



BONDWATCH

Daily

July 17, 2023

INDIA

Indian government bond yields ended lower on Monday, with the benchmark ending below a key technical level, as it tracked a similar movement in U.S. peers amid a lack of other triggers.

The benchmark 7.26% 2033 bond yield ended at 7.0758%, after closing at 7.0910% on Friday. The yield registered its biggest weekly fall last week since the seven days ended May 5.

Bond yields had risen earlier in the session tracking U.S. peers after consumer inflation expectations in the world's largest economy rose in July. The 10-year U.S. yield rose 6 basis points (bps) on Friday and was 3 bps lower at 3.7852% on Monday.

Market participants now wait to assess Federal Reserve Chairman Jerome Powell's tone at the U.S. central bank's July meeting for further indications on whether it is likely to continue raising rates beyond a highly anticipated 25 basis points increase this month.

The odds of a 25-basis points hike in July remain around 92%, but those of another hike after that have come down.

The RBI maintained status quo on policy rates in its previous two meetings after hiking by 250 bps in the last financial year, but now aims to meet the 4% inflation target which has pushed back bets of rate cut. The RBI's repo rate is currently at 6.50% and the next monetary policy meeting is due in August.

The Indian rupee strengthened 0.15% versus the U.S. dollar, and quoted at 82.04 per dollar, helped by possible dollar inflows into equities and a broad weakness in the dollar.

Repo: The weighted average call rates in the interbank segment increased to 6.45% vs 6.10% as on the previous day while that the TREP segment decreased to 6.33% vs 6.71% as on the previous day.

GOI Yield	17-Jul	14-Jul	10-Jul	16-Jun
1 Year	6.850	6.870	8.860	6.850
5 Year	7.053	7.071	7.112	6.974
10 Year	7.076	7.091	7.134	7.035

AAA Bmk	17-Jul	14-Jul	10-Jul	16-Jun
1 Year	7.40	7.40	7.40	7.45
5 Year	7.57	7.57	7.62	7.47
10 Year	7.53	7.53	7.55	7.42

CD	17-Jul	14-Jul	10-Jul	16-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	17-Jul	14-Jul	10-Jul	16-Jun
3 Month	7.10	7.10	7.10	7.00
6 Month	7.30	7.30	7.30	7.20
1 Year	7.60	7.60	7.60	7.50

OIS Rate	17-Jul	14-Jul	10-Jul	16-Jun
1 Year	6.76	6.77	6.81	6.66
2 Year	6.43	6.44	6.56	6.34
3 Year	6.32	6.34	6.47	6.23
5 Year	6.26	6.28	6.44	6.15

	17-Jul	14-Jul	10-Jul	16-Jun
Sensex	66,590	66,061	65,344	63,385
Nifty	19,711	19,565	19,356	18,826
USD/INR	82.04	82.17	82.57	81.93
Gold (USD)	1,957	1,955	1,925	1,957
Oil (USD)	78.92	79.87	77.69	76.61

NDF	17-Jul	14-Jul	10-Jul	16-Jun
3 Month	82.31	82.36	82.83	82.19
1 Year	83.33	83.50	83.84	83.30
2 Year	85.58	85.64	85.87	85.33
3 Year	88.39	88.29	88.52	87.98

Market Observations

G-sec

- Market opened at a negative note following its global peers but got given over the course of the day closing @7.0750.

- Demand was seen in 2052 and 2062 maturity papers.

