



# BONDWATCH

INDIA

Daily

April 18, 2023

Indian government bond yields ended lower on Tuesday on value buying from investors, while the focus now shifted to minutes from the Reserve Bank of India's (RBI) latest policy meeting due on Thursday.

The 10-year benchmark 7.26% 2032 bond yield ended at 7.2207%, after closing at 7.2475% on Monday. The benchmark five-year interest rates were trading flat with its previous close of 7.08% on Monday.

In the global market, U.S. Treasury yields were little changed on Monday, as investors continued to assess the outlook for the U.S. economy and digested the latest round of corporate earnings.

The yield on the 2-month U.S. Treasury bill jumped on Tuesday to its highest level since at least 2018, as unease about the U.S debt ceiling and the likelihood of another interest rate hike took hold.

Oil prices firmed slightly on Tuesday, after falling 2% in the previous session, as stronger economic data from the world's largest crude importer China underpinned demand outlook.

The Indian rupee weakened 0.07% versus the U.S. dollar, and quoted at 82.04 per dollar, as strong U.S. macroeconomic data bolstered bets of a Federal Reserve rate hike.

Repo: The weighted average call rates in the interbank segment increased to 6.57% vs 6.43% as on the previous day while that the TREP segment increased to 6.59% vs 6.51% as on the previous day.

| GOI Yield | 18-Apr | 17-Apr | 11-Apr | 20-Mar |
|-----------|--------|--------|--------|--------|
| 1 Year    | 7.000  | 6.990  | 7.010  | 7.200  |
| 5 Year    | 7.033  | 7.077  | 7.047  | 7.190  |
| 10 Year   | 7.197  | 7.230  | 7.222  | 7.336  |

| AAA Bmk | 18-Apr | 17-Apr | 11-Apr | 20-Mar |
|---------|--------|--------|--------|--------|
| 1 Year  | 7.55   | 7.55   | 7.65   | 7.84   |
| 5 Year  | 7.55   | 7.55   | 7.52   | 7.74   |
| 10 Year | 7.60   | 7.60   | 7.60   | 7.75   |

| CD      | 18-Apr | 17-Apr | 11-Apr | 20-Mar |
|---------|--------|--------|--------|--------|
| 3 Month | 7.05   | 7.00   | 7.05   | 7.35   |
| 6 Month | 7.25   | 7.25   | 7.25   | 7.60   |
| 1 Year  | 7.50   | 7.50   | 7.50   | 7.80   |

| CP      | 18-Apr | 17-Apr | 11-Apr | 20-Mar |
|---------|--------|--------|--------|--------|
| 3 Month | 7.15   | 7.10   | 7.10   | 7.45   |
| 6 Month | 7.35   | 7.35   | 7.30   | 7.70   |
| 1 Year  | 7.60   | 7.60   | 7.60   | 7.90   |

| OIS Rate | 18-Apr | 17-Apr | 11-Apr | 20-Mar |
|----------|--------|--------|--------|--------|
| 1 Year   | 6.61   | 6.61   | 6.60   | 6.68   |
| 2 Year   | 6.24   | 6.25   | 6.20   | 6.26   |
| 3 Year   | 6.16   | 6.16   | 6.11   | 6.23   |
| 5 Year   | 6.17   | 6.18   | 6.13   | 6.22   |

|            | 18-Apr | 17-Apr | 11-Apr | 20-Mar |
|------------|--------|--------|--------|--------|
| Sensex     | 59,727 | 59,911 | 60,158 | 57,629 |
| Nifty      | 17,660 | 17,707 | 17,722 | 16,988 |
| USD/INR    | 82.04  | 81.97  | 82.13  | 82.64  |
| Gold (USD) | 2,004  | 1,995  | 2,003  | 1,979  |
| Oil (USD)  | 84.62  | 84.76  | 85.61  | 73.79  |

| NDF     | 18-Apr | 17-Apr | 11-Apr | 20-Mar |
|---------|--------|--------|--------|--------|
| 3 Month | 82.41  | 82.39  | 82.47  | 83.07  |
| 1 Year  | 83.94  | 83.82  | 84.02  | 84.54  |
| 2 Year  | 86.22  | 86.30  | 86.48  | 87.10  |
| 3 Year  | 89.41  | 89.60  | 89.78  | 89.90  |

