



# BONDWATCH

Daily

April 19, 2023

INDIA

Bond yields edged marginally higher on Wednesday as traders await fresh triggers including the minutes of the latest central bank meeting.

The 10-year benchmark 7.26% 2032 bond yield ended at 7.2251%, after closing at 7.2207% on Tuesday. The benchmark five-year interest rates were trading flat with its previous close of 7.05% on Tuesday.

Indian state-run banks are likely to wait for government bond prices to drop further before rebuilding fresh positions after having heavily sold bonds over the last month as a likely policy pivot and fall in U.S. yields helped a rally in prices.

Traders also await debt supply on Friday, when the government is scheduled to raise 330 billion rupees (\$4.01 billion) through the sale of bonds.

In the global market, U.S. Treasury yields climbed on Tuesday as investors considered the latest quarterly earnings reports, including from major banks, and assessed the economic outlook.

Oil prices rose in early Asian trade on Wednesday as U.S. crude inventories were seen falling and on strong Chinese economic data, signaling strengthening fuel demand.

The Indian rupee weakened 0.23% versus the U.S. dollar, and quoted at 82.2250 per dollar as the greenback staged a recovery on firmer U.S. Treasury yields.

Repo: The weighted average call rates in the interbank segment decreased to 6.51% vs 6.57% as on the previous day while that the TREP segment decreased to 6.42% vs 6.59% as on the previous day.

## Market Observations

### G-sec

- T-bill auction cut-off was as per market expectations.

### Corporate Bonds

- Buying seen from Mutual funds in 2024-26 segment.

- Insurance companies and pension funds were seen buying in the longer 2030-2038 segment.

### CP/CD

- Major activity was seen in 1-month to 3-month segment.

GOI Yield	19-Apr	18-Apr	12-Apr	20-Mar
1 Year	6.985	7.000	6.980	7.200
5 Year	7.039	7.033	7.026	7.190
10 Year	7.202	7.197	7.213	7.336

AAA Bmk	19-Apr	18-Apr	12-Apr	20-Mar
1 Year	7.55	7.55	7.60	7.84
5 Year	7.55	7.55	7.55	7.74
10 Year	7.60	7.60	7.58	7.75

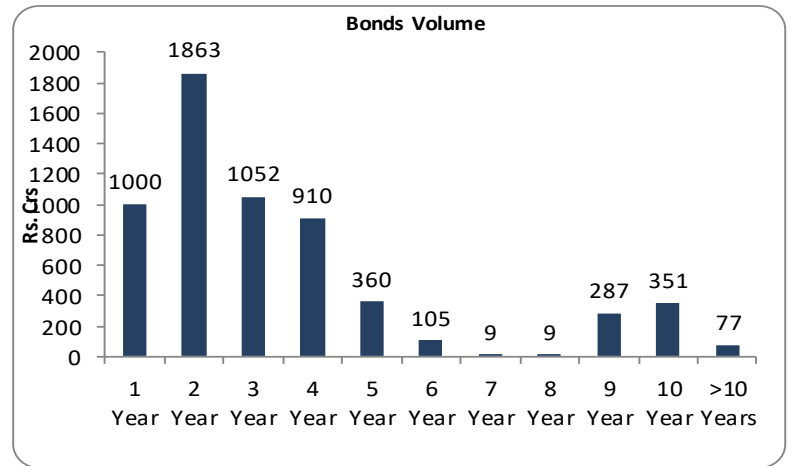
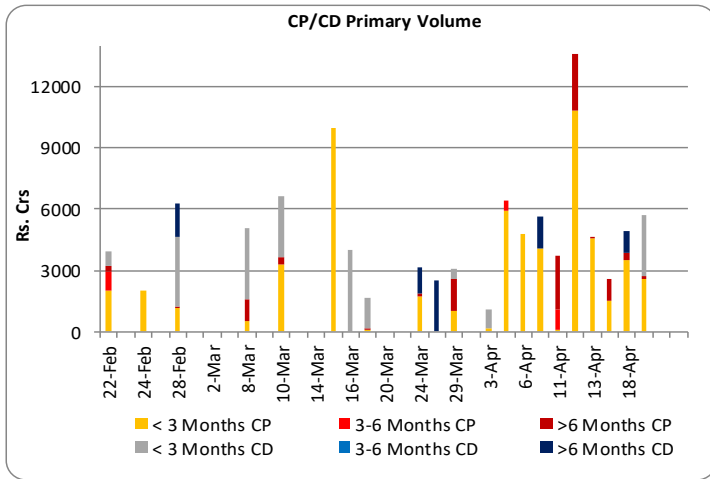
CD	19-Apr	18-Apr	12-Apr	20-Mar
3 Month	7.05	7.05	7.05	7.35
6 Month	7.25	7.25	7.35	7.60
1 Year	7.50	7.50	7.50	7.80

