



# BONDWATCH

INDIA

Daily

June 19, 2023

Indian government bond yields began the week closing slightly higher, as market participants refrained from placing large bets while they awaited fresh triggers.

The benchmark 7.26% 2033 bond yield ended at 7.0605%, after closing at 7.0354% in the previous session.

Bond yields had eased briefly earlier in the session, as Indian states aim to raise 56 billion rupees (\$683.6 million) through the sale of bonds on Tuesday, with the quantum being sharply lower than the scheduled 180 billion rupees.

States had raised more funds than expected in the last three auctions, with borrowing rising sharply to 654 billion rupees during the period, after remaining low in the first month of fiscal 2024.

The RBI had kept rates unchanged for the second consecutive time earlier this month, but said inflation needed to move towards its 4% target.

Traders said that the minutes of the Reserve Bank of India's latest policy meeting could provide more clarity on the central bank's future interest rate trajectory.

Oil prices fell on Monday as questions over China's economy outweighed OPEC+ output cuts.

The Indian rupee weakened 0.01% versus the U.S. dollar, and quoted at 81.94 per dollar, shrugging off weak regional cues, to seek further clarity on the outlook for interest rates in the U.S.

Repo: The weighted average call rates in the interbank segment increased to 6.64% vs 6.18% as on the previous day while that the TREP segment increased to 6.60% vs 6.50% as on the previous day.

GOI Yield	19-Jun	16-Jun	12-Jun	22-May
1 Year	6.870	6.850	6.850	6.823
5 Year	6.999	6.974	6.957	6.876
10 Year	7.061	7.035	7.018	6.986

AAA Bmk	19-Jun	16-Jun	12-Jun	22-May
1 Year	7.48	7.45	7.40	7.37
5 Year	7.45	7.47	7.48	7.42
10 Year	7.40	7.42	7.40	7.40

CD	19-Jun	16-Jun	12-Jun	22-May
3 Month	6.95	6.98	6.98	6.85
6 Month	7.10	7.20	7.20	7.13
1 Year	7.40	7.40	7.40	7.30

CP	19-Jun	16-Jun	12-Jun	22-May
3 Month	7.05	7.00	7.08	6.90
6 Month	7.20	7.20	7.30	7.25
1 Year	7.50	7.50	7.50	7.40

OIS Rate	19-Jun	16-Jun	12-Jun	22-May
1 Year	6.66	6.66	6.63	6.50
2 Year	6.34	6.34	6.32	6.12
3 Year	6.23	6.23	6.22	5.99
5 Year	6.15	6.15	6.16	5.94

	19-Jun	16-Jun	12-Jun	22-May
Sensex	63,168	63,385	62,725	61,964
Nifty	18,755	18,826	18,602	18,314
USD/INR	81.94	81.93	82.43	82.83
Gold (USD)	1,950	1,957	1,957	1,969
Oil (USD)	76.48	76.61	71.84	75.99

NDF	19-Jun	16-Jun	12-Jun	22-May
3 Month	82.19	82.19	82.64	83.14
1 Year	83.33	83.30	83.73	84.40
2 Year	85.44	85.33	85.80	86.66
3 Year	88.36	87.98	88.55	89.51

## Market Observations

### G-sec

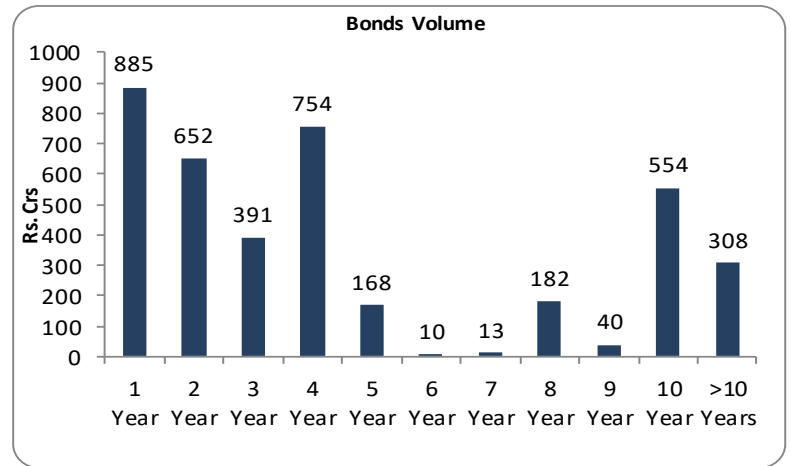
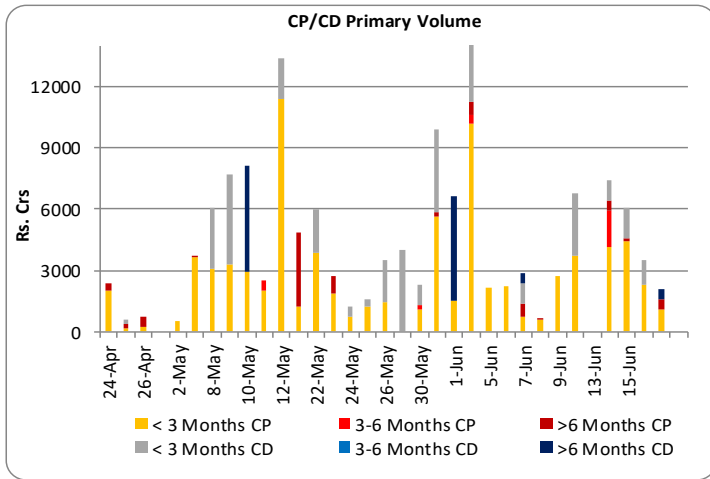
- 10-year benchmark yields got given towards the end of market hours.
- Demand was seen in 1-year T-bills and long dated G-sec.

