



BONDWATCH

Daily

July 13, 2023

INDIA

Indian government bond yields settled sharply lower on Thursday, tracking U.S. peers after inflation in the world's largest economy cooled, lending confidence that rate hikes will end soon.

The benchmark 7.26% 2033 bond yield ended at 7.0729%, after closing at 7.1160% on Wednesday.

U.S. inflation registered its smallest annual increase in more than two years after rising barely 0.2% last month to log a gain of 3.0% for the year.

U.S. yields slumped on Wednesday after inflation data raised expectations that the Federal Reserve is nearing the end of its interest rate-hiking cycle. The Fed had paused in June but indicated two more raises in 2023. The odds of a 25-basis points hike on July 26 remain around 89%, but that of another one has come down.

Meanwhile, the spread between India's overnight indexed swap rates was at the widest in two weeks following softer U.S. inflation data. However, the fall in bond yields was capped by a rise in domestic inflation.

Surging food prices accelerated India's June retail inflation rate to 4.81%, snapping four months of easing and higher than the revised 4.31% for May and expected 4.58%

Traders now await debt supply through weekly auction, where the government aims to raise 330 billion rupees (\$4.02 billion) on Friday, including 140 billion rupees of benchmark paper.

The Indian rupee strengthened 0.21% versus the U.S. dollar, and quoted at 82.0725 per dollar, driven by broad weakness in the dollar, while demand for the greenback from importers limited gains.

Repo: The weighted average call rates in the interbank segment decreased to 6.41% vs 6.45% as on the previous day while that the TREP segment decreased to 6.26% vs 6.29% as on the previous day.

GOI Yield	13-Jul	12-Jul	6-Jul	14-Jun
1 Year	6.860	6.870	6.840	6.850
5 Year	7.059	7.109	7.116	6.962
10 Year	7.073	7.116	7.146	7.007

AAA Bmk	13-Jul	12-Jul	6-Jul	14-Jun
1 Year	7.40	7.40	7.35	7.45
5 Year	7.57	7.59	7.58	7.47
10 Year	7.53	7.53	7.52	7.42

CD	13-Jul	12-Jul	6-Jul	14-Jun
3 Month	6.95	6.95	6.95	6.98
6 Month	7.20	7.20	7.20	7.20
1 Year	7.50	7.50	7.50	7.40

CP	13-Jul	12-Jul	6-Jul	14-Jun
3 Month	7.10	7.10	7.10	7.08
6 Month	7.30	7.30	7.30	7.30
1 Year	7.60	7.60	7.60	7.50

OIS Rate	13-Jul	12-Jul	6-Jul	14-Jun
1 Year	6.76	6.81	6.78	6.63
2 Year	6.45	6.51	6.51	6.31
3 Year	6.35	6.42	6.42	6.20
5 Year	6.30	6.39	6.38	4.15

	13-Jul	12-Jul	6-Jul	14-Jun
Sensex	65,559	65,394	65,786	63,229
Nifty	19,414	19,384	19,497	18,756
USD/INR	82.07	82.25	82.51	82.10
Gold (USD)	1,959	1,957	1,911	1,943
Oil (USD)	80.35	80.11	76.52	73.20

NDF	13-Jul	12-Jul	6-Jul	14-Jun
3 Month	82.36	82.26	83.02	82.29
1 Year	83.41	83.28	84.05	83.41
2 Year	85.71	85.33	86.03	85.41
3 Year	88.58	87.98	88.68	88.06

