



BONDWATCH

Daily

INDIA

March 20, 2023

The 10-year benchmark 7.26% 2032 bond yield ended at 7.3361%, after closing at 7.3511% on Friday. The 10-year U.S. yield was at 3.44%, while the two-year yield, a closer indicator of interest rate expectations, was at 3.88%.

Fed funds futures are now pricing in a 41% chance for a 25 basis-point hike and 59% for rates being left unchanged. The odds for a 25 bps hike had increased to over 80% last week.

On Sunday, the UBS Group AG bought Credit Suisse for \$3.23 billion. This was followed by major central banks, including the Fed and European Central Bank, releasing statements to reassure markets.

The Fed offered daily currency swaps to ensure banks in Canada, Britain, Japan, Switzerland and the euro zone have the dollars needed to operate. The Reserve Bank of India's policy decision is due April 6 and markets feel a Fed pause could lead to a similar action by the local central bank.

Traders also await the borrowing calendar for April-September, likely to be announced next week.

The Indian rupee weakened 0.10% versus the U.S. dollar, and quoted at 82.63 per dollar as relief from the Credit Suisse rescue deal proved to be short-lived, with investors dumping risk assets on worries over a contagion in the global financial sector.

Repo: The weighted average call rates in the interbank segment increased to 6.68% vs 6.65% as on the previous day while that the TREP segment decreased to 6.67% vs 6.71% as on the previous day.

Market Observations

G-sec

- Yields ended lower on Monday, mirroring their U.S. peers, while dipping odds of a rate hike by the Federal Reserve also led to fresh position building.
- Demand was seen in 2025 & 2026 maturity SDLs. 2025 SDLs were bot by banks and 2026 maturity SDL was bot by Mutual Funds.
- Demand was seen in 3 and 6month dated T-Bill at 6.75% and 7.21% by Mutual Funds

Corporate Bonds

- A few size trades were seen in 3 year maturity. There was buying seen by one or two major participants.
- Private banks were on the selling side and buying was from mutual funds/ insurance/ corporates.

CP/CD

- Demand seen in 3 month to 6month segment.

GOI Yield	20-Mar	17-Mar	13-Mar	20-Feb
1 Year	7.200	7.220	7.280	7.160
5 Year	7.190	7.228	7.260	7.329
10 Year	7.336	7.351	7.358	7.373

AAA Bmk	20-Mar	17-Mar	13-Mar	20-Feb
1 Year	7.84	7.83	7.83	7.80
5 Year	7.74	7.82	7.80	7.75
10 Year	7.75	7.75	7.75	7.75

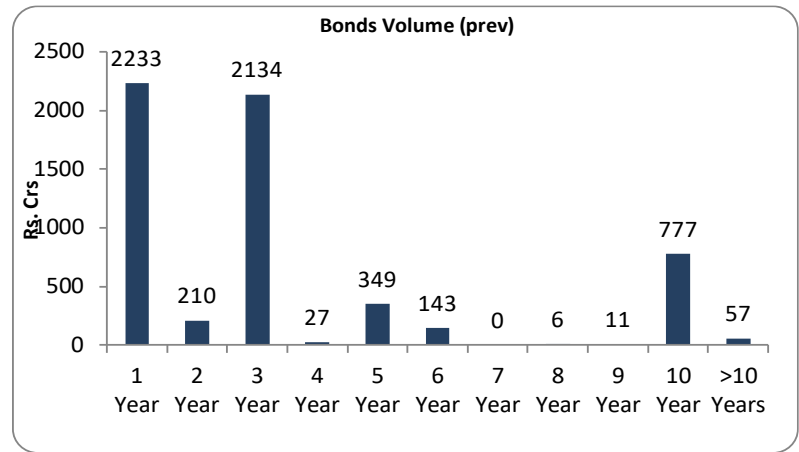
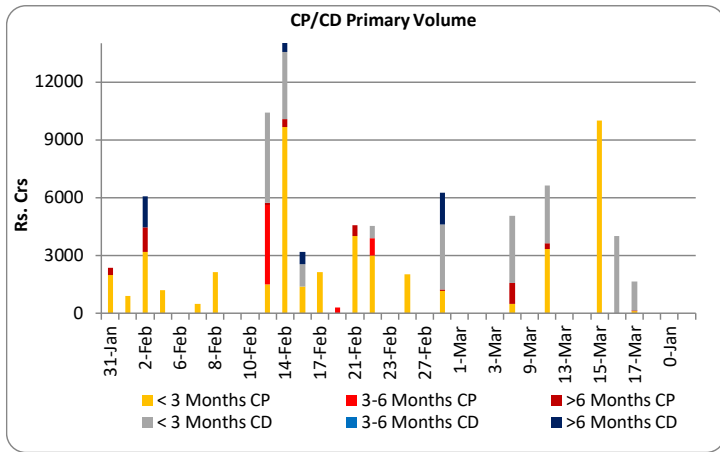
CD	20-Mar	17-Mar	13-Mar	20-Feb
3 Month	7.35	7.50	7.45	7.35
6 Month	7.60	7.65	7.65	7.65
1 Year	7.80	7.80	7.85	7.80

