



BONDWATCH

Daily

June 14, 2023

INDIA

Indian government bond yields closed higher on Wednesday, breaking a two-session declining streak and tracking U.S. peers ahead of the Federal Reserve's monetary policy decision.

The benchmark 7.26% 2033 bond yield ended at 7.0069%, after closing at 6.9998% in the previous session. The benchmark yield had eased four basis points in the last two sessions.

U.S. yields rose on bets of a hawkish tilt to the Fed's stance, even as traders expected a status quo on rates after 10 straight hikes. The 10-year yield was above 3.80%, while the two-year yield, a closer indicator of rate expectations, was above the 4.65% mark.

Data showed the U.S. consumer price index increased 0.1% last month after gaining 0.4% in April. In the 12 months through May, the CPI climbed 4%, the smallest year-on-year rise since March 2021.

Local bond yields eased this week after India's retail inflation eased to an over-two-year low of 4.25% in May. Last week, the Reserve Bank of India kept its key lending rate steady for a second straight policy meeting but said monetary conditions will remain tight to further curb inflation.

Oil prices rose on Wednesday as investors awaited the outcome of the U.S. Federal Reserve's June meeting.

The Indian rupee strengthened 0.33% versus the U.S. dollar, and quoted at 82.0950 per dollar, on likely corporate dollar inflows and as latest inflation data from the U.S. boosted expectations of a rate pause by the Federal Reserve in June.

Repo: The weighted average call rates in the interbank segment increased to 6.54% vs 6.40% as on the previous day while that the TREP segment increased to 6.45% vs 6.34% as on the previous day.

| GOI Yield | 14-Jun | 13-Jun | 7-Jun | 15-May |
|-----------|--------|--------|-------|--------|
| 1 Year | 6.850 | 6.850 | 6.850 | 6.970 |
| 5 Year | 6.962 | 6.943 | 6.918 | 6.953 |
| 10 Year | 7.007 | 7.000 | 6.981 | 7.006 |

| AAA Bmk | 14-Jun | 13-Jun | 7-Jun | 15-May |
|---------|--------|--------|-------|--------|
| 1 Year | 7.45 | 7.40 | 7.40 | 7.45 |
| 5 Year | 7.47 | 7.48 | 7.43 | 7.48 |
| 10 Year | 7.42 | 7.40 | 7.40 | 7.50 |

| CD | 14-Jun | 13-Jun | 7-Jun | 15-May |
|---------|--------|--------|-------|--------|
| 3 Month | 6.98 | 6.98 | 6.85 | 7.15 |
| 6 Month | 7.20 | 7.20 | 7.15 | 7.35 |
| 1 Year | 7.40 | 7.40 | 7.35 | 7.50 |

| CP | 14-Jun | 13-Jun | 7-Jun | 15-May |
|---------|--------|--------|-------|--------|
| 3 Month | 7.08 | 7.08 | 6.95 | 7.25 |
| 6 Month | 7.30 | 7.30 | 7.25 | 7.45 |
| 1 Year | 7.50 | 7.50 | 7.45 | 7.60 |

| OIS Rate | 14-Jun | 13-Jun | 7-Jun | 15-May |
|----------|--------|--------|-------|--------|
| 1 Year | 6.63 | 6.61 | 6.60 | 6.58 |
| 2 Year | 6.31 | 6.27 | 6.26 | 6.21 |
| 3 Year | 6.20 | 6.17 | 6.13 | 6.06 |
| 5 Year | 4.15 | 6.12 | 6.05 | 6.02 |

| | 14-Jun | 13-Jun | 7-Jun | 15-May |
|------------|--------|--------|--------|--------|
| Sensex | 63,229 | 63,143 | 63,143 | 62,346 |
| Nifty | 18,756 | 18,716 | 18,726 | 18,399 |
| USD/INR | 82.10 | 82.37 | 82.55 | 82.30 |
| Gold (USD) | 1,946 | 1,943 | 1,940 | 2,021 |
| Oil (USD) | 75.30 | 74.29 | 76.95 | 75.23 |

| NDF | 14-Jun | 13-Jun | 7-Jun | 15-May |
|---------|--------|--------|-------|--------|
| 3 Month | 82.33 | 82.53 | 82.80 | 82.58 |
| 1 Year | 83.36 | 83.64 | 83.96 | 83.99 |
| 2 Year | 85.54 | 85.72 | 86.27 | 86.34 |
| 3 Year | 88.36 | 88.47 | 89.02 | 89.24 |

Market Observations

G-sec

- Demand was seen in 1month to 3month t-bill by Mutual Funds @6.73 to 6.76 levels.