- Foreign banks were selling in 2053 and 2063 maturity papers

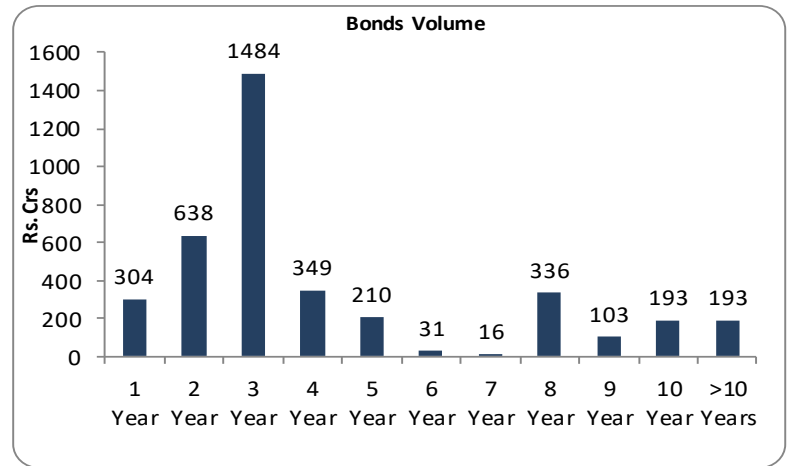
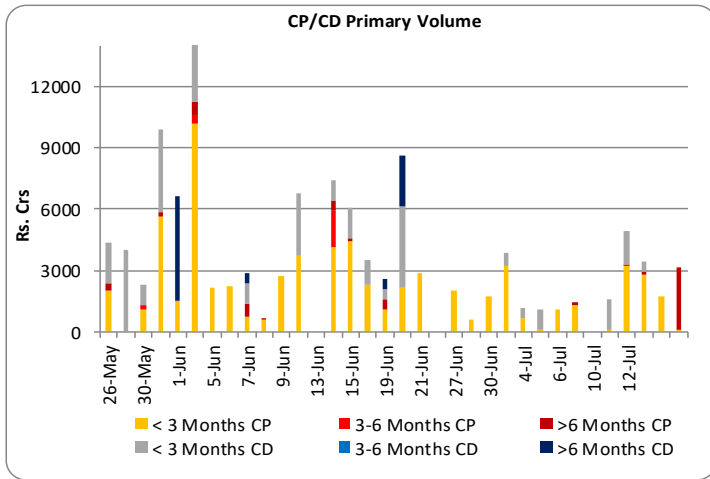
Corporate Bonds

- Activity was seen in the 1-year segment and 8-10-year segment.

- Insurance companies were keen on buying longer maturity papers.

CP/CD

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



10 Year Benchmarks	17-Jul	14-Jul	10-Jul	16-Jun
India	7.08	7.09	7.15	7.03
US	3.79	3.82	4.01	3.77
South Korea	3.66	3.69	3.85	3.66
Russia	11.42	11.40	11.30	10.95
Brazil	10.73	10.73	10.71	11.22
Germany	2.43	2.48	2.63	2.46
China	2.68	2.69	2.69	2.70

Top Traded Securities	Volume	17-Jul	14-Jul	10-Jul	16-Jun
5.74 2026	65	7.04	7.05	7.12	6.96
7.38 2027	-	7.05	7.07	7.11	6.97
7.10 2029	15	7.08	7.10	7.15	7.02
6.54 2032	-	7.12	7.14	7.20	7.09
7.26 2032	#VALUE!	7.11	7.13	7.17	7.07
7.54 2036	-	7.18	7.20	7.26	7.16