Market Observations

G-sec

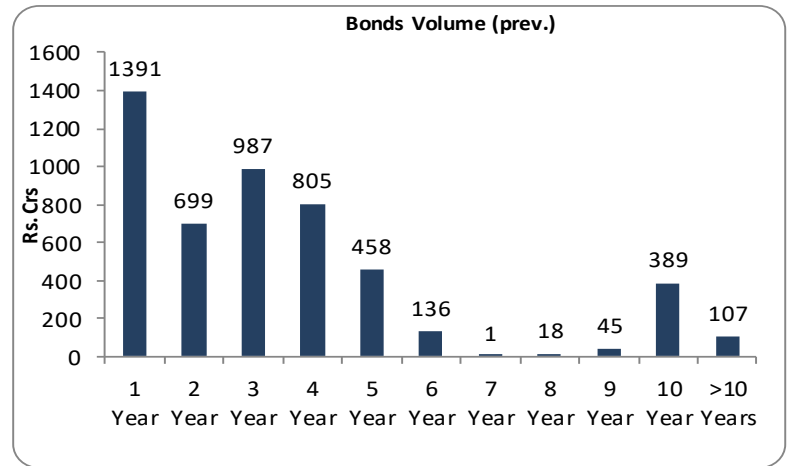
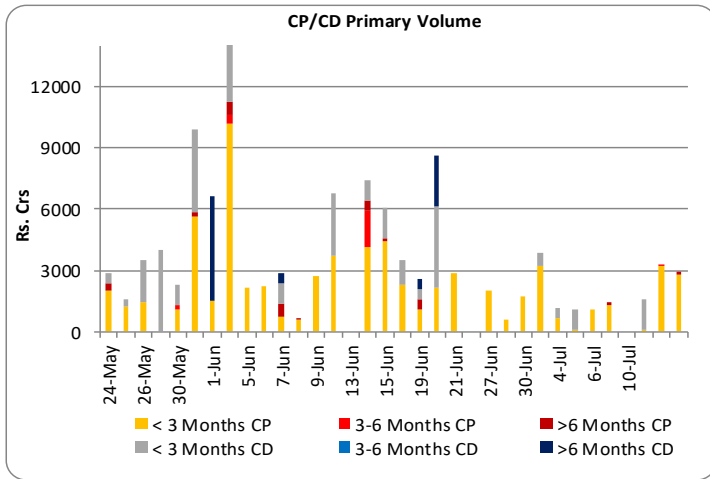
- Major Switches were reported in 2 and 3 year maturity SDLs.
- Major players in the market were PD'S and Foreign Banks.

Corporate Bonds

- Major activity was seen in the 2025-2026 and 1-year segment.
- Insurance seen selling in the longer end segment.

CP/CD

- Major activity was seen in the 1-3-month segment.



10 Year Benchmarks	13-Jul	12-Jul	6-Jul	14-Jun
India	7.07	7.12	7.15	7.01
US	3.82	3.86	4.04	3.80
South Korea	3.65	3.75	3.71	3.64
Russia	11.36	11.35	11.24	10.92
Brazil	10.67	10.60	10.88	11.37
Germany	2.45	2.55	2.63	2.45
China	2.68	2.68	2.69	2.65

Top Traded Securities	Volume	13-Jul	12-Jul	6-Jul	14-Jun
5.74 2026	130	7.04	7.09	7.10	6.95
7.38 2027	10	7.05	7.11	7.12	6.96
7.10 2029	-	7.08	7.13	7.15	7.00
6.54 2032	-	7.12	7.16	7.19	7.06
7.26 2032	#VALUE!	7.12	7.16	7.18	7.05
7.54 2036	5	7.19	7.23	7.27	7.12

DEBT			
	Gross Purchase	Gross Sales	Net Investment
MF			
10-Jul-23	2579	1397	1182

