



## INDIA

Indian government bond yields ended higher on Friday as strong inflation data in the U.S. pushed Treasury yields higher and overshadowed easing local consumer prices.

The 10-year benchmark 7.18% 2033 bond yield closed at 7.3166% after ending at 7.2977% on Thursday. The yield ended two basis points lower on the week.

India's retail inflation eased to a three-month low in September but remained above a target of 4% the central bank has signaled would be key before easing rates.

The U.S. yields rose after data showed consumer prices in the world's largest economy came in higher than expected, suggesting that the Federal Reserve could raise interest rates one more time this year. Inflation in the U.S. rose 0.4% last month against 0.6% in August. For the 12 months through September, the CPI advanced 3.7% after rising by the same margin in August.

Both the U.S. and Indian central banks kept their key rates on hold in their latest policies, while highlighting the inflation concerns.

The cut-off on bond sales were slightly lower than expected and pushed the benchmark yield off its day's high.

However, yields may remain elevated as the Reserve Bank of India plans to sell debt via auctions, while state-run banks will slow bond purchases in the weeks ahead as banking system liquidity tightens.

The Indian rupee INR=IN weakened 0.02% versus the U.S. dollar, and quoted at 83.26 per dollar, as intermittent dollar-selling intervention by the central bank prevented sharper losses.

Repo: The weighted average call rates in the interbank segment increased to 6.73% vs 6.71% as on the previous day while that the TREP segment remained the same at 6.76% vs 6.76% as on the previous day.

### Market Observations

#### G-sec

- Market opened on a negative note following the US treasury yield even though the CPI data was better than expected.
- Benchmark 10-year paper's yield made a high of 7.3369 but got taken post G-sec cut off which was better than market expectations.
- Demand was seen in 20-year G-sec by pension funds.

#### Corporate Bonds

- Mutual funds were active in the 2026 segment.
- Bond yields remained relatively unchanged despite better than expected inflation data.

#### CP/CD

- Activity was seen in the 3-month segment.

GOI Yield	13-Oct	12-Oct	6-Oct	14-Sep
1 Year	7.112	7.115	7.100	7.040
5 Year	7.329	7.319	7.399	7.098
10 Year	7.317	7.298	7.341	7.130

AAA Bmk	13-Oct	12-Oct	6-Oct	14-Sep
1 Year	7.53	7.53	7.58	7.50
5 Year	7.77	7.77	7.80	7.64
10 Year	7.73	7.73	7.72	7.60

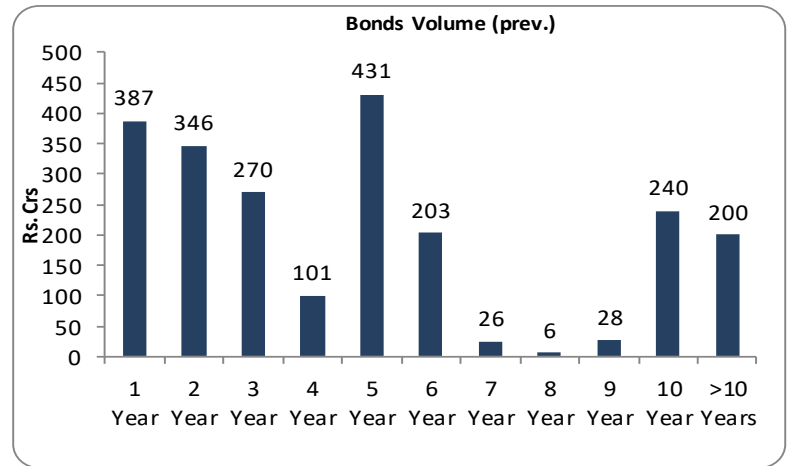
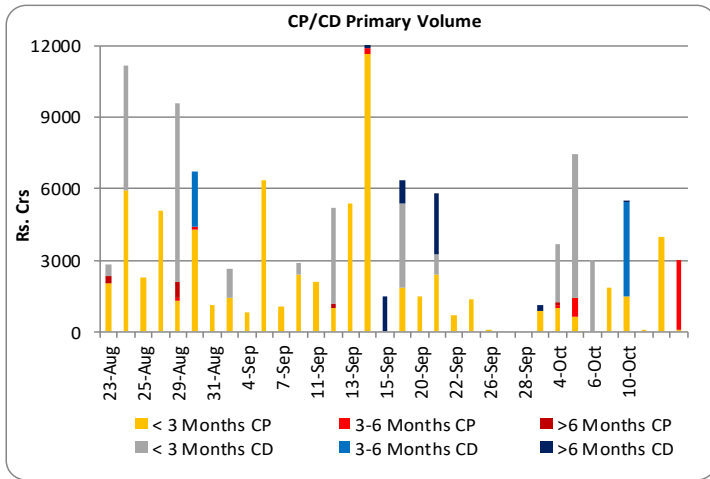
CD	13-Oct	12-Oct	6-Oct	14-Sep
3 Month	7.18	7.18	7.15	7.10
6 Month	7.40	7.40	7.35	7.25
1 Year	7.60	7.60	7.60	7.55

