



BONDWATCH

Daily

June 15, 2023

INDIA

Indian government bond yields edged higher for a second consecutive session on Thursday, after the U.S. Federal Reserve signaled further rate hikes in 2023, dampening sentiment.

The benchmark 7.26% 2033 bond yield ended at 7.0408%, after closing at 7.0069% in the previous session. It has risen five basis points (bps) in the last two sessions.

Traders said that markets are now pricing a delayed possibility of rate cuts, both globally as well as domestically.

The U.S. central bank on Wednesday held rates after hiking by an aggregate of 500 bps for 10 consecutive meetings to 5.00%-5.25%. However, officials flagged that borrowing costs may still need to rise as the Fed reacted to a stronger-than-expected economy and a slower decline in inflation.

The Fed's move comes a week after the Reserve Bank of India (RBI) paused for the second consecutive time but stressed on achieving its 4% inflation target, which led to a selloff in bonds. Bond yields are expected to be range-bound, with the benchmark yield seen at 6.98%-7.05% for the next few days

Oil prices rose on Thursday after a plunge the previous day, as data showed a jump in refinery runs at the world's top crude importer China, but a weak economic backdrop capped gains.

The Indian rupee weakened 0.10% versus the U.S. dollar, and quoted at 82.18 per dollar as domestic trade deficit widened to a five-month high and the U.S. Federal Reserve signaled more rate hikes.

Repo: The weighted average call rates in the interbank segment increased to 6.57% vs 6.54% as on the previous day while that the TREP segment increased to 6.48% vs 6.45% as on the previous day.

Market Observations

G-sec

- Demand was seen in 1 and 2 months T-bills by MFs between 6.70 - 6.74 levels.
- Demand was seen in 3-year G-sec by banks and major sellers were mutual funds and Life insurances.
- Banks and PD's were seen selling 10 & 11-year SDL's

Corporate Bonds

- Mutual funds were on the buying side in the 2025-26 segment.
- Insurance companies were buying in the longer end and Mutual funds were selling in the same segment.

CP/CD

- Market was active in the 3-month and 1-year segment.

GOI Yield	15-Jun	14-Jun	8-Jun	15-May
1 Year	6.850	6.850	6.850	6.970
5 Year	6.986	6.962	6.980	6.953
10 Year	7.041	7.007	7.022	7.006

AAA Bmk	15-Jun	14-Jun	8-Jun	15-May
1 Year	7.45	7.45	7.40	7.45
5 Year	7.47	7.47	7.43	7.48
10 Year	7.42	7.42	7.40	7.50

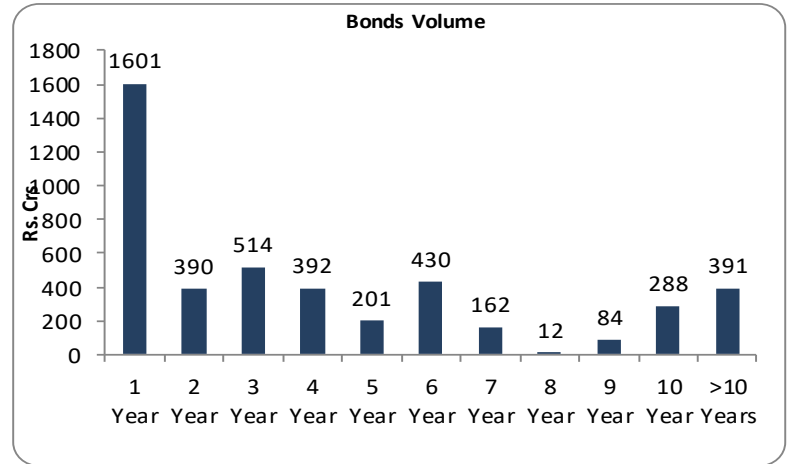
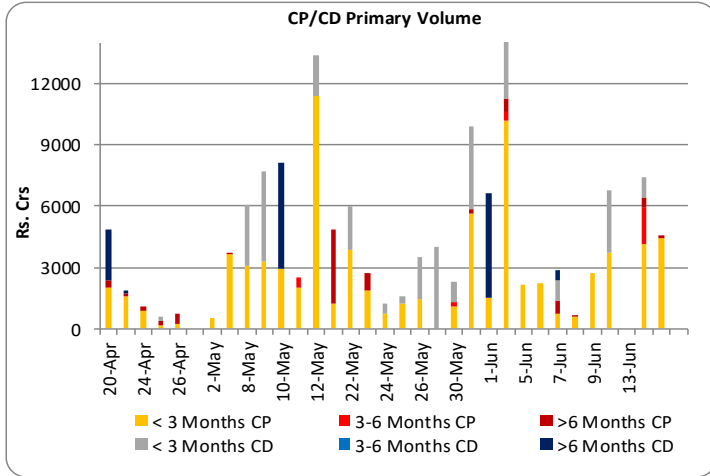
CD	15-Jun	14-Jun	8-Jun	15-May
3 Month	6.98	6.98	6.90	7.15
6 Month	7.20	7.20	7.20	7.35
1 Year	7.40	7.40	7.40	7.50