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	1537	1553	-17

TOTAL (Rs.Crs)			
	Gross Purchase	Gross Sales	Net Investment
	4116	2951	1165

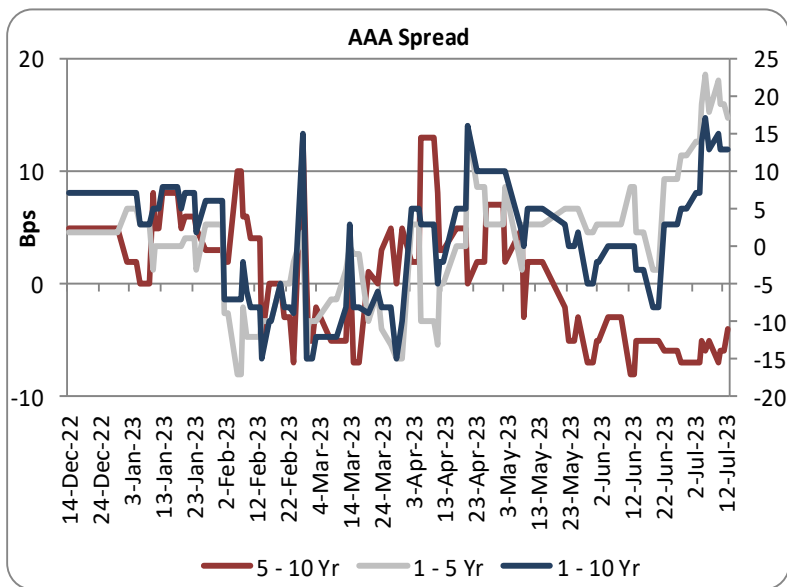
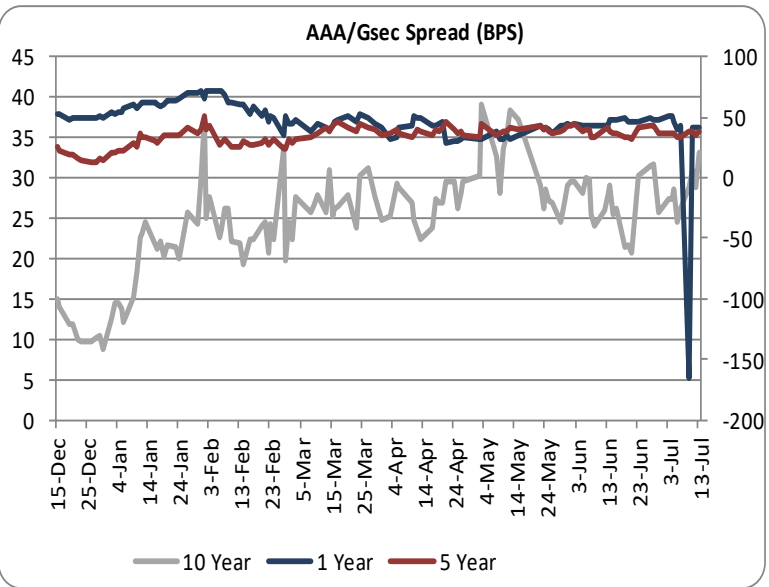