CP	13-Oct	12-Oct	6-Oct	14-Sep
3 Month	7.28	7.28	7.25	7.20
6 Month	7.50	7.50	7.45	7.35
1 Year	7.70	7.70	7.70	7.65

OIS Rate	13-Oct	12-Oct	6-Oct	14-Sep
1 Year	6.94	6.98	7.06	7.03
2 Year	6.68	6.73	6.86	6.78
3 Year	6.66	6.70	6.88	6.72
5 Year	6.67	6.71	6.86	6.69

	13-Oct	12-Oct	6-Oct	14-Sep
Sensex	66,283	66,408	65,996	67,519
Nifty	19,751	19,794	19,654	20,103
USD/INR	83.26	83.24	83.25	83.03
Gold (USD)	1,893	1,869	1,832	1,910
Oil (USD)	89.08	86.00	84.58	93.70

NDF	13-Oct	12-Oct	6-Oct	14-Sep
3 Month	83.61	83.71	83.51	83.40
1 Year	84.78	84.88	84.73	84.50
2 Year	86.94	87.00	86.83	86.73
3 Year	89.53	89.60	89.43	89.53



10 Year Benchmarks	13-Oct	12-Oct	6-Oct	14-Sep
India	7.32	7.30	7.34	7.10
US	4.62	4.71	4.78	4.29
South Korea	4.18	4.09	4.24	3.92
Russia	12.27	12.20	12.27	12.52
Brazil	11.73	11.73	12.23	11.28
Germany	2.72	2.78	2.89	2.60
China	2.71	2.73	2.72	2.63

Top Traded Securities	Volume	8-Sep	7-Sep	1-Sep	10-Aug
7.26 2033	2,185	7.20	7.17	7.18	7.15
7.06 2028	1,745	7.26	7.24	7.25	7.30
7.62 2039	-	7.21	7.20	7.19	7.18
7.30 2053	115	7.35	7.33	7.33	7.36
6.64 2035	15	7.17	7.16	7.22	7.24
7.40 2035	-	7.20	7.18	7.24	7.23