CP	15-Jun	14-Jun	8-Jun	15-May
3 Month	7.08	7.08	7.00	7.25
6 Month	7.30	7.30	7.30	7.45
1 Year	7.50	7.50	7.50	7.60

OIS Rate	15-Jun	14-Jun	8-Jun	15-May
1 Year	6.65	6.63	6.65	6.58
2 Year	6.34	6.31	6.33	6.21
3 Year	6.23	6.20	6.22	6.06
5 Year	6.16	4.15	6.13	6.02

	15-Jun	14-Jun	8-Jun	15-May
Sensex	62,918	63,229	62,849	62,346
Nifty	18,688	18,756	18,635	18,399
USD/INR	82.18	82.10	82.56	82.30
Gold (USD)	1,929	1,943	1,968	2,021
Oil (USD)	73.94	73.20	75.96	75.23

NDF	15-Jun	14-Jun	8-Jun	15-May
3 Month	82.50	82.29	82.77	82.58
1 Year	83.59	83.41	83.85	83.99
2 Year	85.56	85.41	85.96	86.34
3 Year	88.20	88.06	88.71	89.24



10 Year Benchmarks	15-Jun	14-Jun	8-Jun	15-May
India	7.04	7.01	7.02	7.00
US	3.83	3.80	3.71	3.51
South Korea	3.68	3.64	3.63	3.33
Russia	10.91	10.92	10.84	10.68
Brazil	11.23	11.37	11.13	11.93
Germany	2.51	2.45	2.42	2.31
China	2.68	2.65	2.71	2.73

Top Traded Securities	Volume	15-Jun	14-Jun	8-Jun	15-May
5.74 2026	125	6.97	6.95	6.95	6.92
7.38 2027	-	6.99	6.96	6.98	6.95
7.10 2029	-	7.03	7.00	7.01	7.01
6.54 2032	10	7.09	7.06	7.07	7.07
7.26 2032	#VALUE!	7.08	7.05	7.06	7.06
7.54 2036	-	7.15	7.12	7.12	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