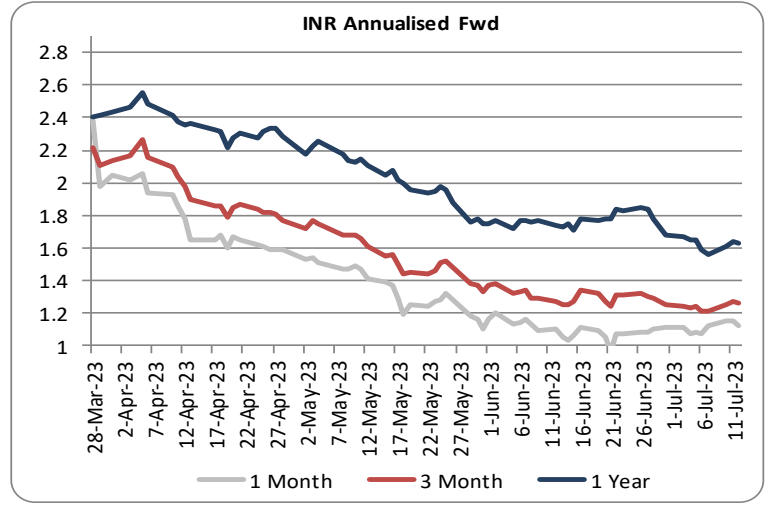
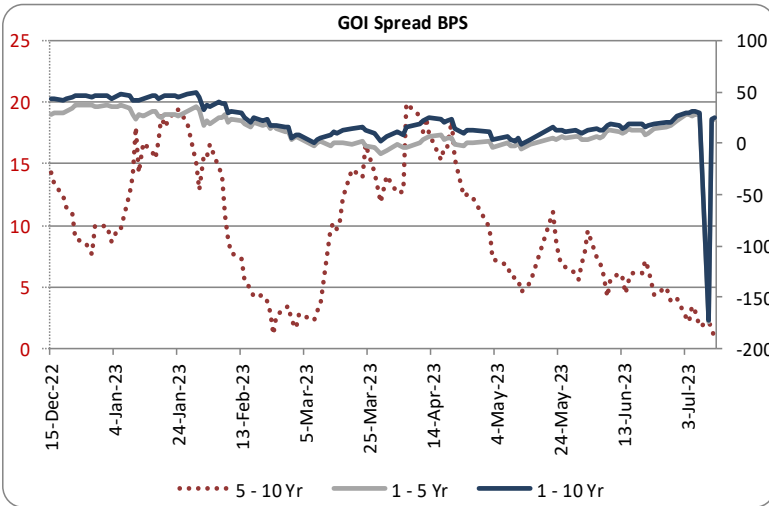
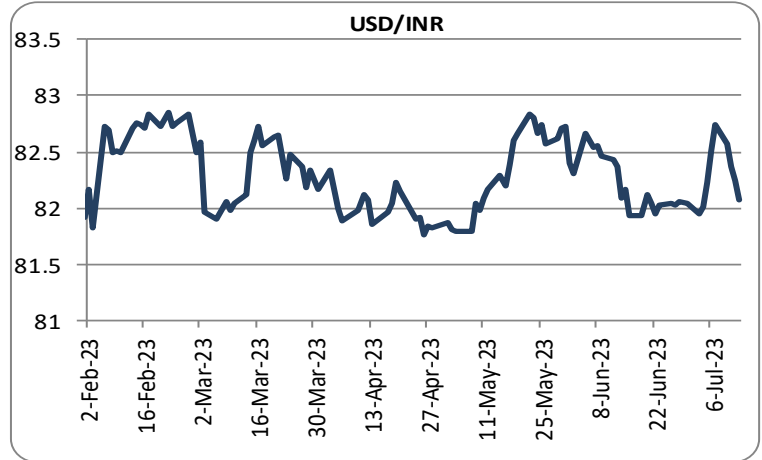
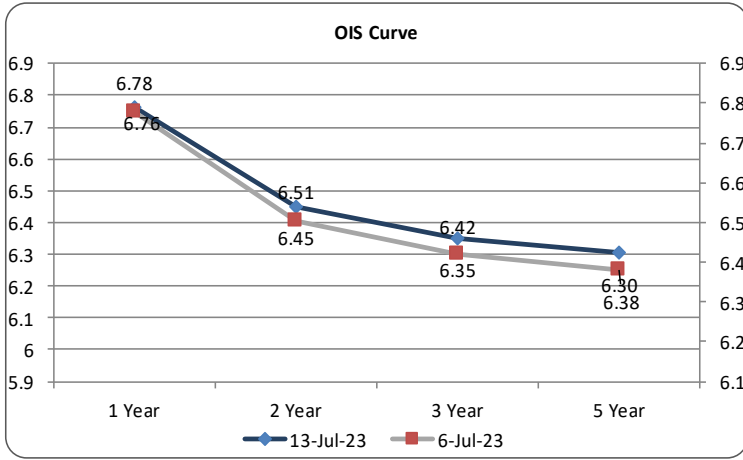
DEBT			
	Gross Purchase	Gross Sales	Net Investment
FII			
13-Jul-23	1106	1504	-399