CP	20-Mar	17-Mar	13-Mar	20-Feb
3 Month	7.45	7.60	7.55	7.45
6 Month	7.70	7.75	7.75	7.75
1 Year	7.90	7.90	8.05	7.90

OIS Rate	20-Mar	17-Mar	13-Mar	20-Feb
1 Year	6.68	6.79	6.86	6.94
2 Year	6.26	6.39	6.48	6.62
3 Year	6.23	6.38	6.41	6.53
5 Year	6.22	6.35	6.41	6.52

	20-Mar	17-Mar	13-Mar	20-Feb
Sensex	57,629	57,990	58,238	60,692
Nifty	16,988	17,100	17,154	17,845
USD/INR	82.64	82.55	82.12	82.72
Gold (USD)	1,983	1,988	1,913	1,841
Oil (USD)	71.85	72.97	80.77	84.07

NDF	20-Mar	17-Mar	13-Mar	20-Feb
3 Month	83.13	83.09	82.92	83.20
1 Year	84.61	84.52	84.28	84.47
2 Year	87.10	86.72	86.37	86.37
3 Year	90.33	89.47	89.02	88.82



10 Year Benchmarks	20-Mar	17-Mar	13-Mar	20-Feb
India	7.33	7.35	7.37	7.37
US	3.36	3.40	3.52	3.83
South Korea	3.31	3.41	3.40	3.61
Russia	11.19	11.14	10.95	11.04
Brazil	13.14	13.14	12.94	13.25
Germany	2.05	2.12	2.28	2.46
China	2.86	2.87	2.88	2.92

Top Traded Securities	Volume	20-Mar	17-Mar	13-Mar	20-Feb
5.74 2026	550	7.19	7.22	7.25	7.29
7.38 2027	20	7.19	7.23	7.26	7.33
7.10 2029	160	7.28	7.32	7.34	7.36
6.54 2032	-	7.35	7.37	7.38	7.38
7.26 2032	-	7.33	7.35	7.36	7.37
7.54 2036	50	7.41	7.42	7.45	7.43

