



BONDWATCH

Daily

INDIA

March 15, 2023

The 10-year benchmark 7.26% 2032 bond yield ended at 7.3620%, after closing higher at 7.3841% on Tuesday.

U.S. Treasury yields rose on Tuesday and Wednesday, after a stubbornly high inflation reading in February raised bets of policy hikes by the Federal Reserve. The two-year U.S. yield, a closer indicator of rate expectations, jumped over 25 basis points (bps) since Monday's close.

The 10-year U.S. yield was higher by 15 bps since Monday's close. Fed funds futures are now pricing in an over 80% chance for a 25-bps hike in March and 19% for rates being left unchanged.

Meanwhile, India's February retail inflation was at 6.44%, sticky above the Reserve Bank of India's target band for the second straight month, cementing bets of another rate hike in April. The RBI raised the repo rate by 250 bps since last March.

Besides, traders remained focused on the borrowing calendar for the April-September period.

The government's borrowing during the quarter is likely to be between 55% and 58% of its gross borrowing target for next financial year, two government officials said on Wednesday. India aims to raise 15.43 trillion rupees (\$187.04 billion) in the next financial year.

The Indian rupee ended down 0.12% at 82.5950 per dollar as the greenback got a boost amid tepid risk sentiment.

Repo: The weighted average call rates in the interbank segment increased to 6.34% vs 6.32% as on the previous day while that the TREP segment increased to 6.29% vs 6.18% as on the previous day.

Market Observations

G-sec

- Indian government bond yields ended little changed on Wednesday, as elevated inflation shifted focus back on interest rate hikes by U.S. and Indian central banks in the coming days.
- Tbill cut off was in line with market expectation and 3 to 4bps better in 3 month dated T-Bills.
- Demand was seen in 3M and 6M T-Bill by Mutual Funds.

Corporate Bonds

- 3/5 year PSU papers were actively traded - participants active were Mutual Funds and a few private banks.

CP/CD

- Demand seen in 1 month to 1 yr segment.

GOI Yield	15-Mar	14-Mar	9-Mar	14-Feb
1 Year	7.260	7.270	7.410	7.120
5 Year	7.265	7.283	7.414	7.316
10 Year	7.362	7.384	7.444	7.371

AAA Bmk	15-Mar	14-Mar	9-Mar	14-Feb
1 Year	7.83	7.80	7.97	7.85
5 Year	7.82	7.80	7.90	7.75
10 Year	7.75	7.83	7.85	7.70

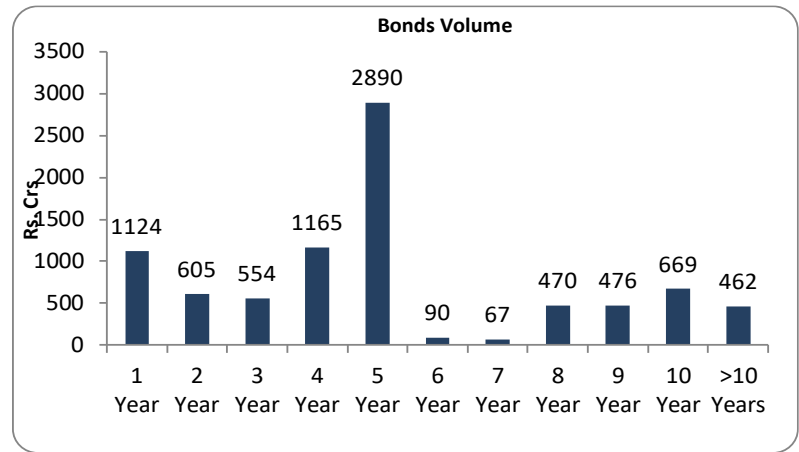
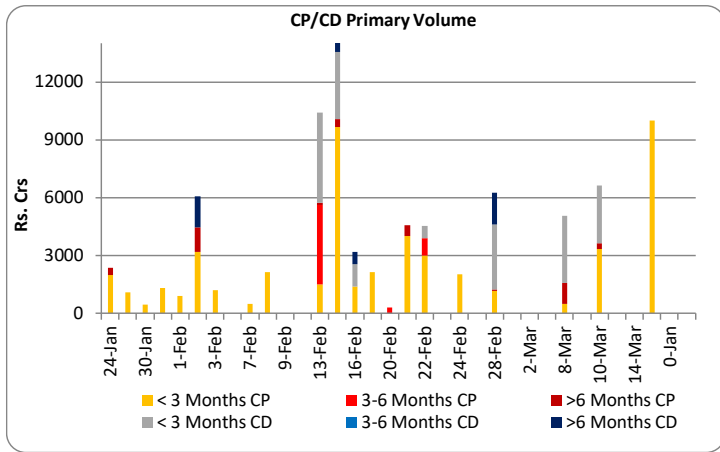
CD	15-Mar	14-Mar	9-Mar	14-Feb
3 Month	7.50	7.45	7.70	7.25
6 Month	7.65	7.65	7.80	7.60
1 Year	7.80	7.85	7.93	7.80