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
12-Oct-23	5212	4001	1212

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	5098	4823	275

TOTAL (Rs.Crs)			
	Gross Purchase	Gross Sales	Net Investment
	10310	8823	1486

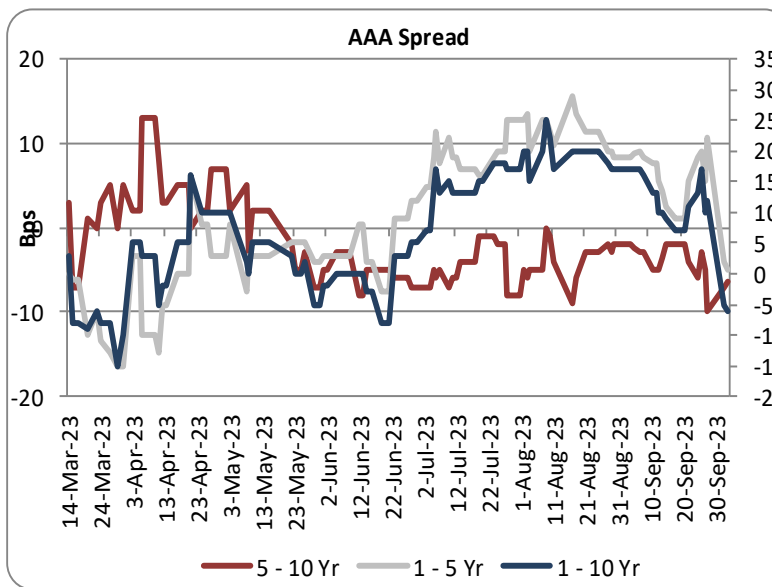
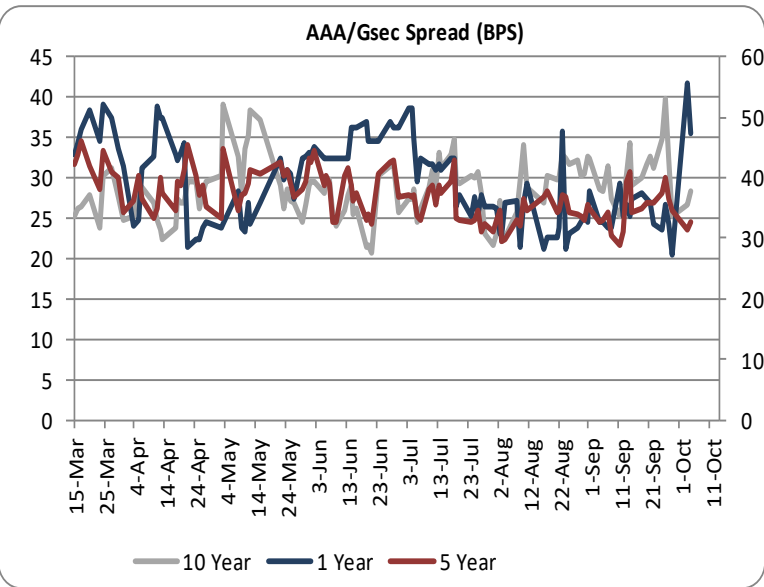
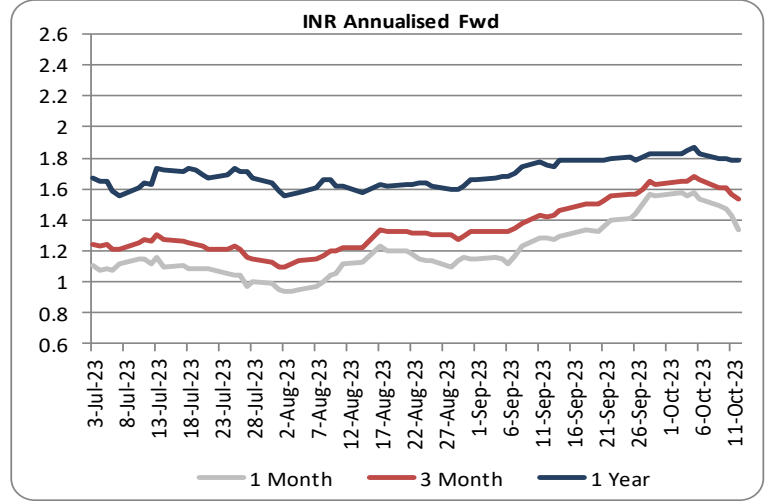
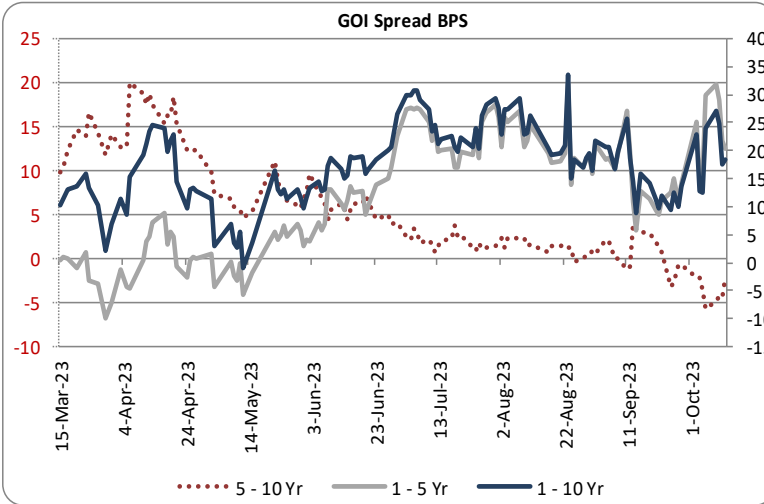
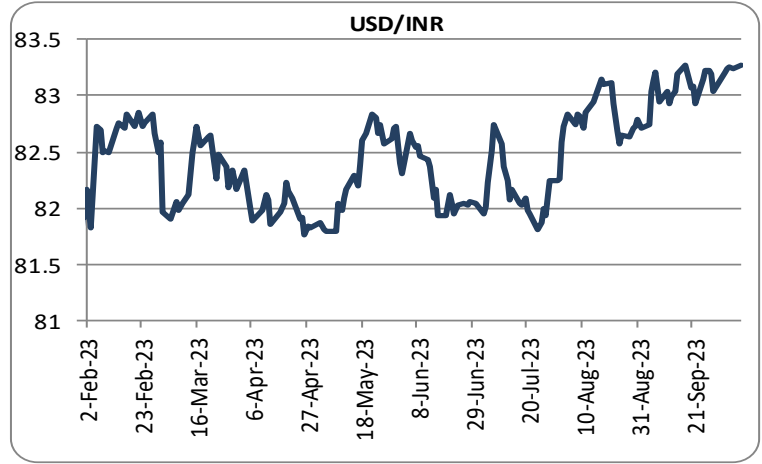
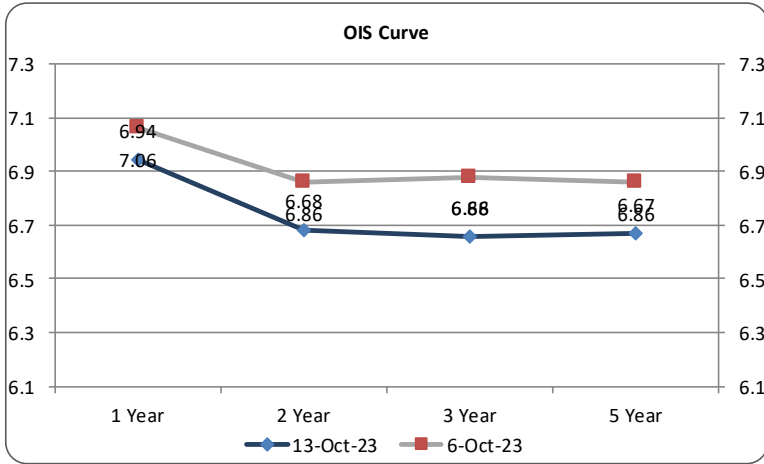
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
13-Oct-23	2864	1995	869