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
10-Mar-23	1892	1540	352

EQUITY		
Gross Purchase	Gross Sales	Net Investment
3637	3786	-148

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
5529	5326	203

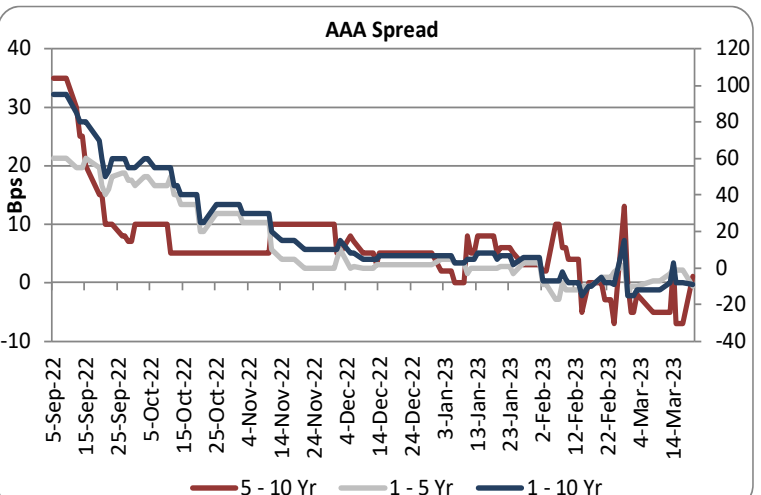
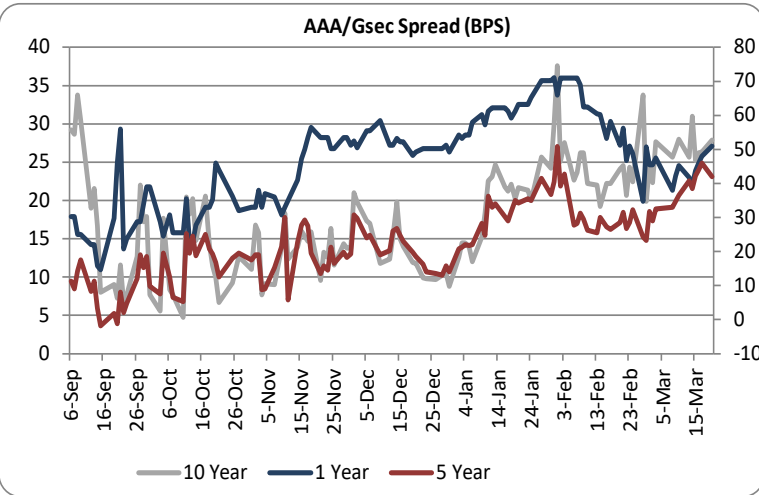
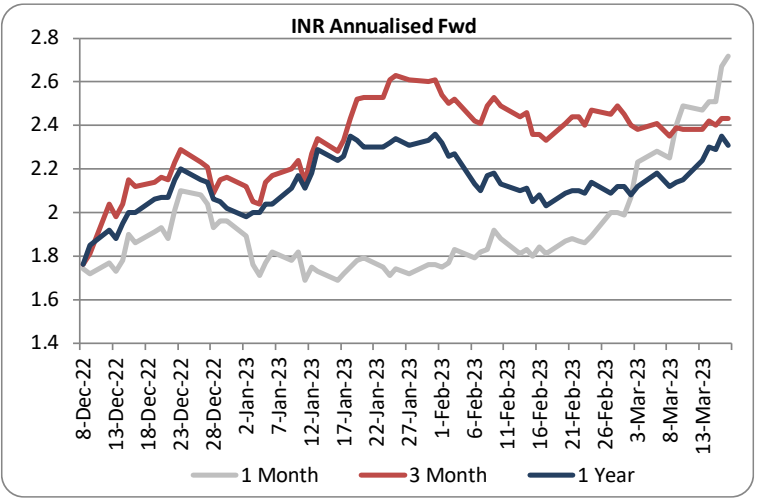
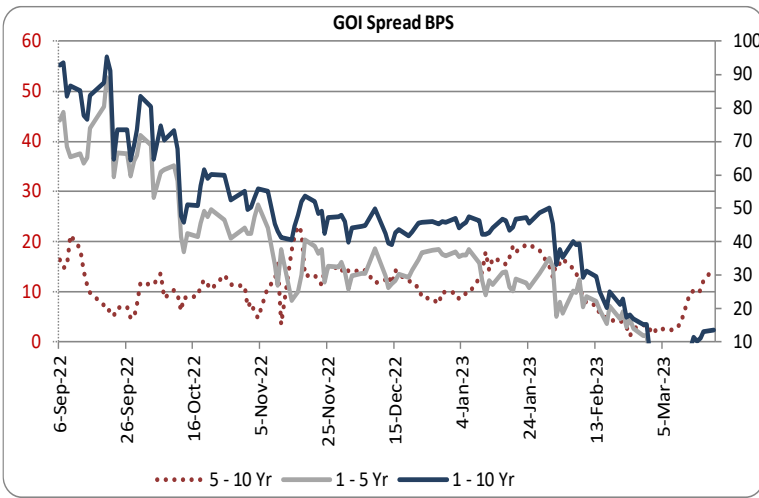
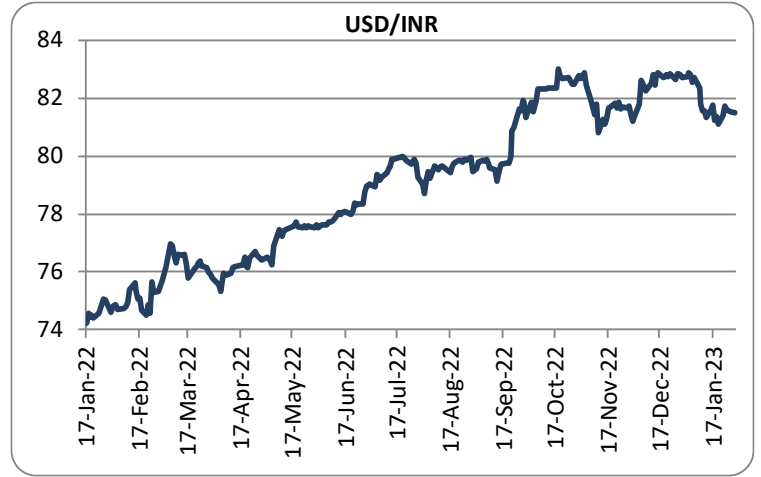
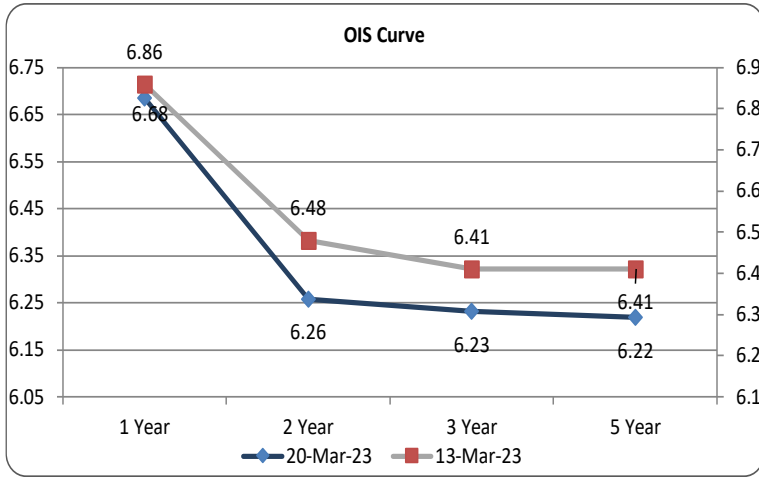
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
20-Mar-23	886	175	711