CP	15-Mar	14-Mar	9-Mar	14-Feb
3 Month	7.55	7.55	8.00	7.35
6 Month	7.75	7.75	8.20	7.70
1 Year	8.05	8.05	8.30	7.82

OIS Rate	15-Mar	14-Mar	9-Mar	14-Feb
1 Year	6.79	6.75	7.12	6.92
2 Year	6.40	6.34	6.81	6.57
3 Year	6.37	6.32	6.69	6.45
5 Year	6.38	6.32	6.69	6.47

	15-Mar	14-Mar	9-Mar	14-Feb
Sensex	57,556	57,900	59,806	61,032
Nifty	16,972	17,043	17,590	17,930
USD/INR	82.60	82.49	81.98	82.76
Gold (USD)	1,916	1,902	1,831	1,854
Oil (USD)	76.41	77.45	81.59	85.58

NDF	15-Mar	14-Mar	9-Mar	14-Feb
3 Month	83.32	82.81	82.53	83.35
1 Year	84.69	84.29	83.80	84.57
2 Year	86.85	86.60	85.61	86.59
3 Year	89.93	89.25	88.26	89.09



10 Year Benchmarks	15-Mar	14-Mar	9-Mar	14-Feb
India	7.36	7.38	7.44	7.37
US	3.54	3.64	3.92	3.76
South Korea	3.42	3.30	3.74	3.40
Russia	10.96	10.98	10.91	10.97
Brazil	13.08	13.08	13.19	13.47
Germany	2.25	2.45	2.64	2.45
China	2.88	2.89	2.89	2.89

Top Traded Securities	Volume	15-Mar	14-Mar	9-Mar	14-Feb
5.74 2026	335	7.24	7.27	7.42	7.28
7.38 2027	-	7.26	7.28	7.43	7.32
7.10 2029	-	7.33	7.35	7.44	7.35
6.54 2032	-	7.40	7.40	7.46	7.38
7.26 2032	50	7.36	7.38	7.44	7.37
7.54 2036	-	7.44	7.45	7.51	7.45

