



BONDWATCH

Daily

March 20, 2024

INDIA

Indian government bond yields ended steady on Wednesday ahead of the conclusion of the U.S. central bank meeting where the Federal Reserve is expected to keep borrowing costs unchanged.

The benchmark 10-year yield ended at 7.0918%, following its previous close of 7.0981%.

The Fed is scheduled to announce its monetary policy decision after Indian market hours, against the backdrop of recent data showing robust inflation in the world's largest economy.

The odds of an interest rate cut in June have eased below 60% from around 70% a week earlier.

U.S. Treasury yields have stayed elevated, reflecting concerns over a delayed start to the rate-cutting cycle. The 10-year yield hovered around the 4.30% level.

The RBI has kept its interest rate steady at 6.5% during the past six policy meetings and indicated it would consider rate cuts only when retail inflation eases closer to the 4% target on a sustainable basis.

Oil prices edged lower on Wednesday after hitting multi-month highs in the previous session, as investors braced for the U.S. Federal Reserve's interest rate policy announcement. The benchmark Brent crude contract exceeded the \$87 per barrel mark, rising nearly 7% in the past five sessions through Tuesday.

The Indian rupee weakened 0.15% versus the U.S. dollar, and quoted at 83.17 per dollar, pressured by dollar demand from importers, including local oil companies.

Repo: The weighted average call rates in the interbank segment decreased to 6.48% vs 6.51% as on the previous day while that the TREP segment decreased to 6.49% vs 6.34% as on the previous day.

Market Observations

G-sec

- T-bill cut off was in line with market expectation. Demand was seen in 3-month and 6-month t-bill @6.88 and 7.11 centric levels respectively.
- Size Switches were reported in 2026 and 2027 maturity G-sec by foreign banks.

Corporate Bonds

- Mutual funds were active in the 2025-2028 segment on buying as well as selling side.
- Banks were active in the 2029 segment and were on the selling side.

CP/CD

- Major activity was seen in the 3-month segment.

GOI Yield	20-Mar	19-Mar	13-Mar	20-Feb
1 Year	7.075	7.030	7.100	7.130
5 Year	7.096	7.087	7.052	7.055
10 Year	7.092	7.098	7.041	7.061

AAA Bmk	20-Mar	19-Mar	13-Mar	20-Feb
1 Year	7.87	7.87	7.80	7.92
5 Year	7.61	7.61	7.58	7.61
10 Year	7.53	7.53	7.53	7.60

CD	20-Mar	19-Mar	13-Mar	20-Feb
3 Month	7.60	7.60	7.62	7.82
6 Month	7.75	7.75	7.65	7.85
1 Year	7.65	7.65	7.65	7.85

CP	20-Mar	19-Mar	13-Mar	20-Feb
3 Month	7.80	7.80	7.80	7.85
6 Month	7.90	7.90	7.85	7.85
1 Year	7.85	7.85	7.85	7.95

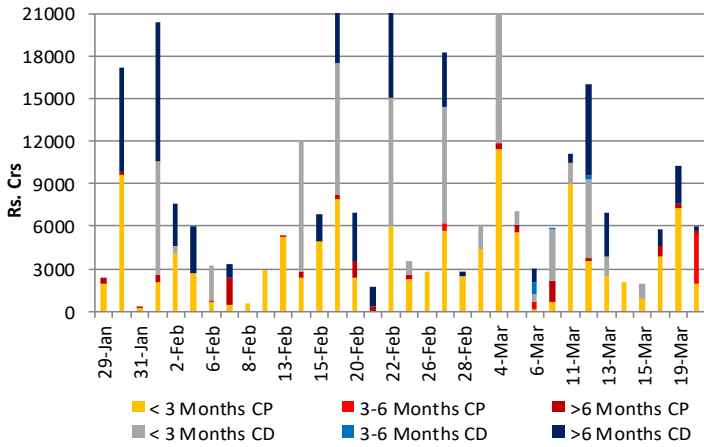
OIS Rate	20-Mar	19-Mar	13-Mar	20-Feb
1 Year	6.78	6.77	6.72	6.72
2 Year	6.49	6.48	6.39	6.42
3 Year	6.44	6.42	6.35	6.37
5 Year	6.39	6.38	6.28	6.35