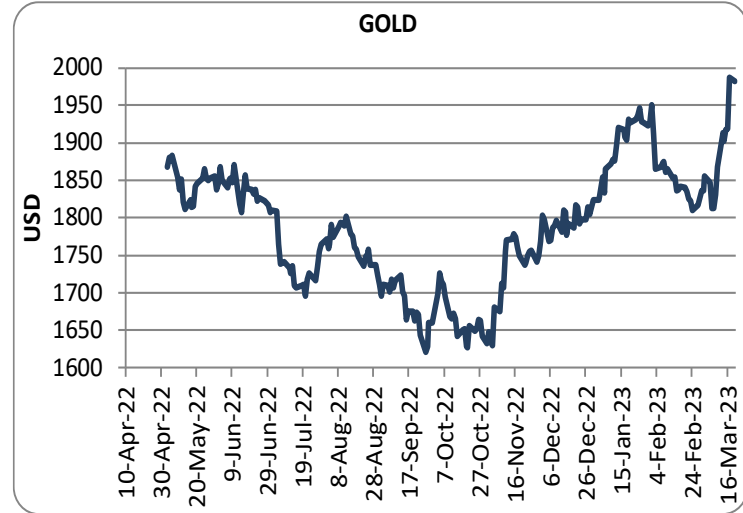
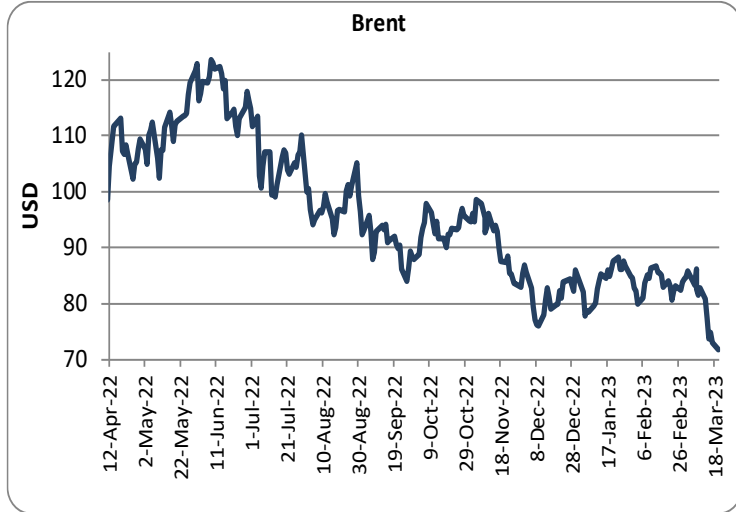
EQUITY		
Gross Purchase	Gross Sales	Net Investment
18823	20522	-1699

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
19709	20697	-988

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-22	4.4	6.3
CAD (\$ Bn)	Sep-22	-36.4	-18.2
Trade Deficit (\$ Bn)	Sep-22	-83.5	-68.6
WPI (%)	Feb-23	3.9	4.7
CPI (%)	Feb-23	6.4	6.5
IIP (%)	Jan-23	5.2	4.3
PMI Manufacturing	Feb-23	55.3	55.4
PMI Service	Feb-23	59.4	57.2

Economic Calender	Country	Date	Poll	Prior
Industrial Output	Poland	20-Mar-23	1.00	2.60
Retail Sales	Poland	21-Mar-23	15.00	15.10
CPI	UK	22-Mar-23	-	10.10
CPI	South Africa	22-Mar-23	-	6.90
Unemployment rate	Russia	29-Mar-23	3.80	3.60
Industrial Output	Brazil	30-Mar-23	-	(1.30)
GDP Final	USA	30-Mar-23	-	2.70
Repo Rate	South Africa	30-Mar-23	-	7.25





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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