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
10-Mar-23	1892	1540	352

EQUITY		
Gross Purchase	Gross Sales	Net Investment
3637	3786	-148

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
5529	5326	203

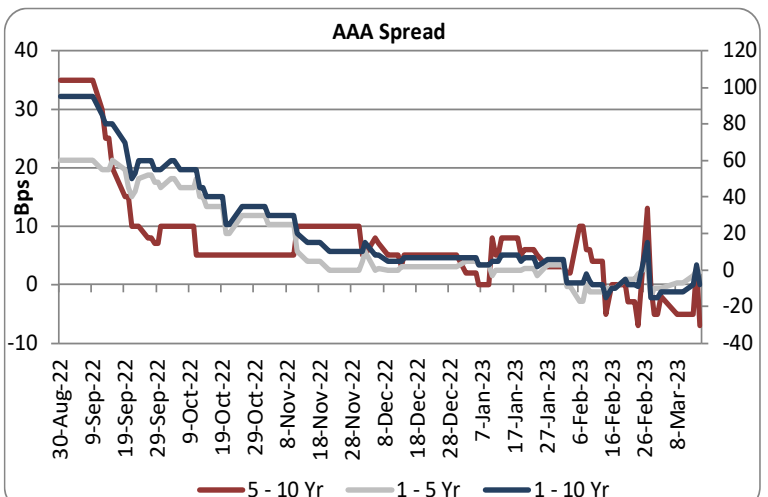
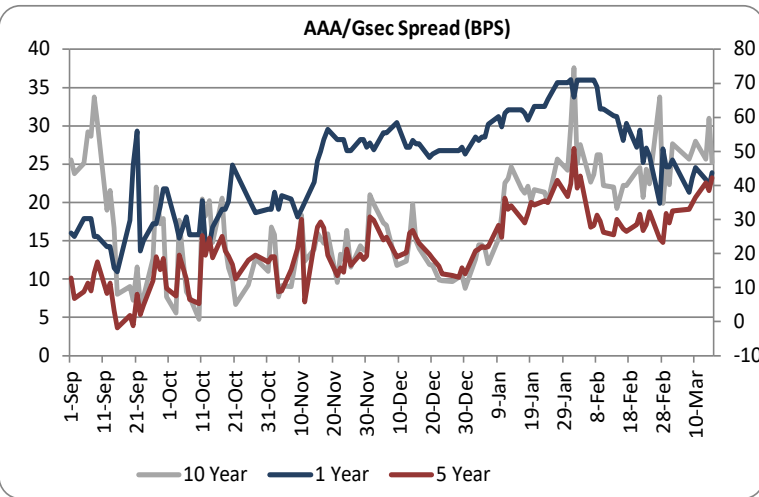
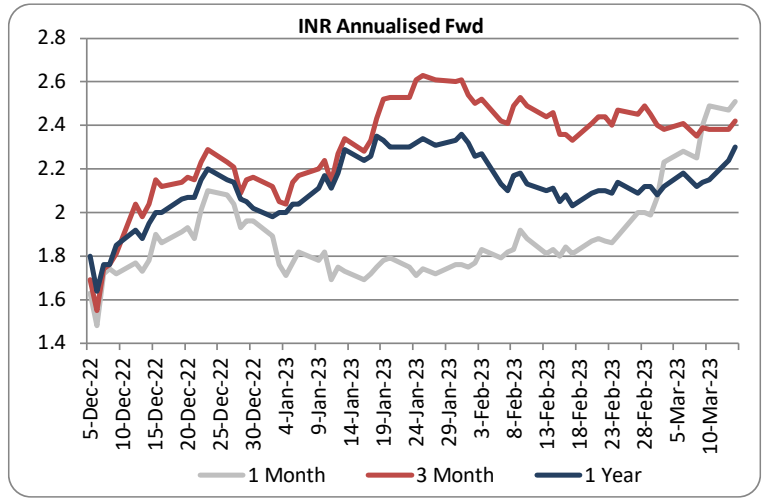
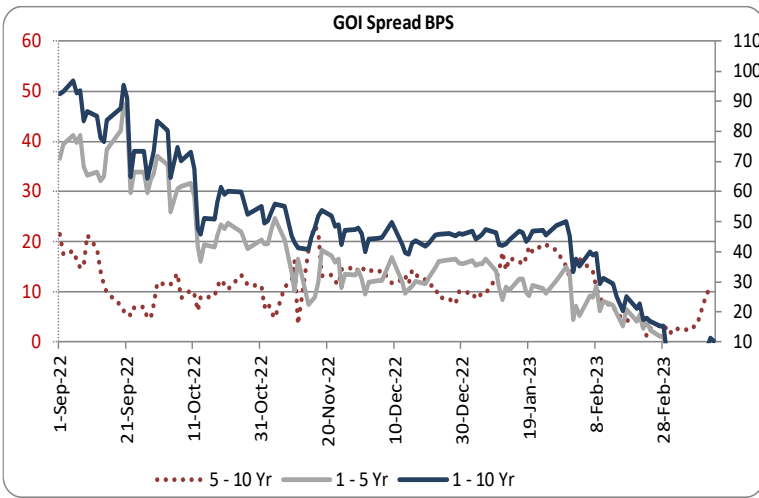
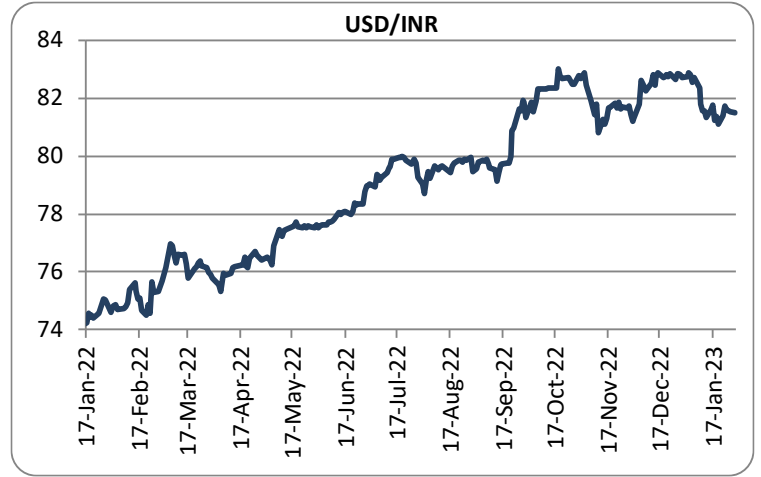
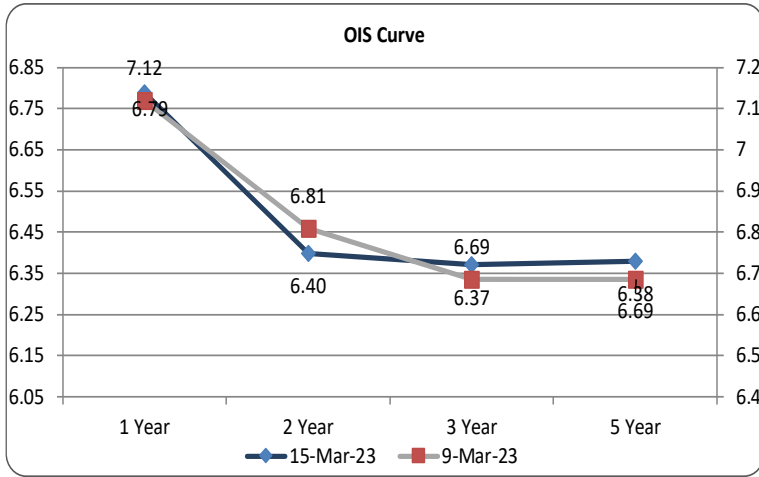
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
15-Mar-23	1207	428	779

