



BONDWATCH

Daily

INDIA

February 20, 2023

Indian government bond yields eased on Monday, after rising sharply in the previous session, amid sluggish trading activity in the absence of fresh cues.

The 10-year benchmark 7.26% 2032 bond yield ended at 7.3726% on Monday.

Yields rose 4 basis points (bps) to close at 7.3889% on Friday after the Reserve Bank of India (RBI) devolved a bulk of the 10-year bond on primary dealers at an auction.

U.S. markets were shut on Monday for the Presidents' Day holiday, which resulted in lower participation of foreign investors, dealers said.

Meanwhile, market participants await the minutes of the RBI's monetary policy meeting, due to be released on Wednesday, and of the U.S. Federal Reserve, due on Thursday.

The Fed has raised interest rates by 450 bps since 2022 and is widely expected to further raise them by 50 bps over the next three months. The RBI has raised the repo rate by 250 bps since 2022 to 6.50%.

The Indian government will conduct its last bond auction of the current financial year on Friday, where yields are likely to move in the 7.36%-7.39% band.

The Indian rupee strengthened 0.13% versus the U.S. dollar, and quoted at 82.71 per dollar tracking Asian peers as the dollar index stalled after a recent rally.

Repo: The weighted average call rates in the interbank segment decreased to 6.01% vs 6.33% on the previous day while that the TREP segment increased to 6.54% vs 6.34% as on the previous day.

Market Observations

G-sec

- Demand was seen 3 and 4year dated SDLs by Mutual funds. Major sellers were Life insurance company and Pension funds.
- Market opened slightly better following the US treasury yield but got given over the course of the day closing at 7.3725 levels.

Corporate Bonds

- Market overall dealt in secondary trades. There were dull volumes due to primary issuances lined up especially in 3-10yr maturity PSUs.

CP/CD

- Major demand was witnessed across all segments.

GOI Yield	20-Feb	17-Feb	13-Feb	23-Jan
1 Year	7.160	7.140	7.070	6.880
5 Year	7.329	7.349	7.292	7.157
10 Year	7.373	7.391	7.365	7.352

AAA Bmk	20-Feb	17-Feb	13-Feb	23-Jan
1 Year	7.80	7.85	7.80	7.63
5 Year	7.75	7.75	7.68	7.64
10 Year	7.75	7.75	7.72	7.70

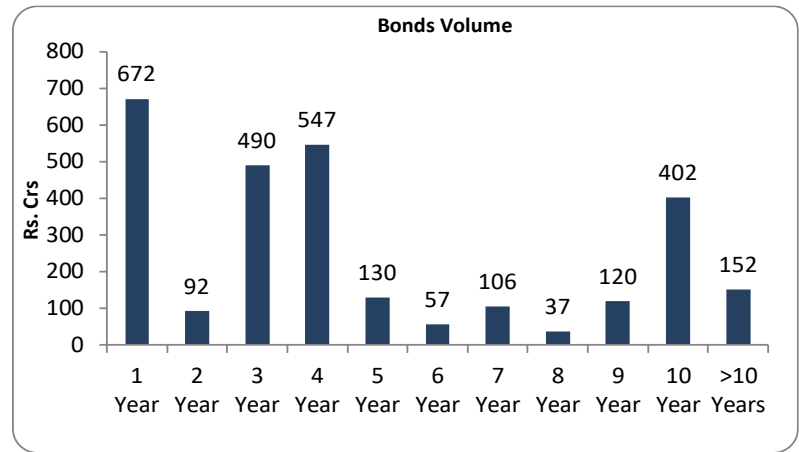
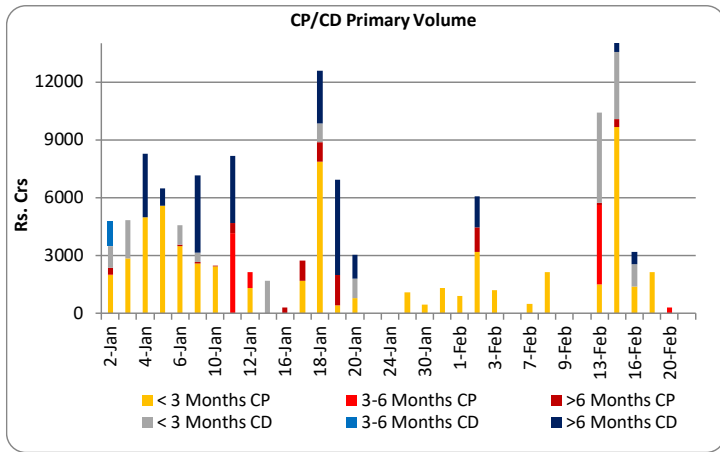
CD	20-Feb	17-Feb	13-Feb	23-Jan
3 Month	7.35	7.35	7.25	7.20
6 Month	7.65	7.65	7.60	7.55
1 Year	7.80	7.80	7.80	7.72