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
14-Jul-23	0	0	0

EQUITY	Gross Purchase	Gross Sales	Net Investment
	0	0	0

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
0	0	0

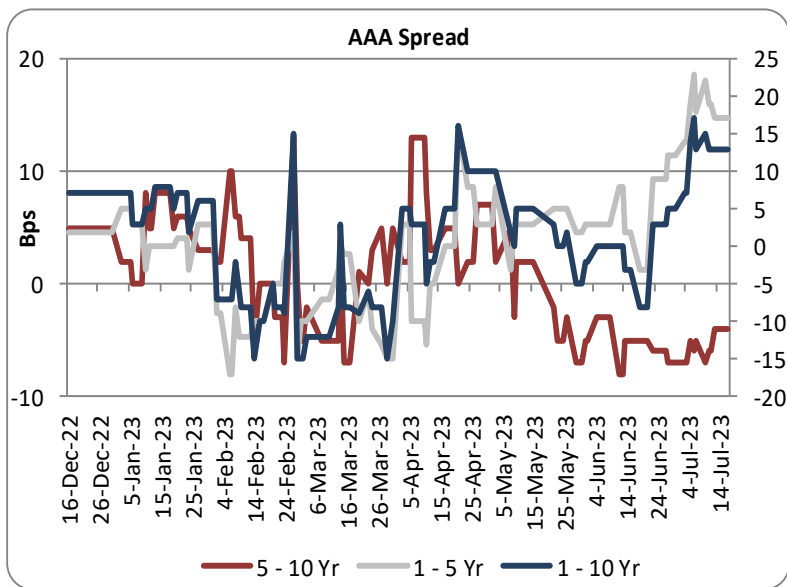
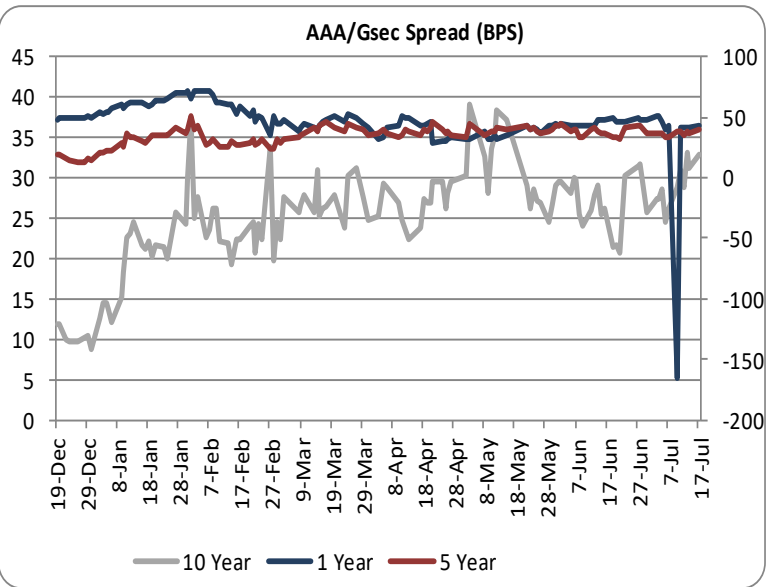
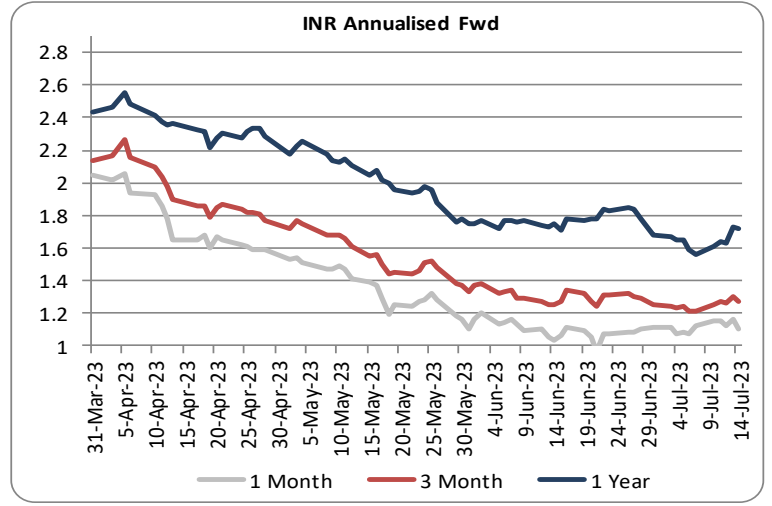
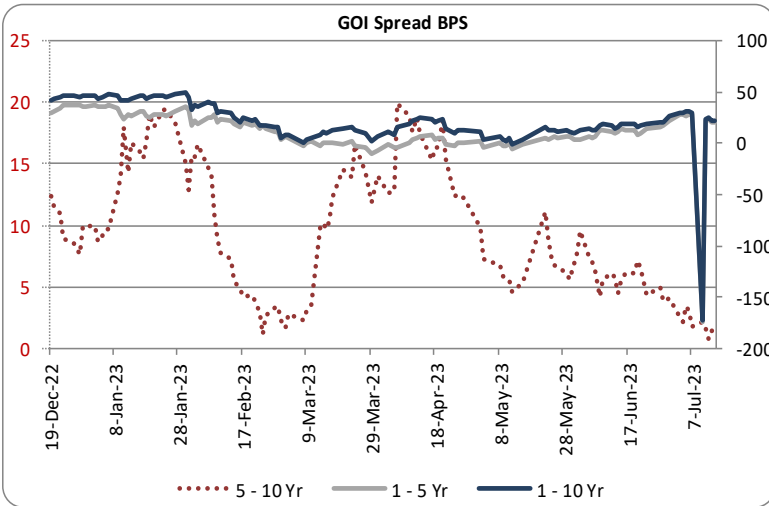
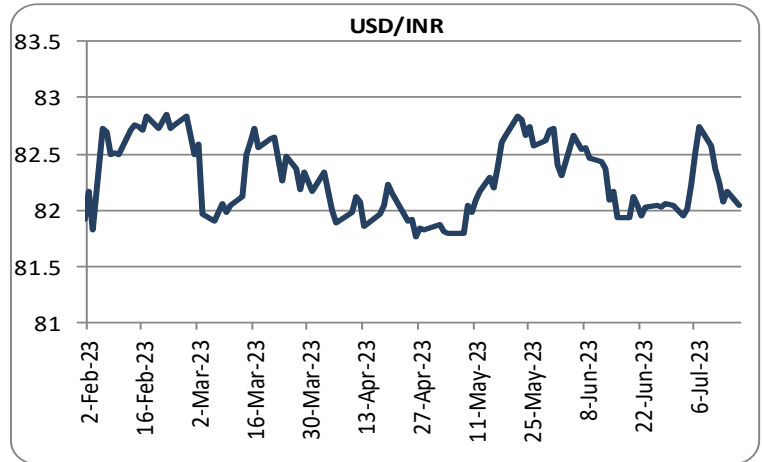
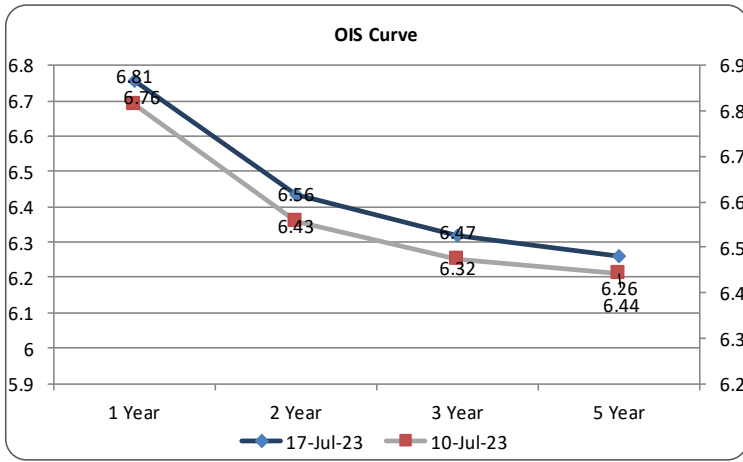
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
17-Jul-23	464	423	41