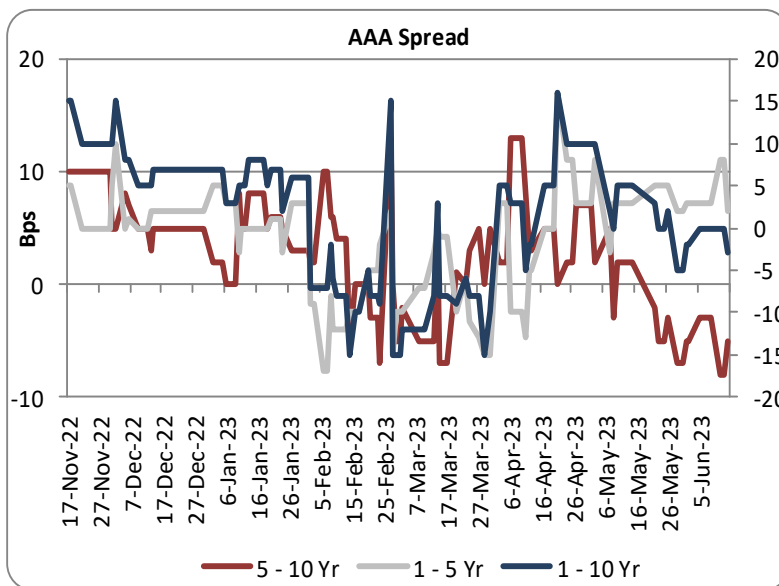
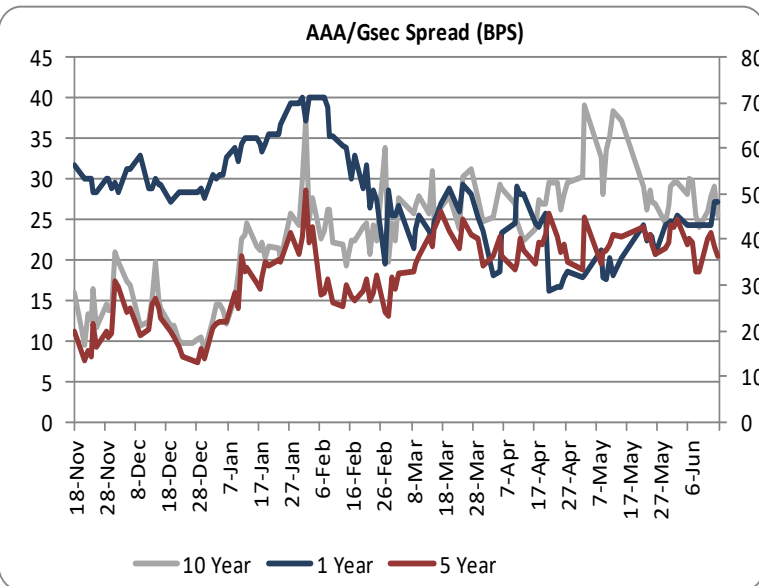
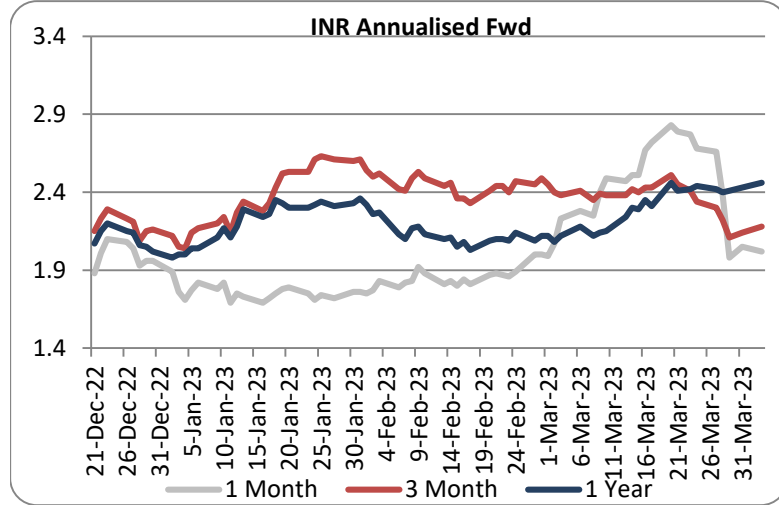
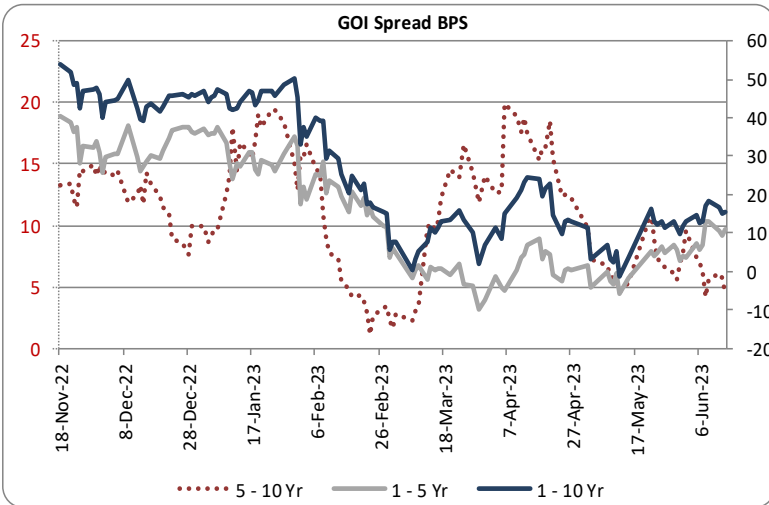
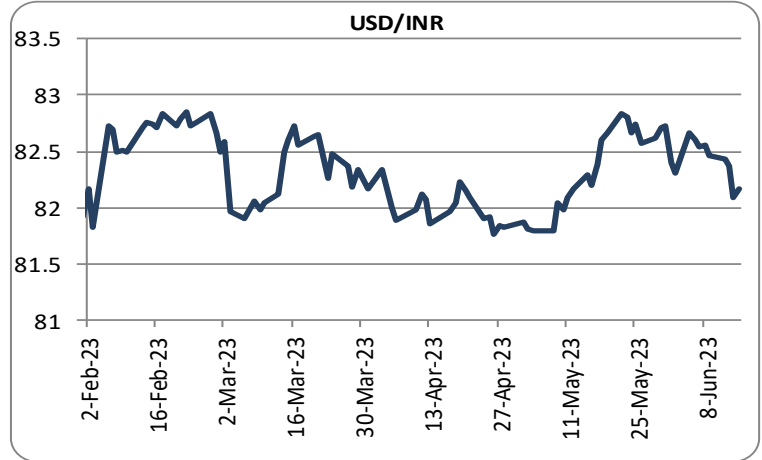
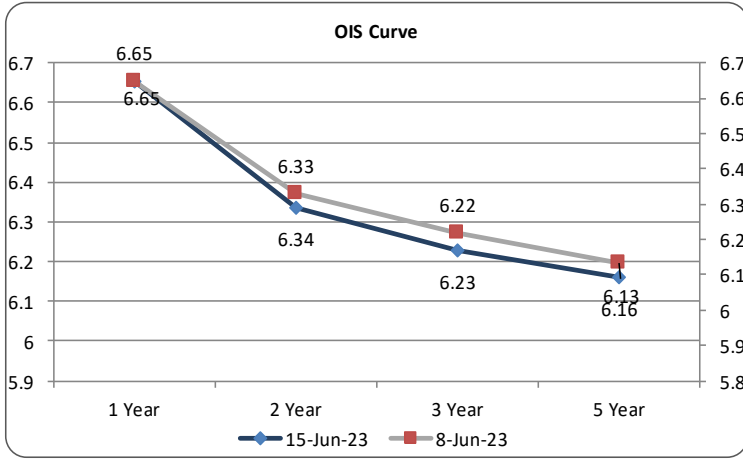
	DEBT		
	Gross Purchase	Gross Sales	Net Investment
FII			
15-Jun-23	190	210	-21