CP	20-Feb	17-Feb	13-Feb	23-Jan
3 Month	7.45	7.45	7.35	7.30
6 Month	7.75	7.75	7.70	7.65
1 Year	7.90	7.90	7.82	7.85

OIS Rate	20-Feb	17-Feb	13-Feb	23-Jan
1 Year	6.94	6.96	6.86	6.66
2 Year	6.62	6.63	6.52	6.27
3 Year	6.53	6.51	6.41	6.17
5 Year	6.52	6.52	6.44	6.15

	20-Feb	17-Feb	13-Feb	23-Jan
Sensex	60,692	61,003	60,432	60,942
Nifty	17,845	17,944	17,771	18,119
USD/INR	82.72	82.83	82.72	81.39
Gold (USD)	1,844	1,842	1,853	1,931
Oil (USD)	83.53	83.00	86.61	88.19

NDF	20-Feb	17-Feb	13-Feb	23-Jan
3 Month	83.20	83.30	83.08	81.99
1 Year	84.40	84.58	84.39	83.44
2 Year	86.36	86.35	86.29	85.63
3 Year	88.81	88.87	88.79	88.60



10 Year Benchmarks	20-Feb	17-Feb	13-Feb	23-Jan
India	7.37	7.39	7.37	7.35
US	3.83	3.83	3.72	3.52
South Korea	3.61	3.63	3.43	3.28
Russia	10.99	11.03	10.89	10.51
Brazil	13.25	13.25	13.43	13.26
Germany	2.44	2.46	2.37	2.20
China	2.92	2.89	2.90	2.99

Top Traded Securities	Volume	20-Feb	17-Feb	13-Feb	23-Jan
5.74 2026	25	7.29	7.31	7.26	7.12
7.38 2027	-	7.33	7.34	7.29	7.16
7.10 2029	-	7.36	7.37	7.34	7.28
6.54 2032	-	7.38	7.39	7.38	7.36
7.26 2032	-	7.37	7.39	7.36	7.35
7.54 2036	-	7.43	7.45	7.45	7.40