	20-Mar	19-Mar	13-Mar	20-Feb
Sensex	72,102	72,012	72,762	73,057
Nifty	21,839	21,817	21,998	22,197
USD/INR	83.16	83.04	82.86	82.96
Gold (USD)	2,154	2,157	2,174	2,024
Oil (USD)	86.67	87.38	84.03	82.34

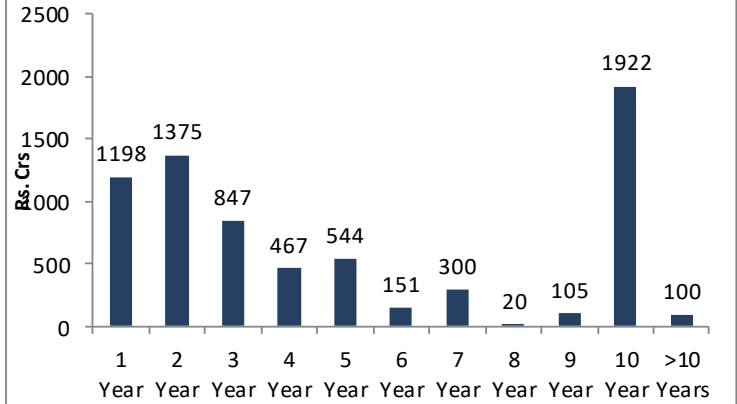
NDF	20-Mar	19-Mar	13-Mar	20-Feb
3 Month	83.38	83.09	82.94	83.19
1 Year	84.53	84.33	84.17	84.33
2 Year	86.51	86.40	86.30	86.48
3 Year	89.41	88.87	88.95	88.78



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	20-Mar	19-Mar	13-Mar	20-Feb
India	7.10	7.10	7.04	7.06
US	4.29	4.30	4.19	4.28
South Korea	3.46	3.47	3.34	3.49
Russia	13.83	13.80	13.34	12.66
Brazil	10.95	10.95	10.71	10.73
Germany	2.42	2.45	2.36	2.37
China	2.31	2.29	2.34	2.44

Top Traded Securities	Volume	20-Mar	19-Mar	13-Mar	20-Feb
7.26 2033	190	7.13	7.13	7.07	7.09
7.06 2028	1,130	7.11	7.10	7.05	7.07
7.62 2039	-	0.00	7.14	7.09	7.14
7.30 2053	1,070	7.17	7.17	7.13	7.13
6.64 2035	335	7.16	7.13	7.10	7.13
7.40 2035	335	7.15	7.14	7.09	7.13

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
15-Mar-24	11960	13424	-1464