CP	19-Apr	18-Apr	12-Apr	20-Mar
3 Month	7.15	7.15	7.15	7.45
6 Month	7.35	7.35	7.45	7.70
1 Year	7.60	7.60	7.60	7.90

OIS Rate	19-Apr	18-Apr	12-Apr	20-Mar
1 Year	6.61	6.61	6.59	6.68
2 Year	6.22	6.24	6.19	6.26
3 Year	6.13	6.16	6.10	6.23
5 Year	6.14	6.17	6.12	6.22

	19-Apr	18-Apr	12-Apr	20-Mar
Sensex	59,568	59,727	60,393	57,629
Nifty	17,619	17,660	17,812	16,988
USD/INR	82.23	82.04	82.08	82.64
Gold (USD)	1,970	2,005	2,015	1,979
Oil (USD)	83.08	84.77	87.33	73.79

NDF	19-Apr	18-Apr	12-Apr	20-Mar
3 Month	82.65	82.50	82.36	83.07
1 Year	84.16	83.97	83.54	84.54
2 Year	86.53	86.31	86.32	87.10
3 Year	89.63	89.07	89.62	89.90



10 Year Benchmarks	19-Apr	18-Apr	12-Apr	20-Mar
India	7.23	7.22	7.21	7.33
US	3.62	3.57	3.42	3.48
South Korea	3.37	3.35	3.26	3.31
Russia	10.57	10.56	10.54	11.19
Brazil	12.54	12.47	12.57	13.05
Germany	2.50	2.47	2.36	2.10
China	2.84	2.84	2.82	2.86

Top Traded Securities	Volume	19-Apr	18-Apr	12-Apr	20-Mar
5.74 2026	180	7.02	7.01	7.02	7.19
7.38 2027	-	7.04	7.03	7.03	7.19
7.10 2029	-	7.13	7.13	7.12	7.28
6.54 2032	5	7.24	7.24	7.24	7.35
7.26 2032	120	7.23	7.22	7.21	7.34
7.54 2036	80	7.35	7.34	7.35	7.41

	DEBT		
	Gross Purchase	Gross Sales	Net Investment
MF			
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