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
15-Feb-23	4351	4303	48

EQUITY		
Gross Purchase	Gross Sales	Net Investment
6384	6452	-69

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
10735	10756	-21

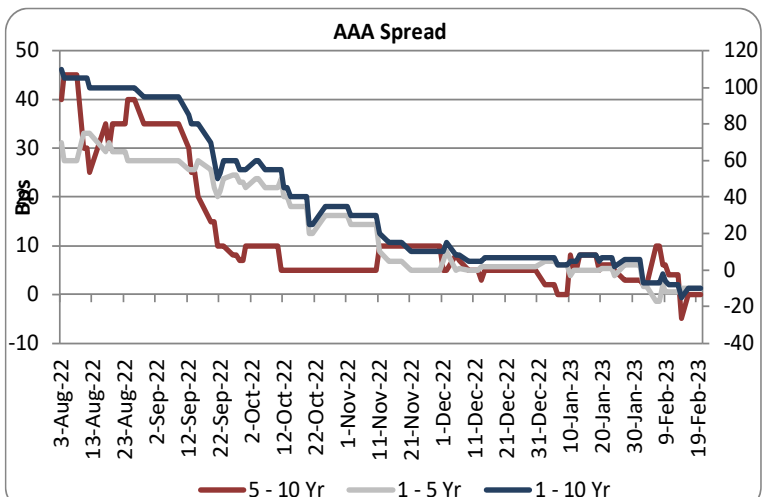
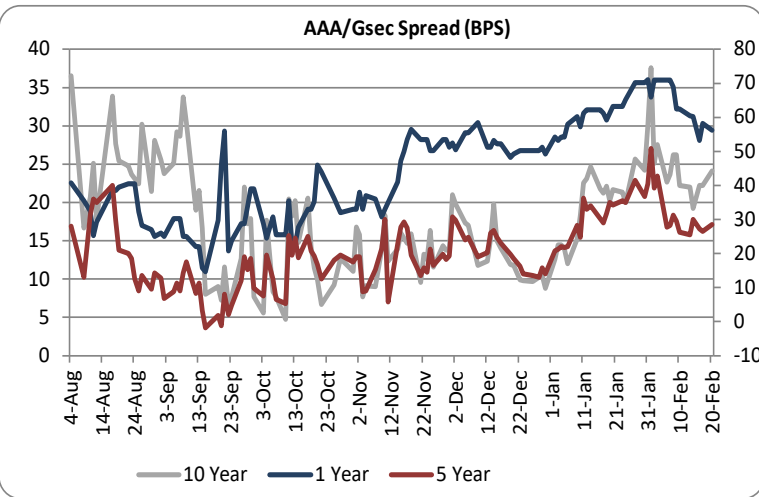
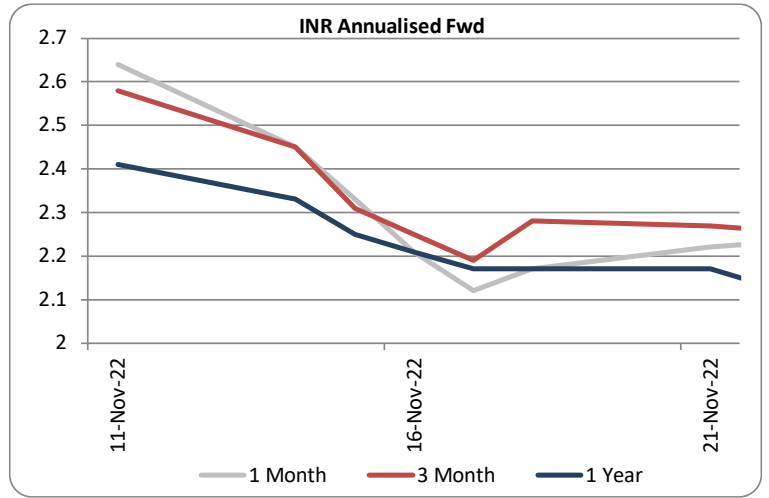
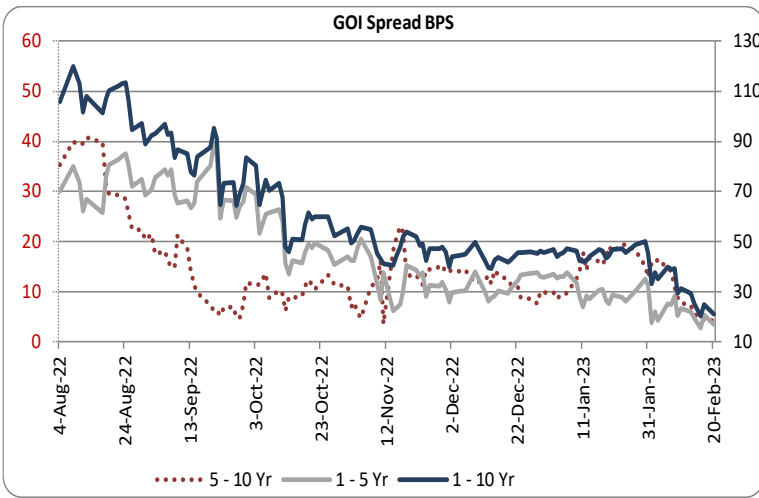
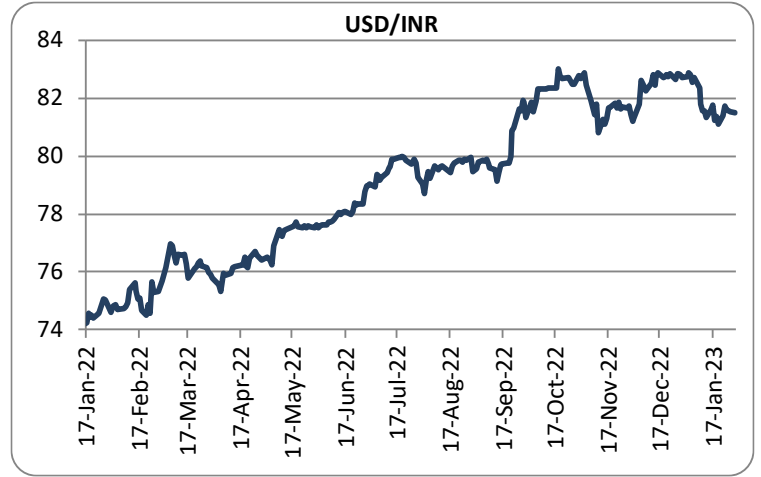
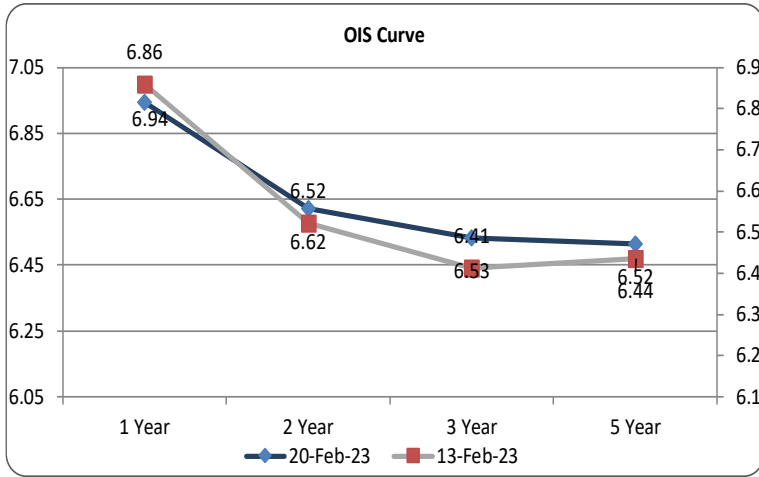
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
20-Feb-23	481	19	462