- Tbill cut off was in line with market expectations.

- SDL was active in 11-year maturity. Major sellers were PD and Mutual Funds.

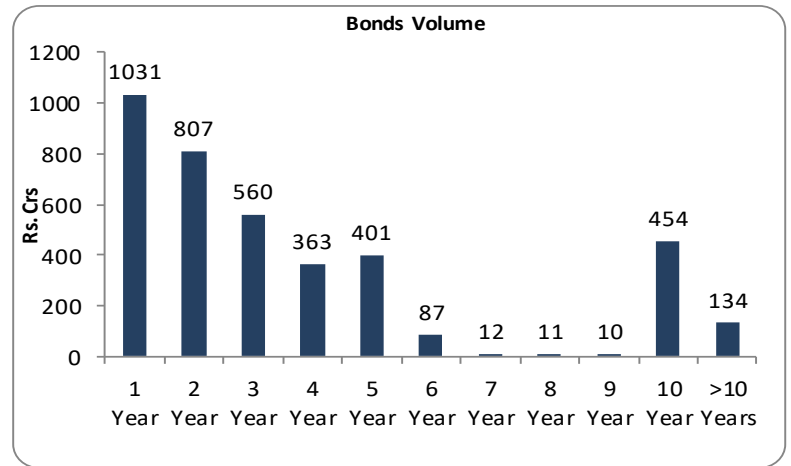
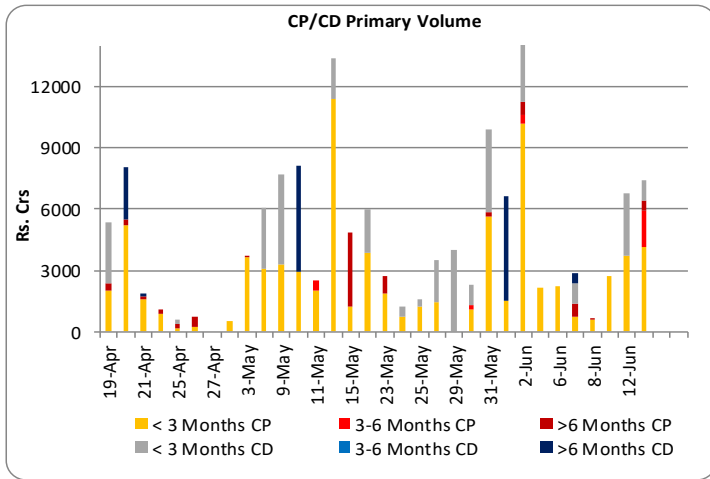
Corporate Bonds

- Insurance companies were buying in the 10-year segment.

- Levels moved a little today tracking G-sec but settled on similar yields as per yesterday.

CP/CD

- Market was active in the 3-month segment.



| 10 Year Benchmarks | 14-Jun | 13-Jun | 7-Jun | 15-May |
|--------------------|--------|--------|-------|--------|
| India | 7.01 | 7.00 | 6.98 | 7.00 |
| US | 3.83 | 3.84 | 3.78 | 3.51 |
| South Korea | 3.64 | 3.58 | 3.52 | 3.33 |
| Russia | 10.90 | 10.90 | 10.83 | 10.68 |
| Brazil | 11.41 | 11.29 | 11.13 | 11.93 |
| Germany | 2.46 | 2.43 | 2.44 | 2.31 |
| China | 2.65 | 2.66 | 2.71 | 2.73 |

| Top Traded Securities | Volume | 14-Jun | 13-Jun | 7-Jun | 15-May |
|-----------------------|---------|--------|--------|-------|--------|
| 5.74 2026 | 370 | 6.95 | 6.92 | 6.91 | 6.92 |
| 7.38 2027 | - | 6.96 | 6.94 | 6.92 | 6.95 |
| 7.10 2029 | - | 7.00 | 6.99 | 6.97 | 7.01 |
| 6.54 2032 | - | 7.06 | 7.06 | 7.04 | 7.07 |
| 7.26 2032 | #VALUE! | 7.05 | 7.05 | 7.02 | 7.06 |
| 7.54 2036 | - | 7.12 | 7.12 | 7.09 | 7.10 |

| | DEBT | | |
|-----------|----------------|-------------|----------------|
| | Gross Purchase | Gross Sales | Net Investment |
| MF | | | |
| 12-Jun-23 | 5319 | 3783 | 1536 |

| | EQUITY | | |
|--|----------------|-------------|----------------|
| | Gross Purchase | Gross Sales | Net Investment |
| | | | |
| | 7418 | 6870 | 548 |

| | TOTAL (Rs.Crs) | | |
|--|----------------|-------------|----------------|
| | Gross Purchase | Gross Sales | Net Investment |
| | | | |
| | 12737 | 10653 | 2084 |