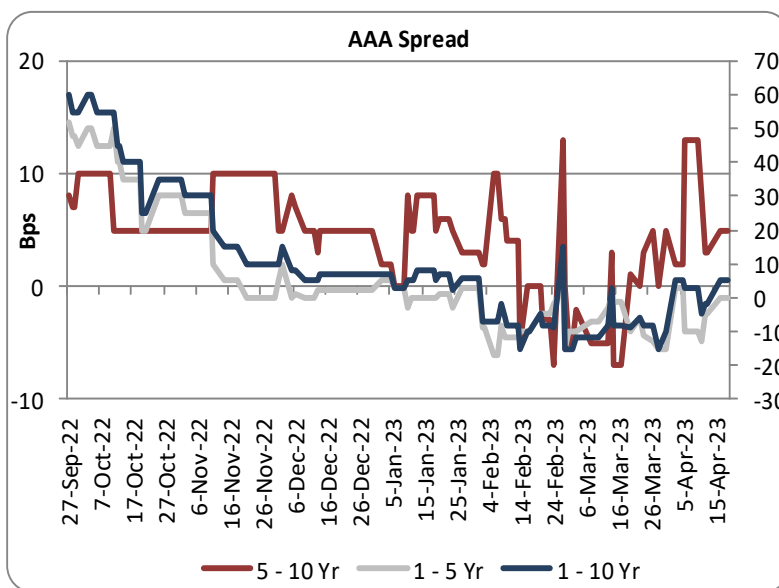
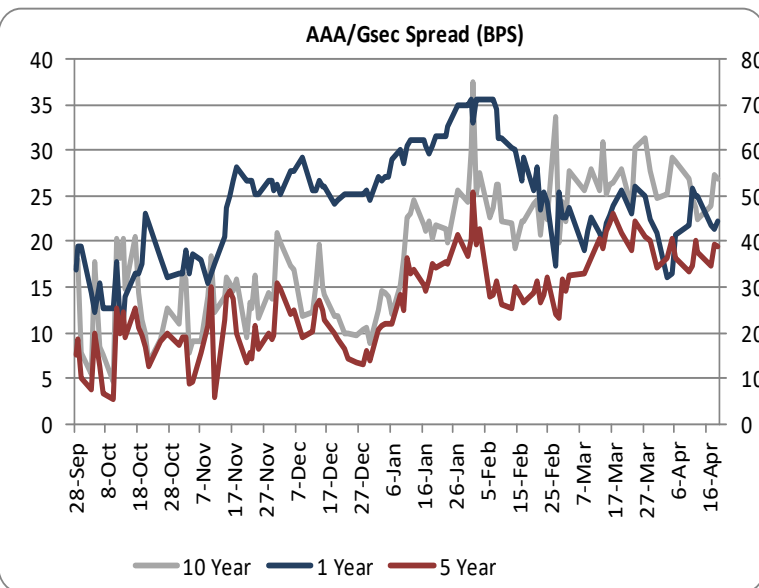
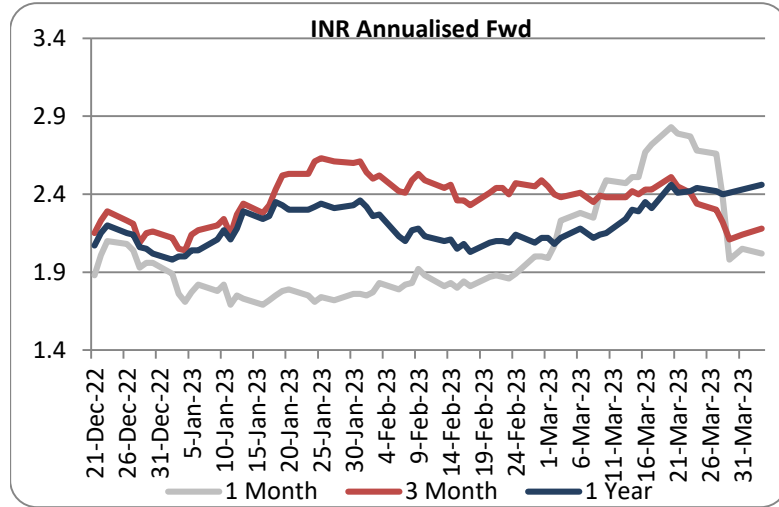
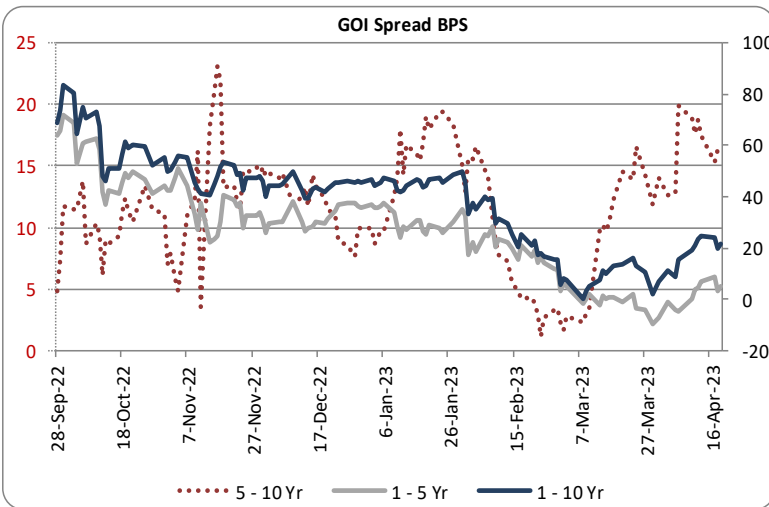
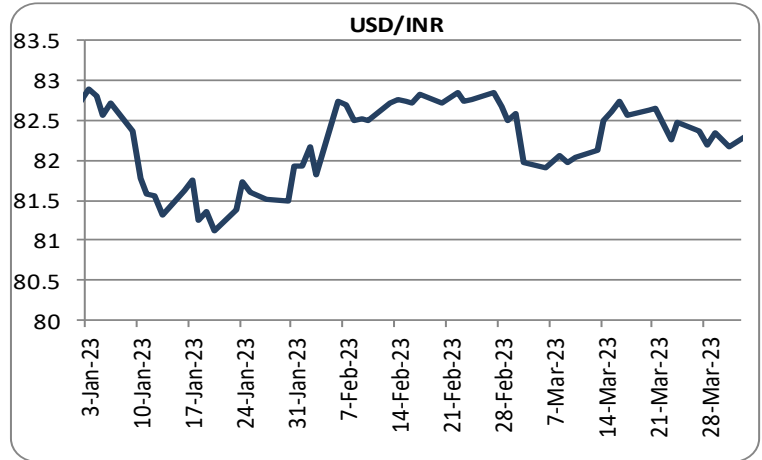
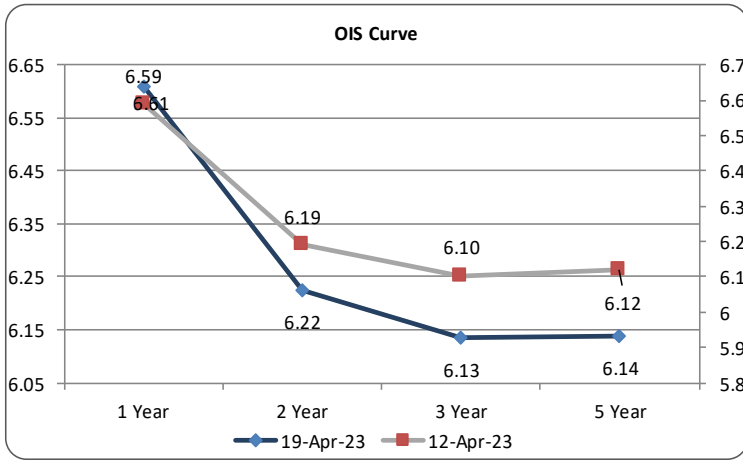
	DEBT		
	Gross Purchase	Gross Sales	Net Investment
FII			
19-Apr-23	802	286	516