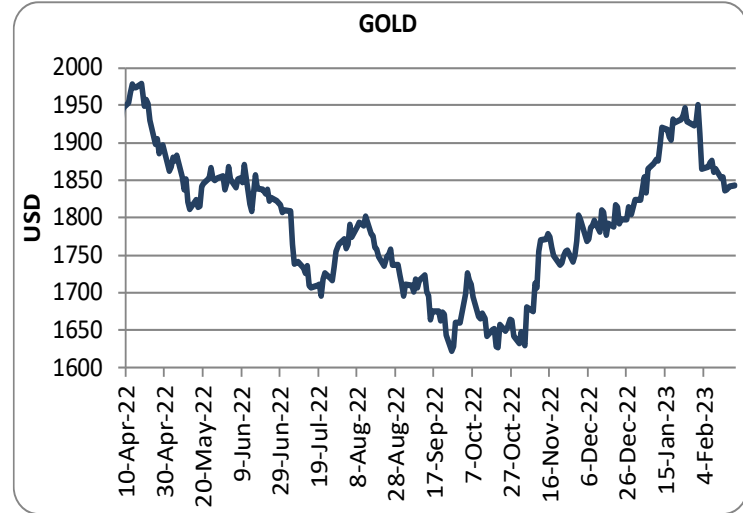
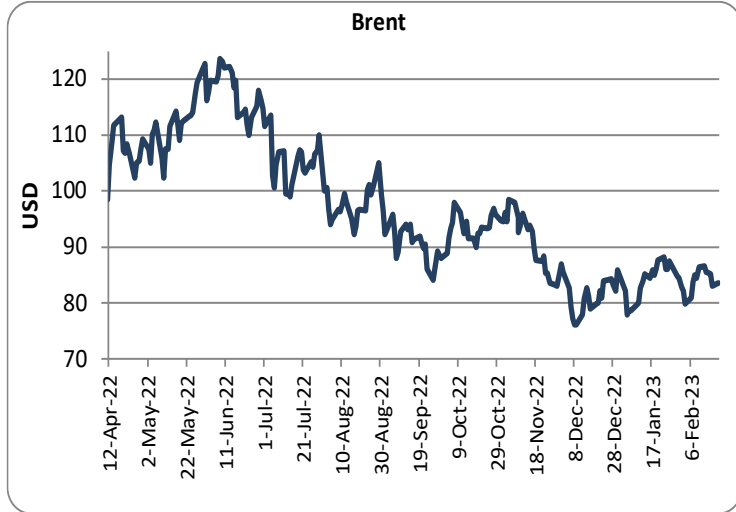
EQUITY		
Gross Purchase	Gross Sales	Net Investment
4420	5165	-745

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
4902	5184	-282

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Sep-22	6.3	13.5
CAD (\$ Bn)	Sep-22	-36.4	-18.2
Trade Deficit (\$ Bn)	Sep-22	-83.5	-68.6
WPI (%)	Jan-23	4.7	5.0
CPI (%)	Jan-23	6.5	5.7
IIP (%)	Dec-22	4.3	7.1
PMI Manufacturing	Jan-23	55.4	57.8
PMI Service	Jan-23	57.2	58.5

Economic Calender	Country	Date	Poll	Prior
WPI	India	14-Feb-23	4.54	4.95
Unemployment Rate	UK	14-Feb-23	3.70	3.70
CPI	USA	14-Feb-23	6.20	6.50
CPI	UK	15-Feb-23	10.20	10.50
Industrial Output	Poland	20-Feb-23	4.30	-
Exports	Thailand	28-Feb-23	-	(12.90)
Imports	Thailand	28-Feb-23	-	(10.50)
GDP	Switzerland	28-Feb-23	-	0.50





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

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