume	5-Mar	4-Mar	27-Feb	5-Feb
7.26 2033	250	7.09	7.10	7.10	7.12
7.06 2028	490	7.07	7.08	7.07	7.04
7.62 2039	-	7.10	7.10	7.10	7.11
7.30 2053	485	7.12	7.12	7.16	7.16
6.64 2035	5	7.13	7.11	7.12	7.13
7.40 2035	160	7.14	7.11	7.12	7.10

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
7-Mar-24	8183	5855	2327

EQUITY		
Gross Purchase	Gross Sales	Net Investment
12076	13163	-1087

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
20258	19018	1240

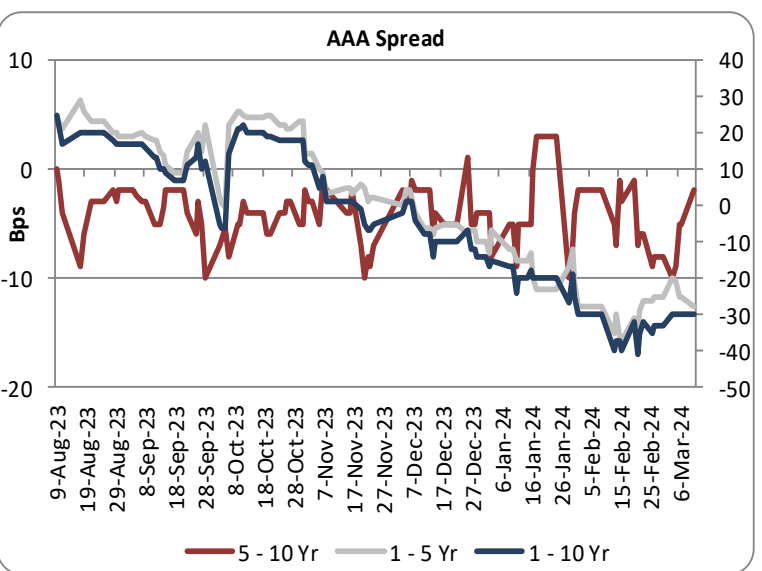
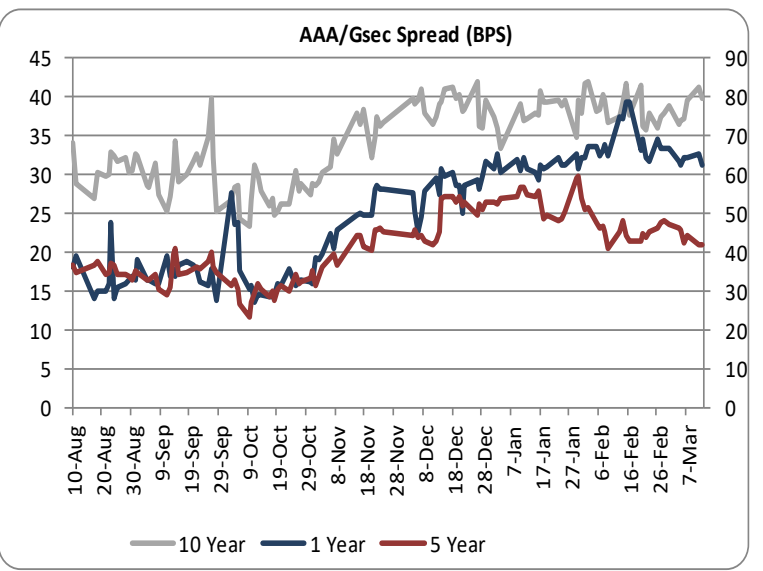
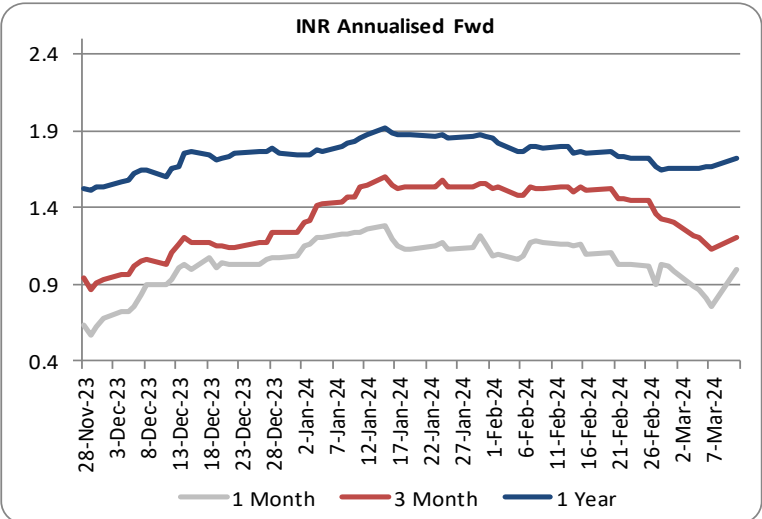
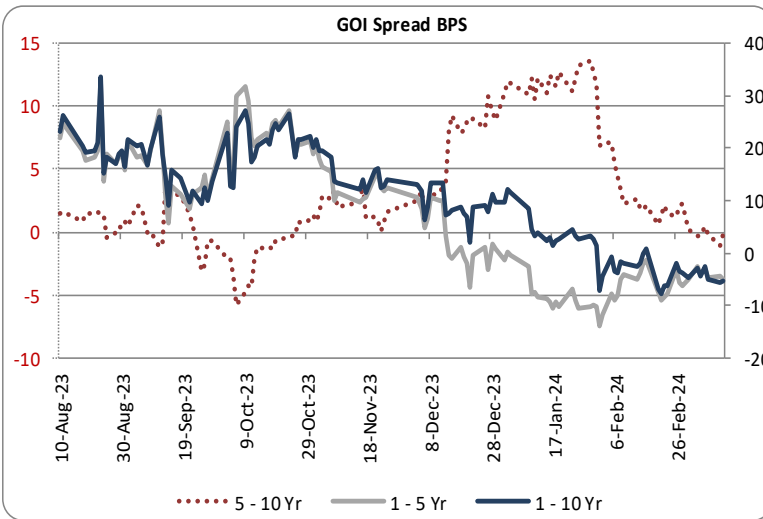
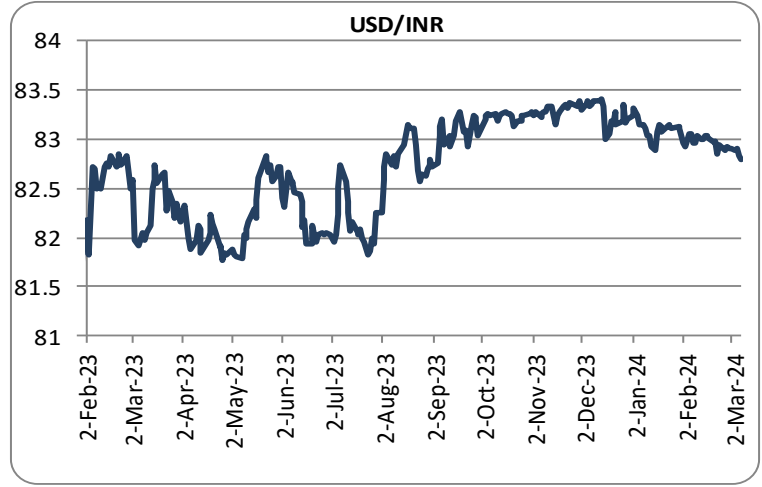
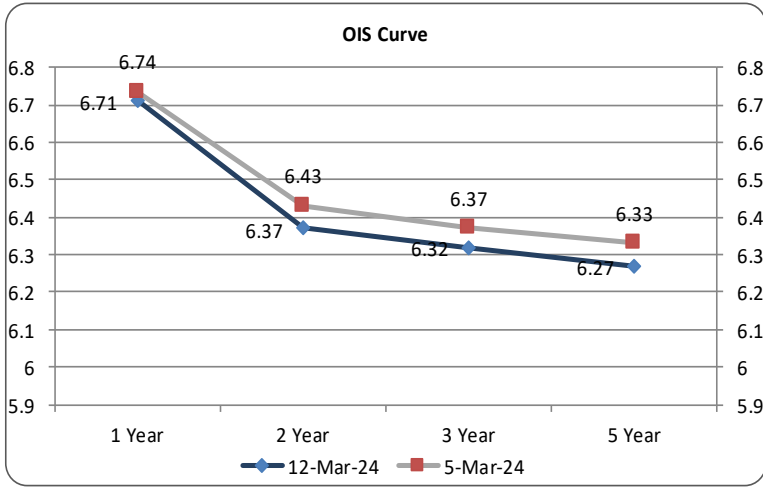
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
12-Mar-24	2010	1672	338