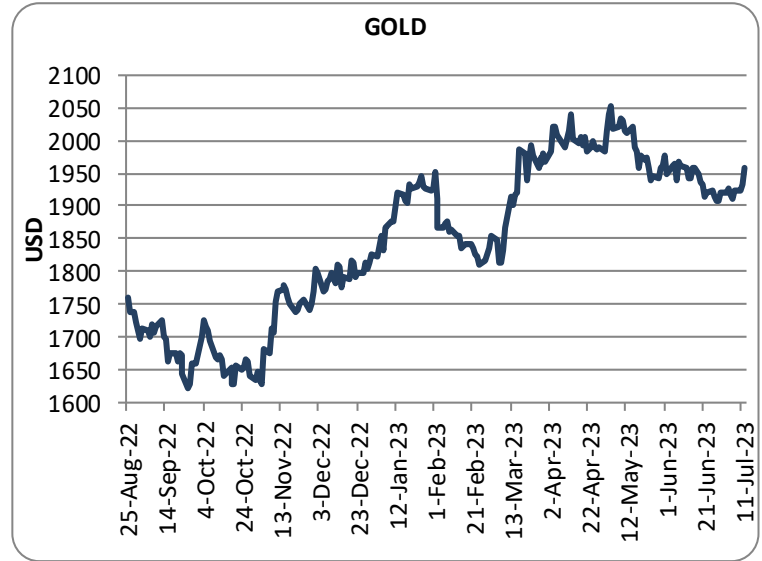
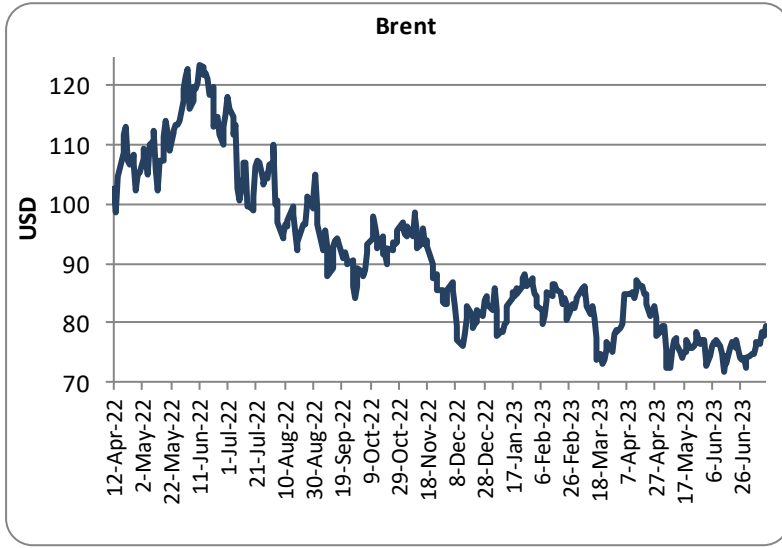
EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	18840	19174	-334

TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	19945	20678	-732

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Mar-23	6.1	4.4
CAD (\$ Bn)	Mar-23	-1.3	-16.8
Trade Deficit (\$ Bn)	Mar-23	-52.6	-72.7
WPI (%)	May-23	-3.5	-0.9
CPI (%)	Jun-23	4.8	4.3
IIP (%)	May-23	5.2	4.2
PMI Manufacturing	Jun-23	57.8	58.7
PMI Service	Jun-23	58.5	61.2

Economic Calender	Country	Date	Poll	Prior
WPI	India	14-Jul-23	-3.6	-3.48
CPI	Poland	14-Jul-23	-	11.50
Retail Sales	Brazil	14-Jul-23	1.95	0.50
GDP	China	15-Jul-23	7.30	4.50
CPI	New Zealand	19-Jul-23	5.90	6.70
Retail Sales	South Africa	19-Jul-23	-	(1.60)
Exports	Japan	20-Jul-23	-	0.60
Unemployment Rate	Australia	20-Jul-23	-	3.60





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

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