### Corporate Bonds

- Pension funds were buying in the longer segment and insurances were active.
- Mutual funds and insurances were active in the 2025-2027 segment.

### CP/CD

- Market was active across all segments.



10 Year Benchmarks	19-Jun	16-Jun	12-Jun	22-May
India	7.06	7.03	7.02	6.99
US	3.77	3.77	3.77	3.72
South Korea	3.63	3.66	3.57	3.40
Russia	10.96	10.95	10.86	10.70
Brazil	11.31	11.22	11.26	11.91
Germany	2.50	2.46	2.38	2.45
China	2.72	2.70	2.69	2.72

Top Traded Securities	Volume	19-Jun	16-Jun	12-Jun	22-May
5.74 2026	155	#N/A	6.96	#N/A	6.84
7.38 2027	-	7.00	6.97	6.96	6.88
7.10 2029	-	7.03	7.02	7.00	6.95
6.54 2032	-	7.11	7.09	7.07	7.04
7.26 2032	#VALUE!	7.10	7.07	7.06	7.02
7.54 2036	-	7.16	7.16	7.13	7.09

DEBT			
	Gross Purchase	Gross Sales	Net Investment
<b>MF</b>			
14-Jun-23	4192	4701	-509

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	9375	9253	121

TOTAL (Rs.Crs)			
	Gross Purchase	Gross Sales	Net Investment
	13567	13955	-388

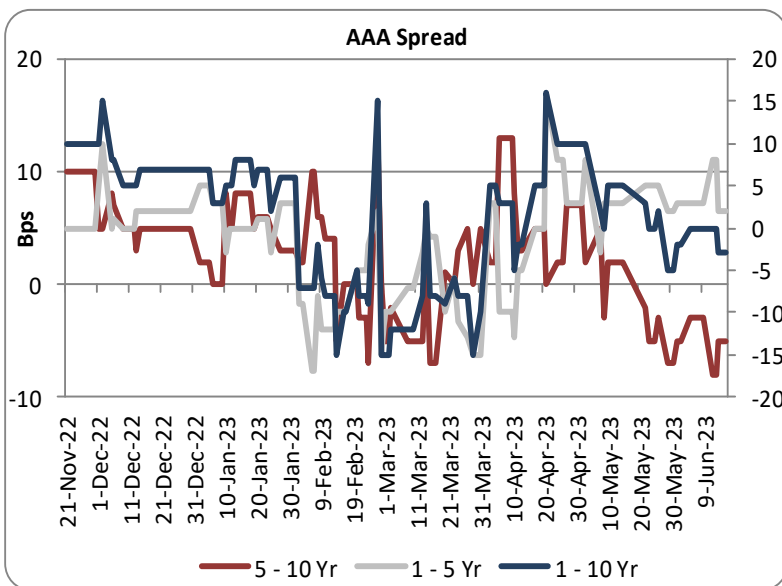
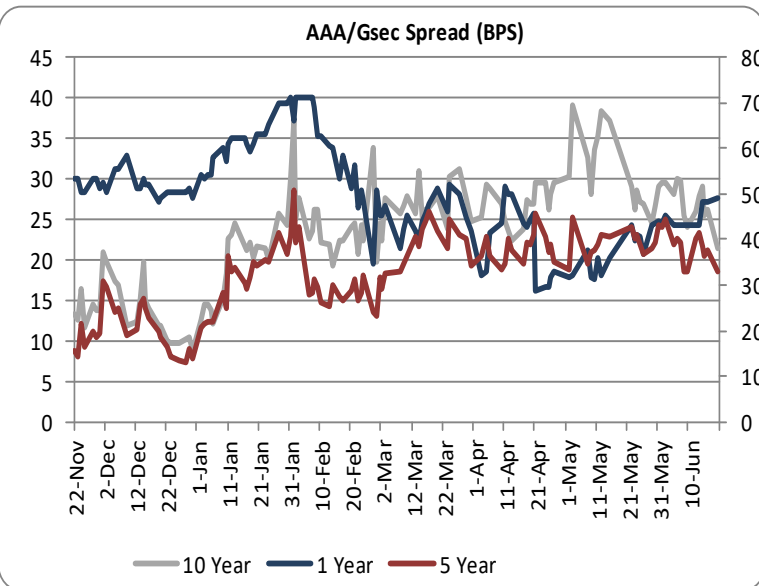
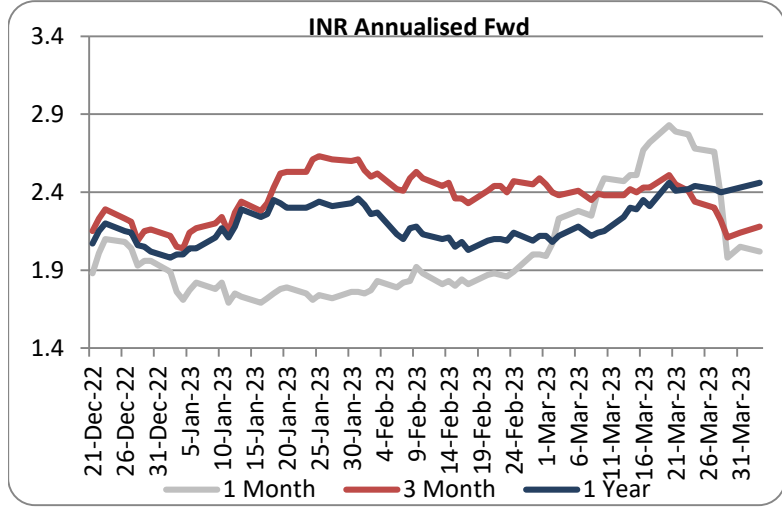
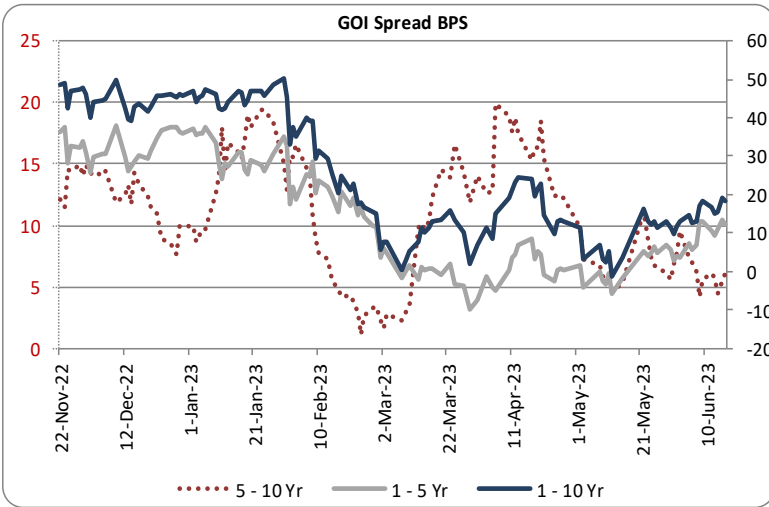
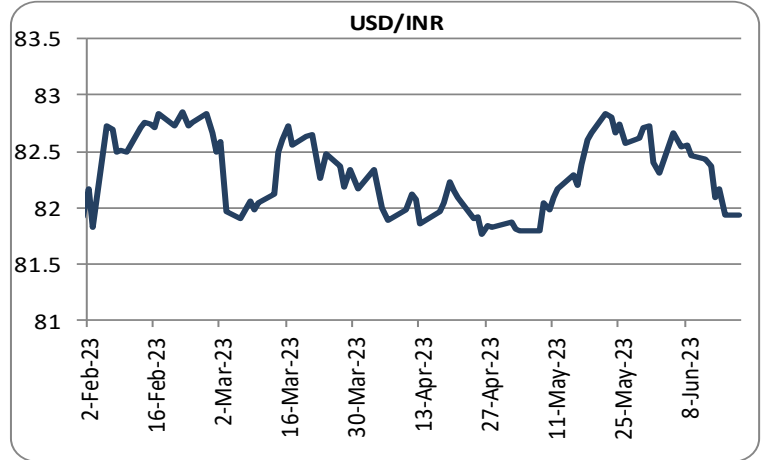
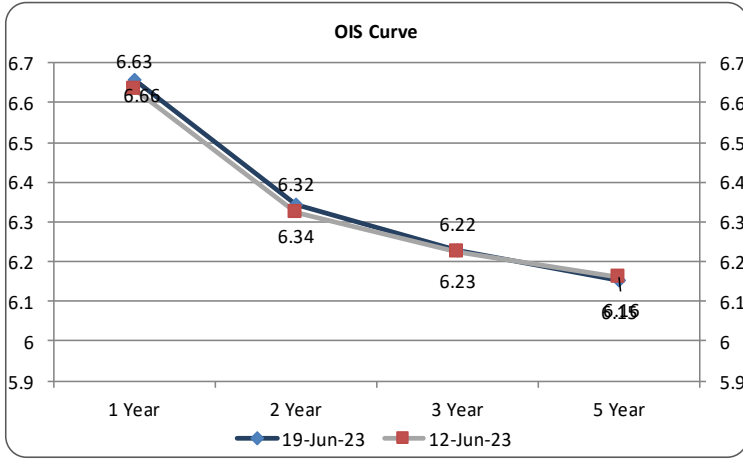
DEBT			
	Gross Purchase	Gross Sales	Net Investment
<b>FII</b>			
19-Jun-23	1801	705	1096