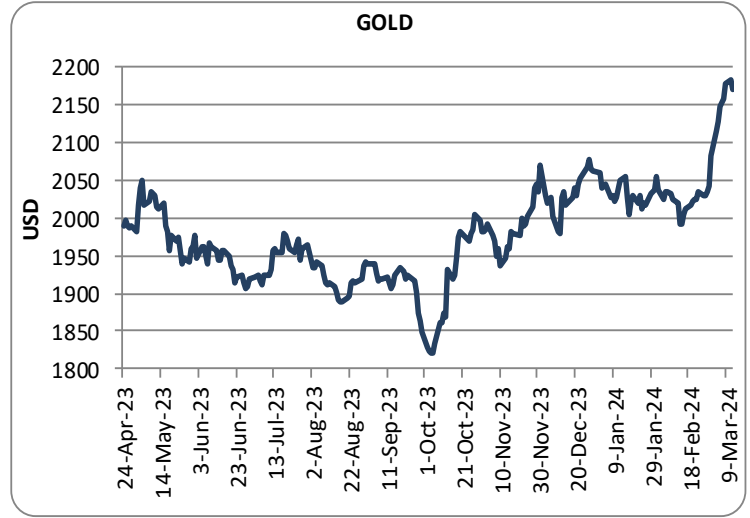
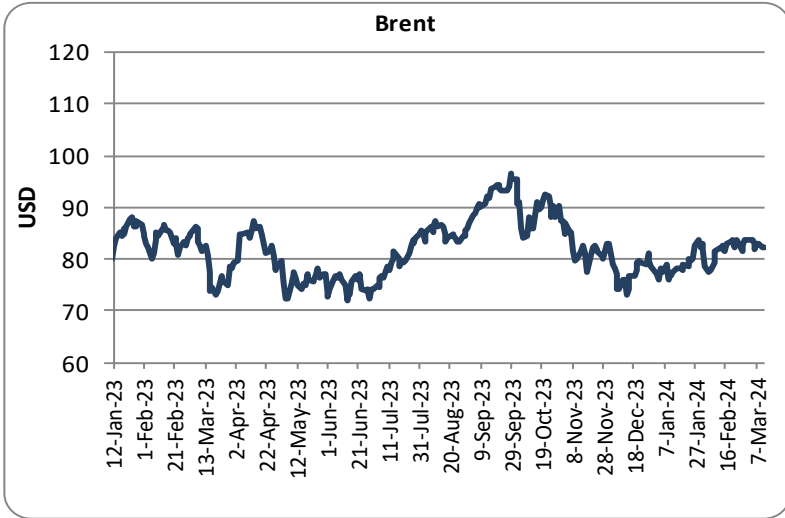
EQUITY		
Gross Purchase	Gross Sales	Net Investment
23303	19357	3946

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
25312	21029	4283

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-23	8.4	8.1
CAD (\$ Bn)	Sep-23	-8.3	-9.2
Trade Deficit (\$ Bn)	Sep-23	-61.0	-56.6
WPI (%)	Jan-24	0.3	0.7
CPI (%)	Jan-24	5.1	5.7
IIP (%)	Dec-23	3.8	2.4
PMI Manufacturing	Feb-24	56.9	56.5
PMI Service	Feb-24	60.6	61.8

Economic Calender	Country	Date	Poll	Prior
CPI	Germany	12-Mar-24	0	2.5
CPI	India	12-Mar-24	5.02	5.10
CPI	USA	12-Mar-24	3.10	3.10
Industrial Output	UK	13-Mar-24	0.70	0.60
WPI	India	14-Mar-24	0.25	0.27
CPI	Euro Zone	18-Mar-24	-	2.60
Cash Rate	Australia	19-Mar-24	-	4.35
CPI	Canada	19-Mar-24	-	2.90





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

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