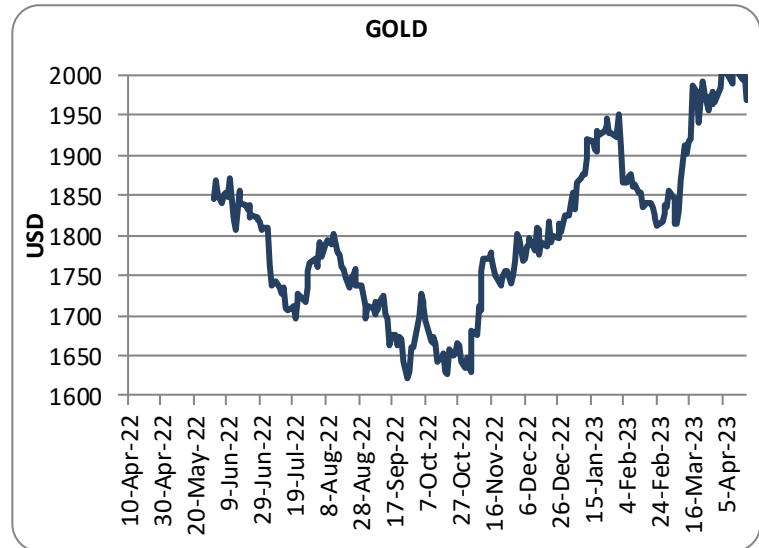
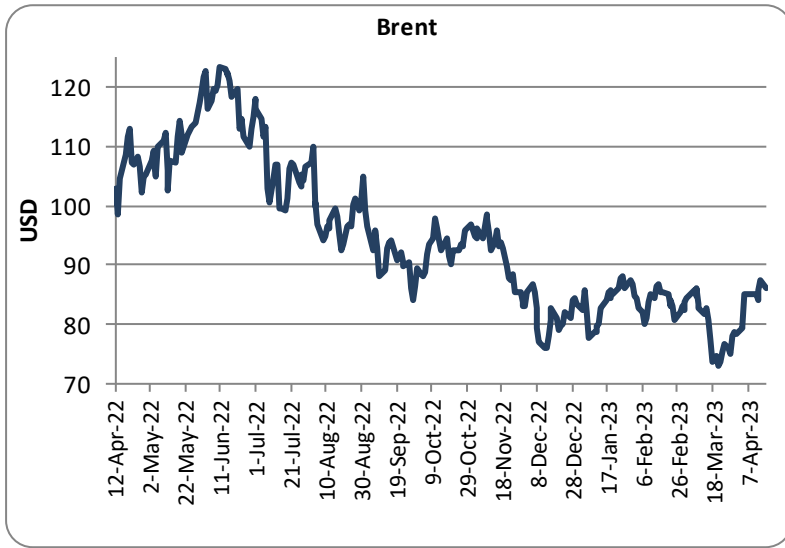
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	7441	7993	-552

	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
	8243	8279	-36

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.

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

The information in this document has been printed based on publicly available information, internal data and other reliable sources believed to be true and is for general guidance only. While every effort is made to ensure the accuracy and completeness of information contained, the company makes no guarantee and assumes no liability for any errors or omissions of the information. No one can use the information as the basis for any claim, demand, or cause of action. Nothing contained in this publication shall constitute an offer to sell/purchase or an invitation/solicitation to do so for any Government Security, Currency, Security, and Equity. LKP Securities Ltd. accepts no liability whatsoever for any loss, howsoever arising, from any use of this document, its contents or otherwise arising in connection therewith.

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

Visit our website - <http://www.lkpsec.com/>