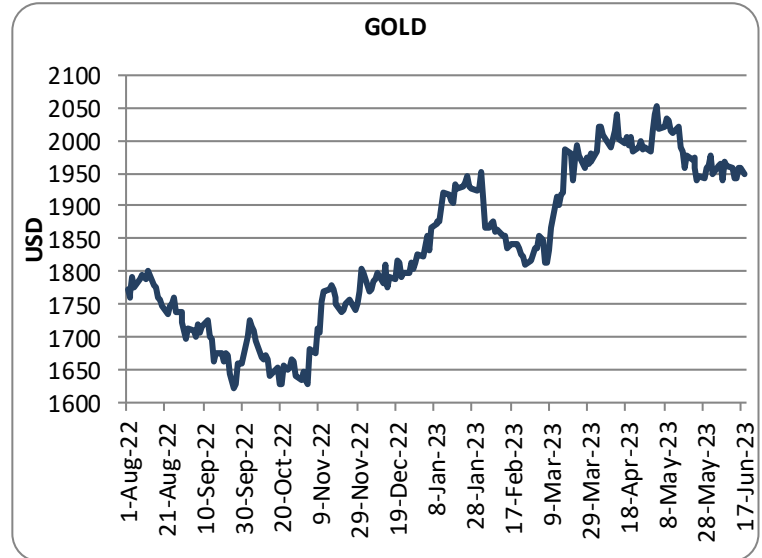
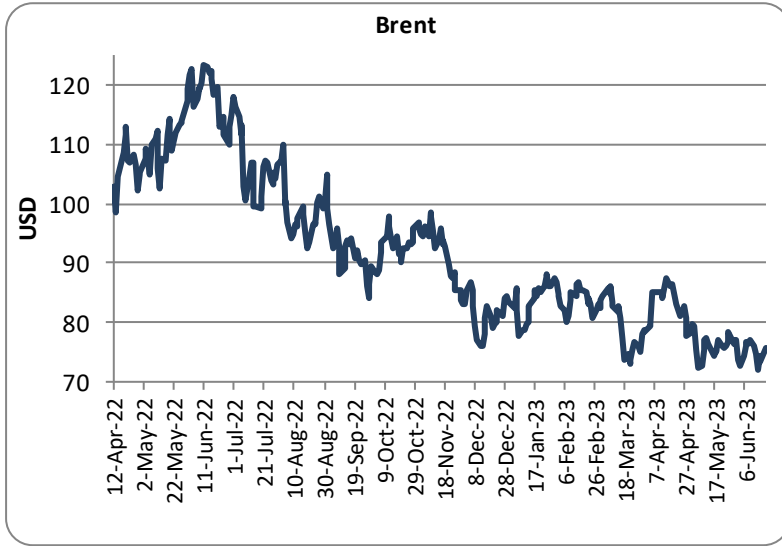
EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	17168	16987	181

TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	18969	17692	1277

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
CPI	UK	21-Jun-23	8.5	8.7
Bank Rate	UK	22-Jun-23	4.75	4.50
CPI	Japan	23-Jun-23	-	3.50
Retail Sales	UK	23-Jun-23	(2.30)	(3.00)
Retail Sales	Japan	29-Jun-23	-	5.10
GDP Q1	USA	29-Jun-23	1.30	1.30
Industrial Output	South Korea	30-Jun-23	-	(8.90)
CPI	Japan	30-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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