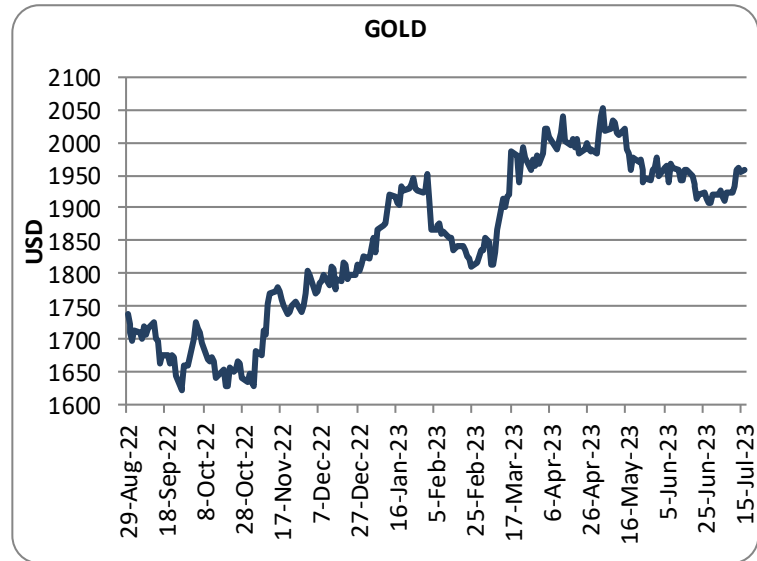
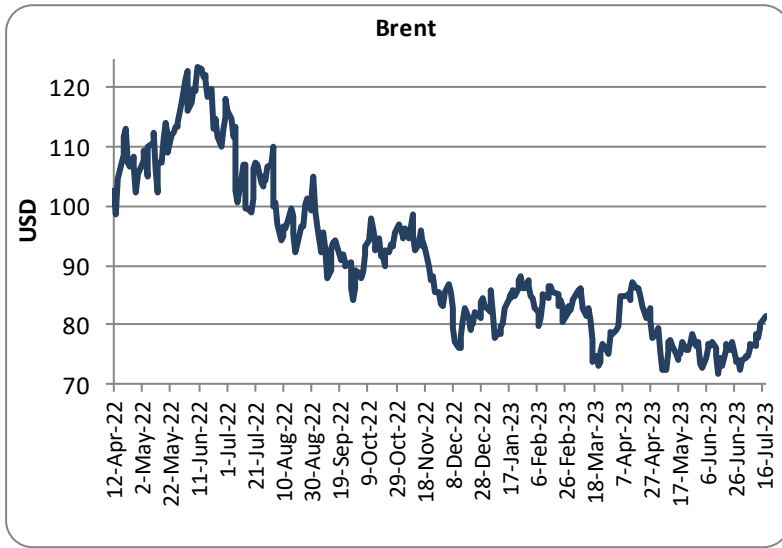
EQUITY	Gross Purchase	Gross Sales	Net Investment
	12814	9536	3279

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
13279	9959	3320

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 (%)	Jun-23	-4.1	-3.5
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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