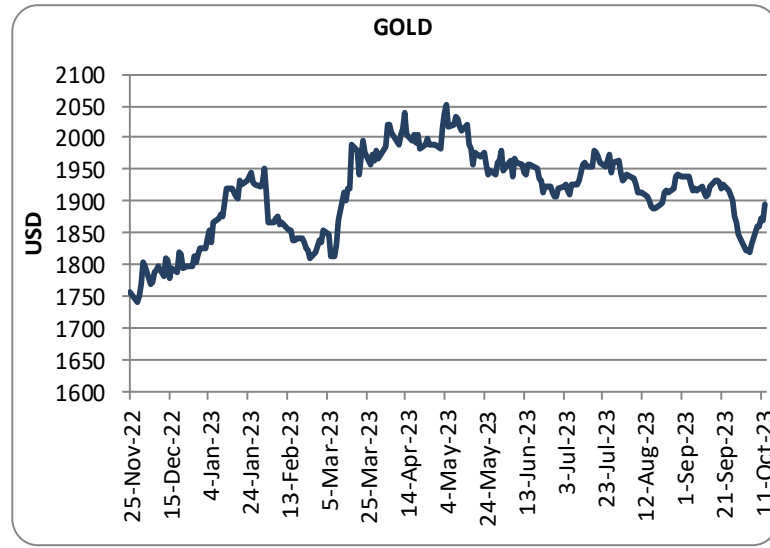
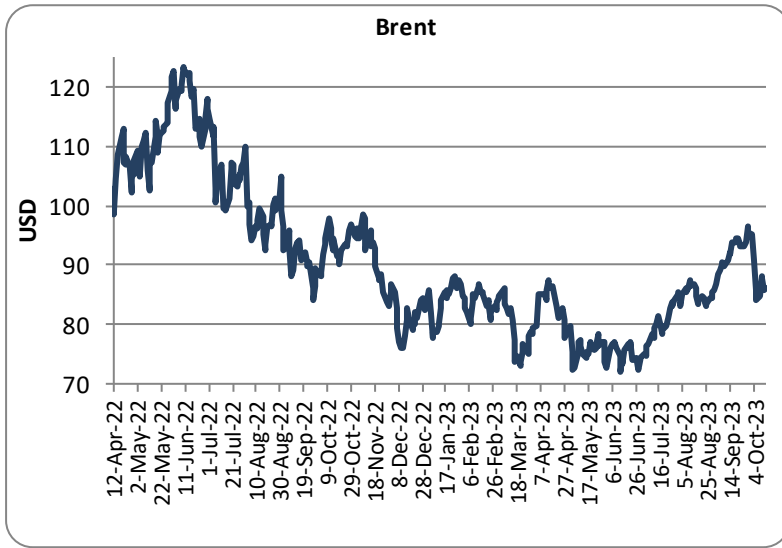
EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	8623	10370	-1747

TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	11487	12365	-878

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 (%)	Sep-23	5.0	6.8
IIP (%)	Aug-23	10.3	5.7
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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