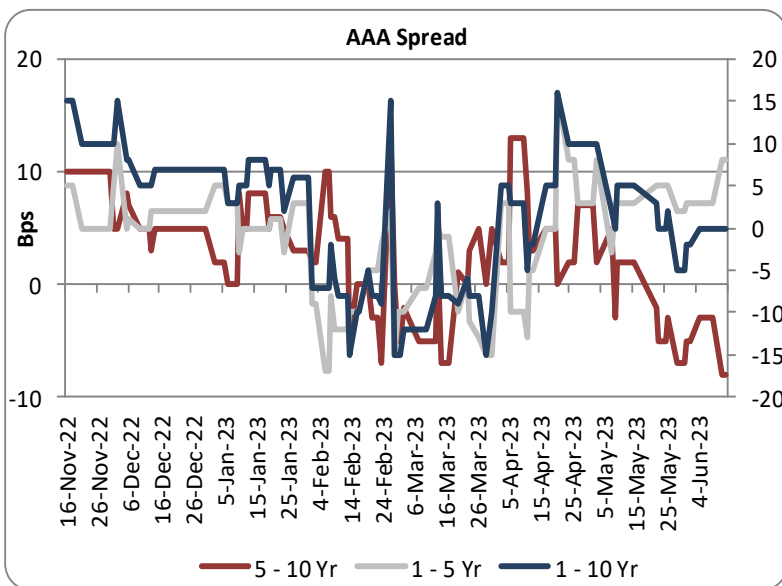
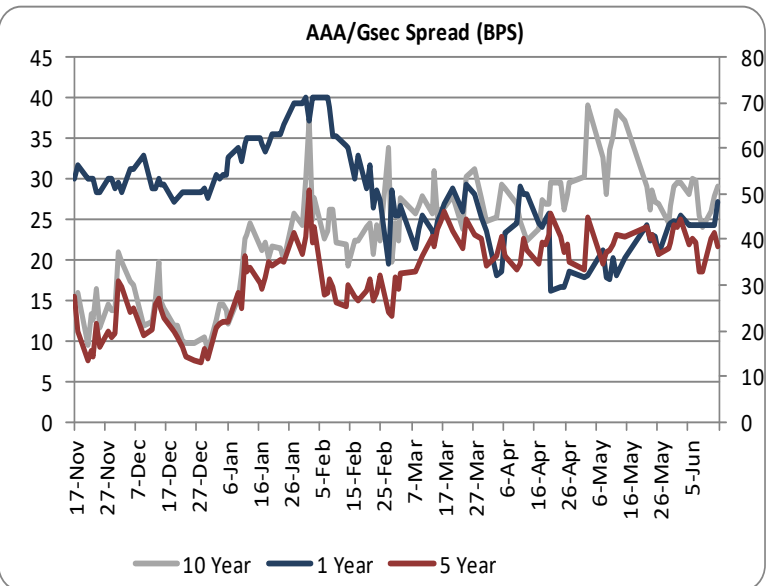
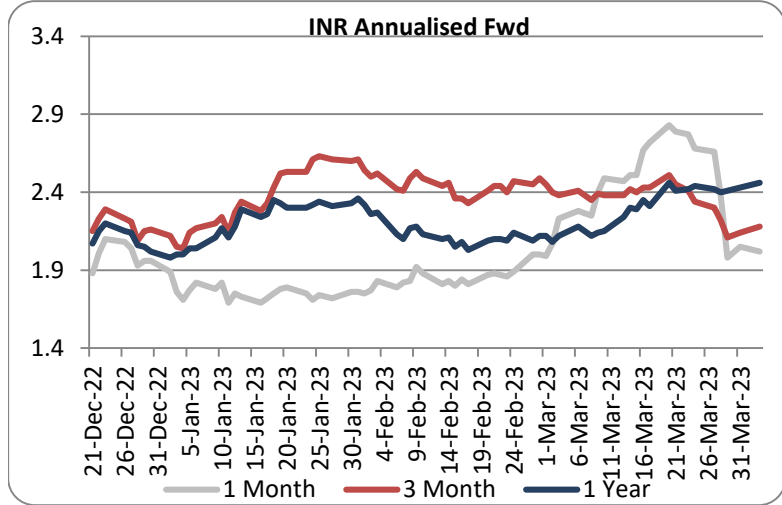
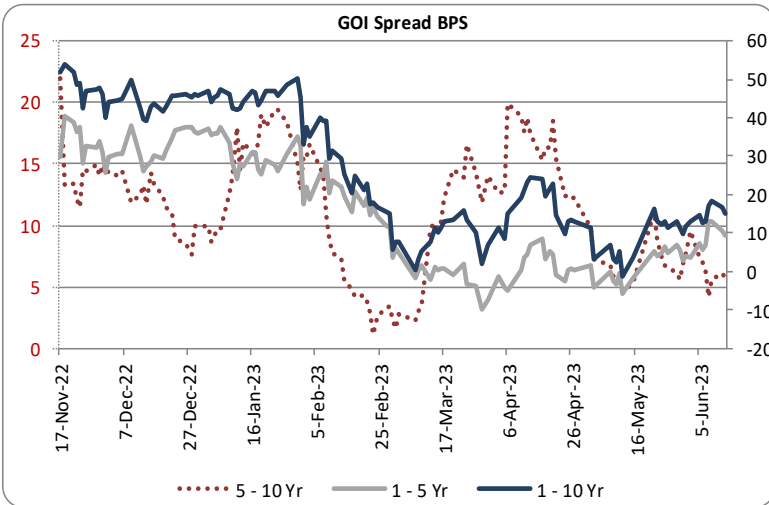
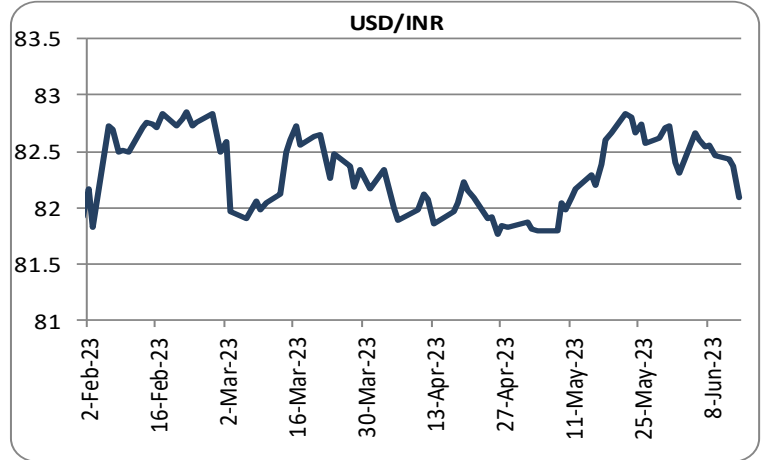
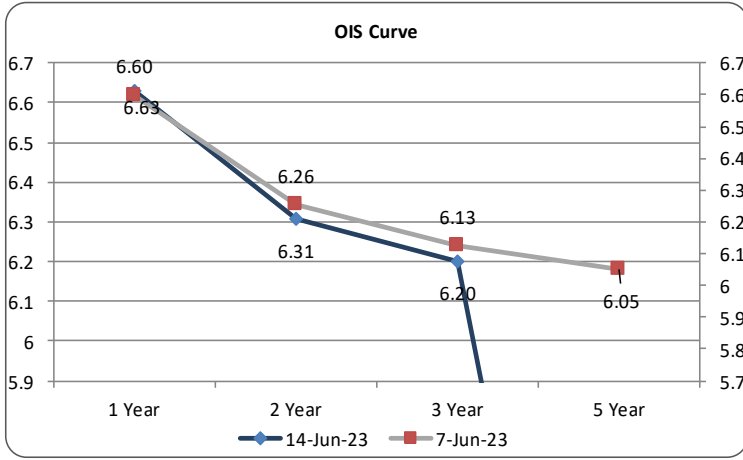
| | DEBT | | |
|------------|----------------|-------------|----------------|
| | Gross Purchase | Gross Sales | Net Investment |
| FII | | | |
| 14-Jun-23 | 902 | 6379 | -5477 |