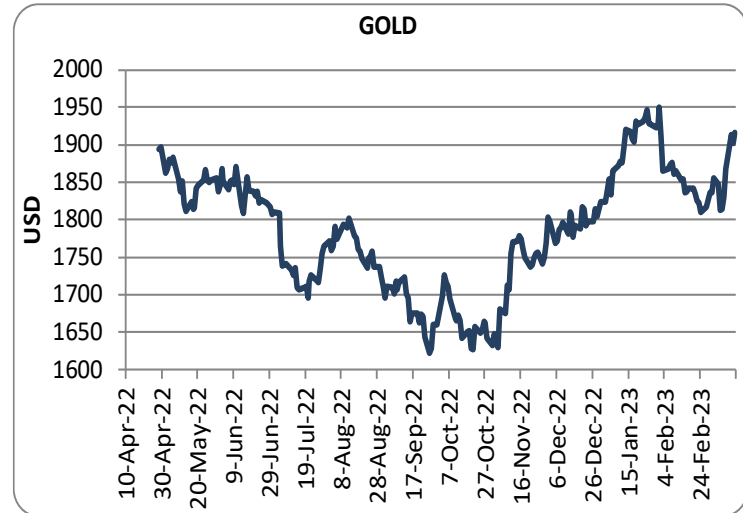
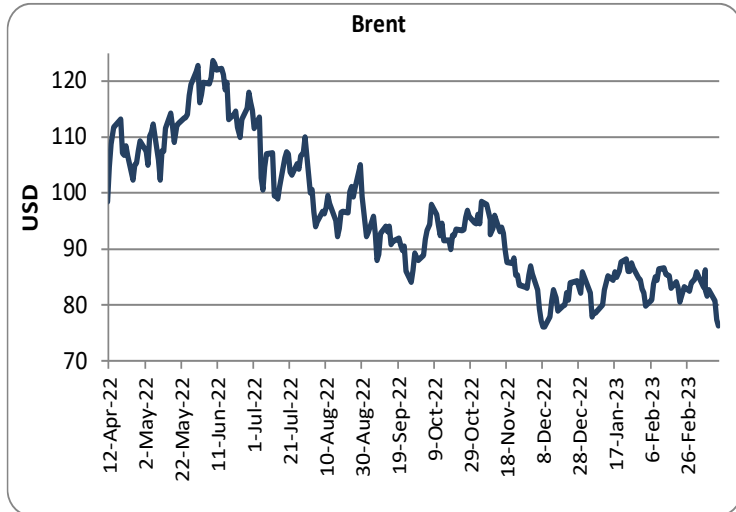
EQUITY		
Gross Purchase	Gross Sales	Net Investment
7424	9633	-2209

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
8631	10061	-1430

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-22	4.4	6.3
CAD (\$ Bn)	Sep-22	-36.4	-18.2
Trade Deficit (\$ Bn)	Sep-22	-83.5	-68.6
WPI (%)	Feb-23	3.9	4.7
CPI (%)	Feb-23	6.4	6.5
IIP (%)	Jan-23	5.2	4.3
PMI Manufacturing	Feb-23	55.3	55.4
PMI Service	Feb-23	59.4	57.2

Economic Calender	Country	Date	Poll	Prior
Industrial Output	Poland	20-Mar-23	1.00	2.60
Retail Sales	Poland	21-Mar-23	15.00	15.10
CPI	UK	22-Mar-23	-	10.10
CPI	South Africa	22-Mar-23	-	6.90
Unemployment rate	Russia	29-Mar-23	3.80	3.60
Industrial Output	Brazil	30-Mar-23	-	(1.30)
GDP Final	USA	30-Mar-23	-	2.70
Repo Rate	South Africa	30-Mar-23	-	7.25





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

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