## Market Observations

### G-sec

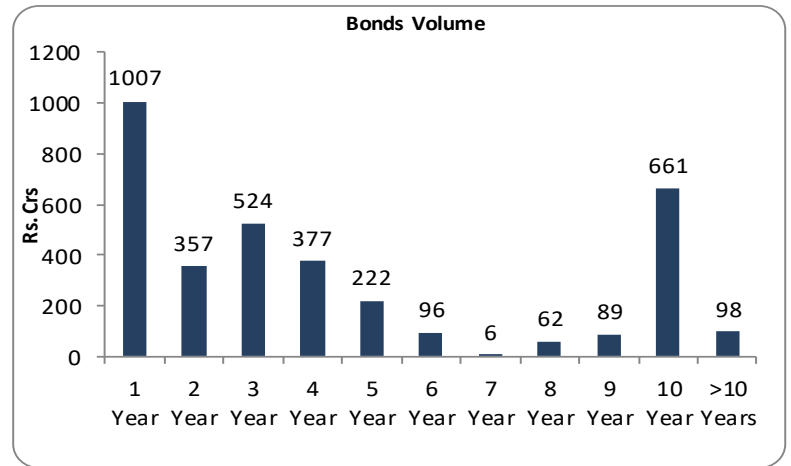
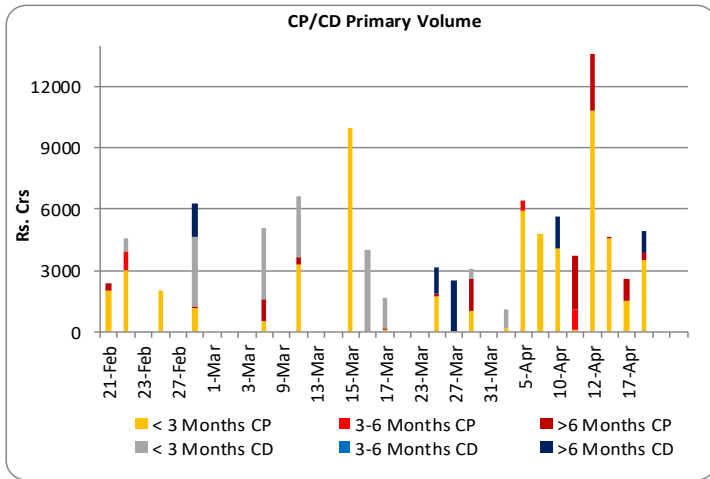
- Demand was seen in 2 year SDLs by private banks @7.15 levels.
- Demand was seen in 3year SDLs @7.25 levels by Mutual Funds. Major sellers were Nationalized banks.
- Size switches in 10year SDLs were reported. Major CP was SBI.
- Demand was seen in 30 and 40year G-sec by foreign banks @36 levels.

### Corporate Bonds

- Pension funds and insurance companies were actively buying in the longer end.
- Mutual Funds were active in the 3-5 year segment to an extent.
- Mutual Funds demanded more NBFC papers.

### CP/CD

- Major activity was seen in 9 months to 1-year segment
- Banks were seen selling march papers and corporates were on the buyer side.



| 10 Year Benchmarks | 18-Apr | 17-Apr | 11-Apr | 20-Mar |
|--------------------|--------|--------|--------|--------|
| India              | 7.22   | 7.25   | 7.22   | 7.33   |
| US                 | 3.57   | 3.59   | 3.43   | 3.48   |
| South Korea        | 3.35   | 3.35   | 3.26   | 3.31   |
| Russia             | 10.57  | 10.56  | 10.47  | 11.19  |
| Brazil             | 12.40  | 12.41  | 12.49  | 13.05  |
| Germany            | 2.45   | 2.48   | 2.30   | 2.10   |
| China              | 2.84   | 2.84   | 2.83   | 2.86   |

| Top Traded Securities | Volume | 18-Apr | 17-Apr | 11-Apr | 20-Mar |
|-----------------------|--------|--------|--------|--------|--------|
| 5.74 2026             | 110    | 7.01   | 7.03   | 7.04   | 7.19   |
| 7.38 2027             | 5      | 7.03   | 7.08   | 7.05   | 7.19   |
| 7.10 2029             | 30     | 7.13   | 7.15   | 7.14   | 7.28   |
| 6.54 2032             | -      | 7.24   | 7.26   | 7.25   | 7.35   |
| 7.26 2032             | -      | 7.22   | 7.25   | 7.22   | 7.34   |
| 7.54 2036             | 20     | 7.34   | 7.37   | 7.35   | 7.41   |

|           | DEBT           |             |                |
|-----------|----------------|-------------|----------------|
|           | Gross Purchase | Gross Sales | Net Investment |
| <b>MF</b> |                |             |                |
| 13-Apr-23 | 4355           | 4829        | -474           |

|  | EQUITY         |             |                |
|--|----------------|-------------|----------------|
|  | Gross Purchase | Gross Sales | Net Investment |
|  |                |             |                |
|  | 3772           | 4559        | -787           |

|  | TOTAL (Rs.Crs) |             |                |
|--|----------------|-------------|----------------|
|  | Gross Purchase | Gross Sales | Net Investment |
|  |                |             |                |
|  | 8127           | 9389        | -1262          |