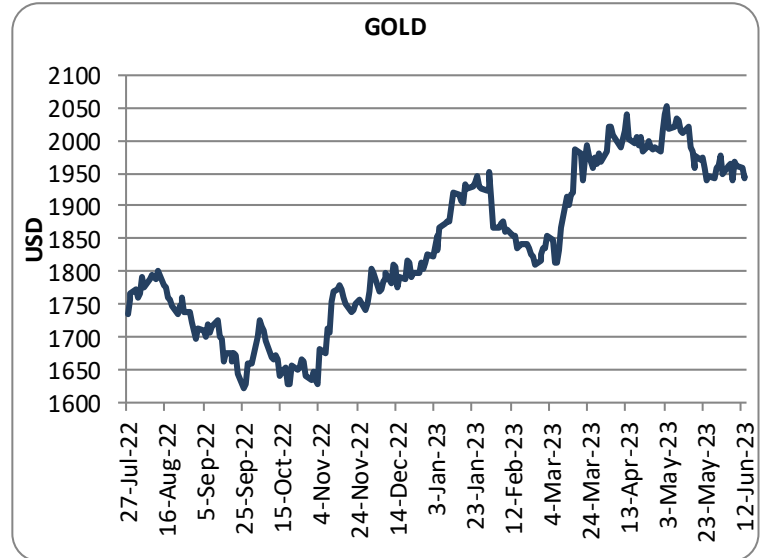
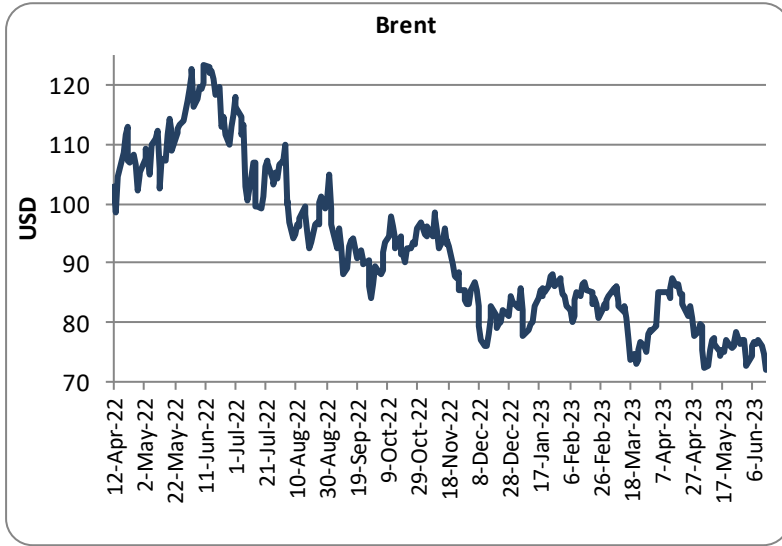
| | EQUITY | | |
|--|----------------|-------------|----------------|
| | Gross Purchase | Gross Sales | Net Investment |
| | | | |
| | 12855 | 10655 | 2200 |