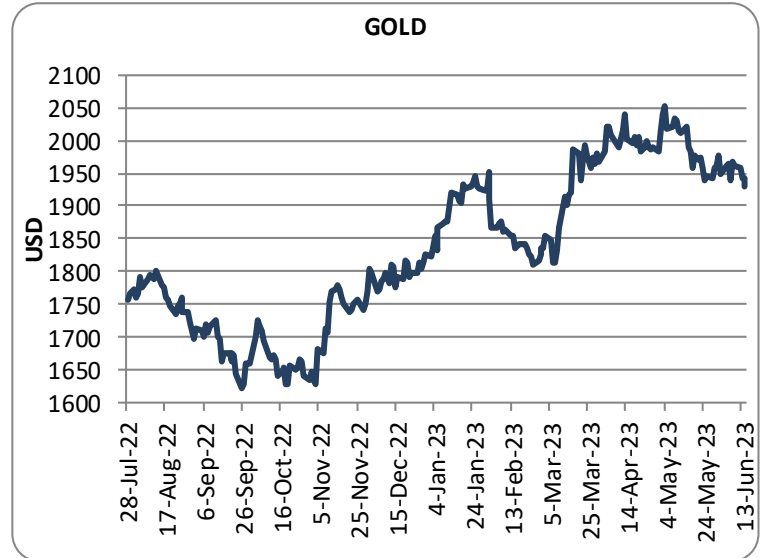
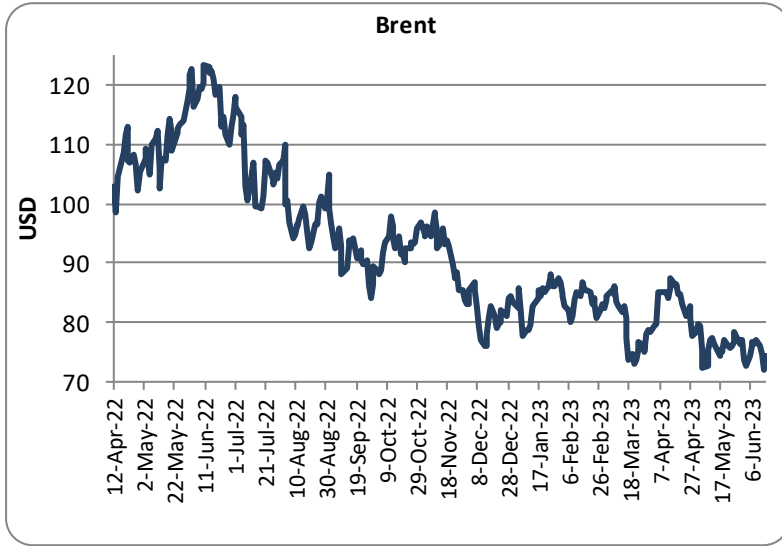
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	10499	8636	1863

	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
	10688	8846	1842

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.

LKP SECURITIES LTD., 203, Embassy Centre, Nariman Point, Mumbai- 400021

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For any queries contact - LKP Securities Ltd. Ph: (91-22) 66306555 Fax: (91-22) 2284 2415 E Mail: FixedIncomeResearch@lkpsec.com

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