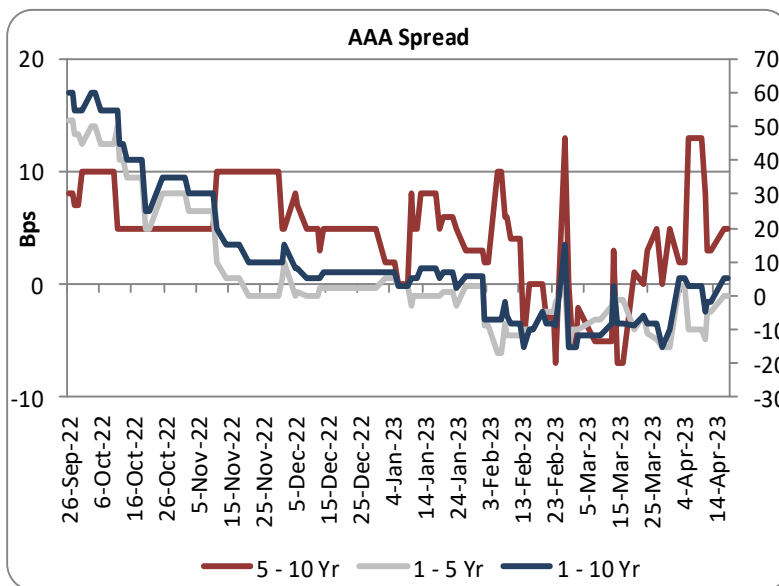
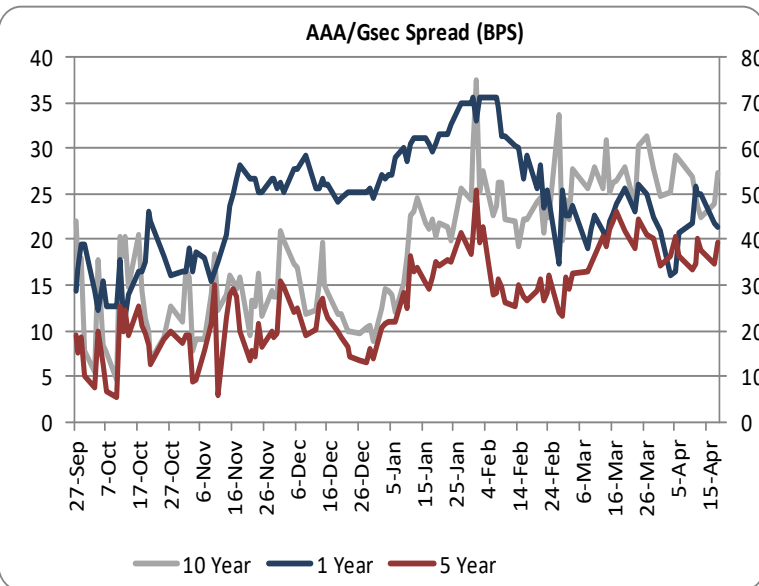
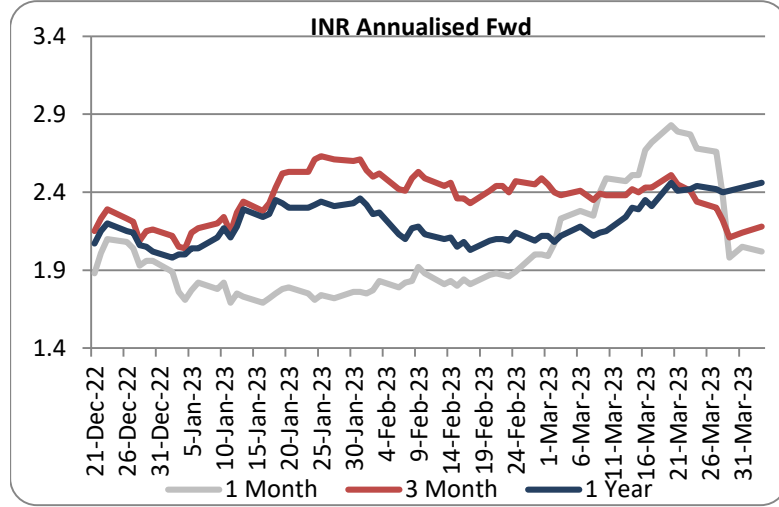
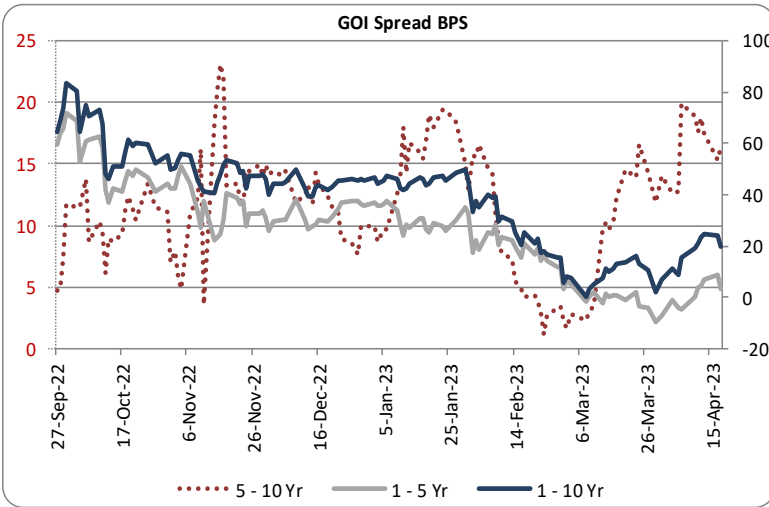
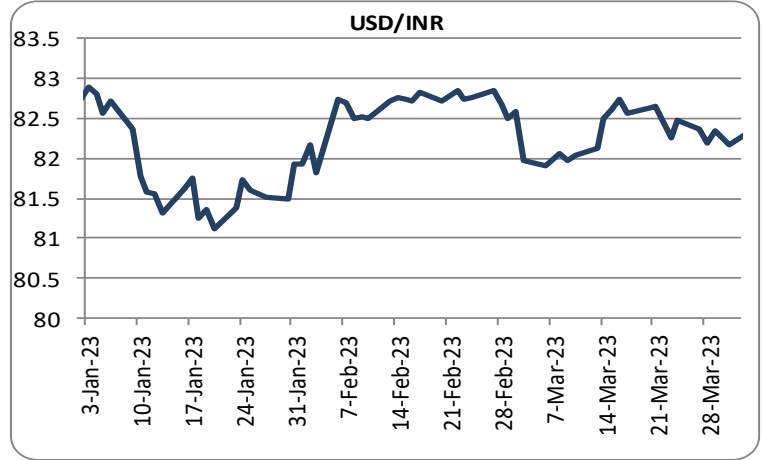
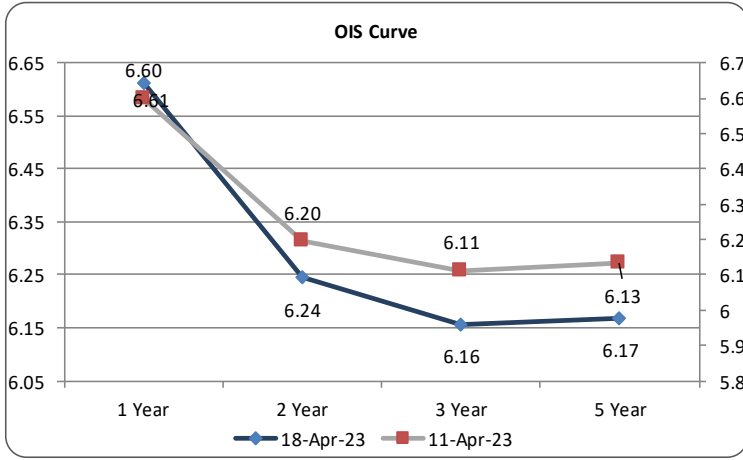
|            | DEBT           |             |                |
|------------|----------------|-------------|----------------|
|            | Gross Purchase | Gross Sales | Net Investment |
| <b>FII</b> |                |             |                |
| 18-Apr-23  | 447            | 1448        | -1001          |