| | TOTAL (Rs. Crs) | | |
|--|-----------------|-------------|----------------|
| | Gross Purchase | Gross Sales | Net Investment |
| | | | |
| | 13757 | 17034 | -3277 |

| INDICATORS | PERIOD | ACTUAL | PRIOR |
|-----------------------|--------|--------|-------|
| GDP Quaterly (%) | Mar-23 | 6.1 | 4.4 |
| CAD (\$ Bn) | Dec-22 | -18.2 | -30.9 |
| Trade Deficit (\$ Bn) | Dec-22 | -72.7 | -78.3 |
| WPI (%) | May-23 | -3.5 | -0.9 |
| CPI (%) | May-23 | 4.3 | 4.7 |
| IIP (%) | Apr-23 | 4.2 | 1.1 |
| PMI Manufacturing | May-23 | 58.7 | 57.2 |
| PMI Service | May-23 | 61.2 | 62 |

| Economic Calender | Country | Date | Poll | Prior |
|-------------------|-----------|-----------|------|--------|
| Repo Rate | India | 8-Jun-23 | 6.5 | 6.5 |
| GDP YY | Euro Zone | 08-Jun-23 | 1.20 | 1.30 |
| CPI | China | 09-Jun-23 | - | 0.10 |
| CPI | Russia | 09-Jun-23 | 2.40 | 2.30 |
| CPI | Germany | 13-Jun-23 | - | 6.10 |
| GDP YY | UK | 14-Jun-23 | - | 0.30 |
| WPI | India | 14-Jun-23 | - | (0.92) |
| Retail Sales | Brazil | 14-Jun-23 | - | 3.20 |





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

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