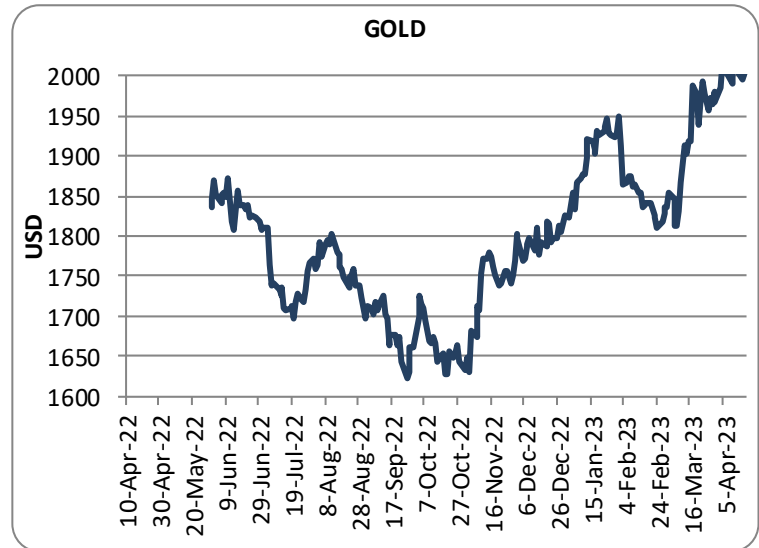
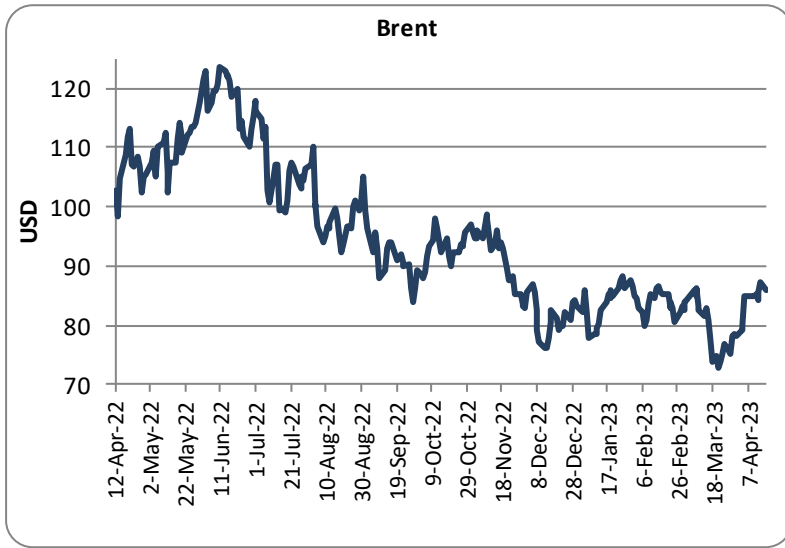
|  | EQUITY         |             |                |
|--|----------------|-------------|----------------|
|  | Gross Purchase | Gross Sales | Net Investment |
|  |                |             |                |
|  | 13352          | 12930       | 422            |

|  | TOTAL (Rs. Crs) |             |                |
|--|-----------------|-------------|----------------|
|  | Gross Purchase  | Gross Sales | Net Investment |
|  |                 |             |                |
|  | 13799           | 14378       | -579           |

| INDICATORS            | PERIOD | ACTUAL | PRIOR |
|-----------------------|--------|--------|-------|
| GDP Quaterly (%)      | Dec-22 | 4.4    | 6.3   |
| CAD (\$ Bn)           | Dec-22 | -18.2  | -30.9 |
| Trade Deficit (\$ Bn) | Dec-22 | -72.7  | -78.3 |
| WPI (%)               | Mar-23 | 1.3    | 3.9   |
| CPI (%)               | Mar-23 | 5.7    | 6.4   |
| IIP (%)               | Feb-23 | 5.6    | 5.2   |
| PMI Manufacturing     | Mar-23 | 56.4   | 55.3  |
| PMI Service           | Mar-23 | 57.8   | 59.4  |

| Economic Calender | Country   | Date      | Poll   | Prior  |
|-------------------|-----------|-----------|--------|--------|
| CPI               | UK        | 19-Apr-23 | -      | 10.40  |
| CPI               | Japan     | 21-Apr-23 | 3.10   | 3.10   |
| Retail Sales      | UK        | 21-Apr-23 | (3.10) | (3.50) |
| CPI               | Australia | 26-Apr-23 | -      | 7.80   |
| Industrial Output | Russia    | 26-Apr-23 | (1.60) | (1.70) |
| Unemployment Rate | Japan     | 28-Apr-23 | -      | 2.60   |
| CPI               | Germany   | 28-Apr-23 | -      | 7.40   |
| Retail Sales      | Germany   | 02-May-23 | -      | (7.10) |





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

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