EQUITY	Gross Purchase	Gross Sales	Net Investment
	8835	12042	-3208

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
20795	25466	-4671

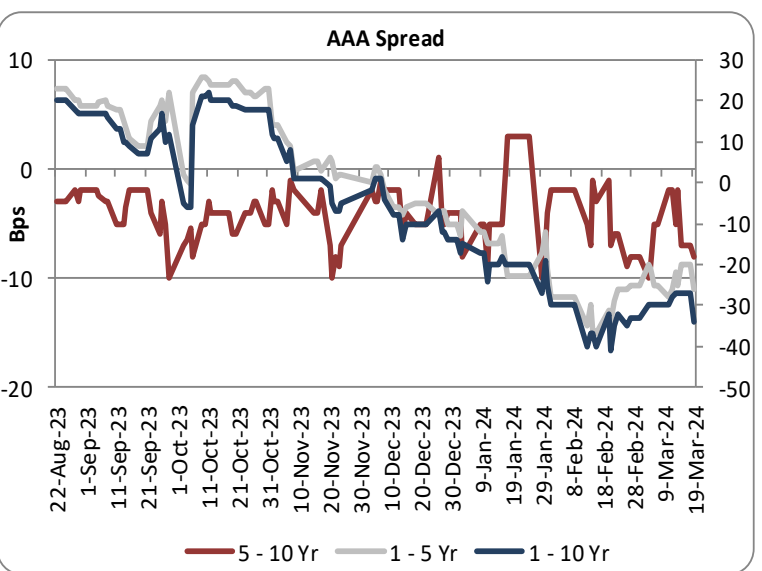
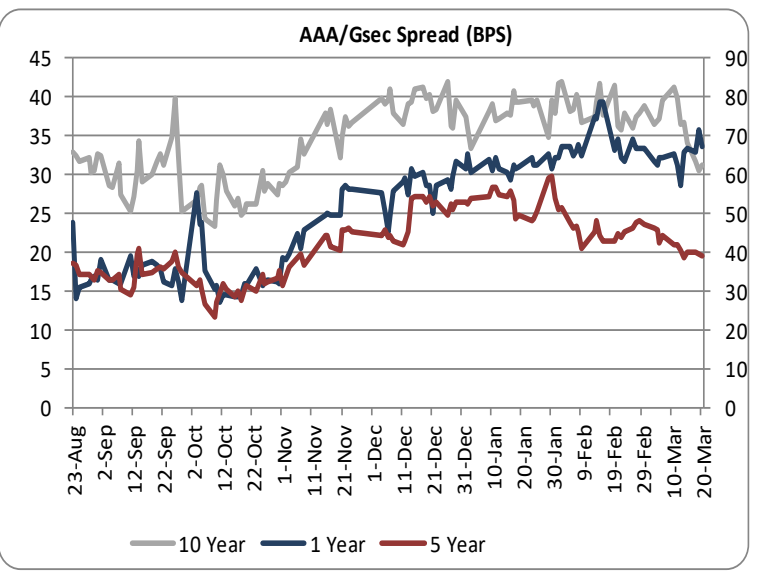
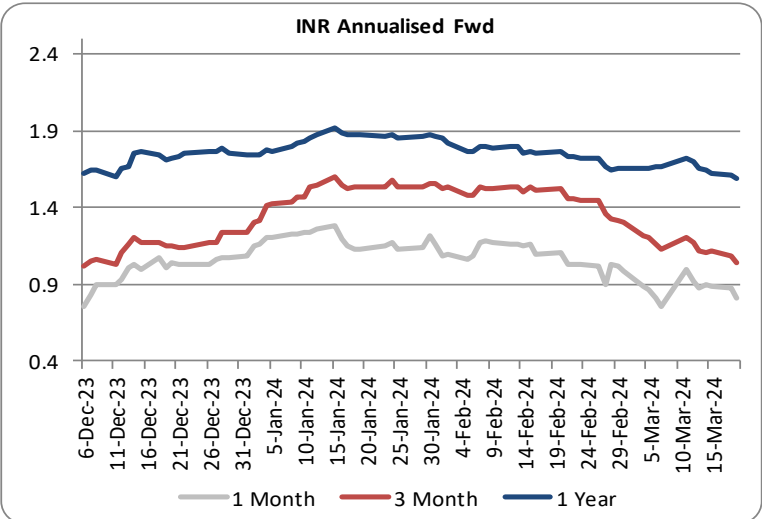
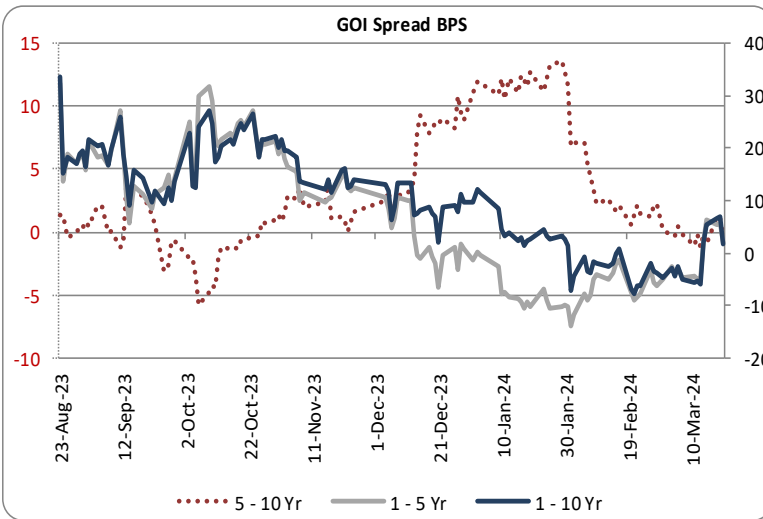
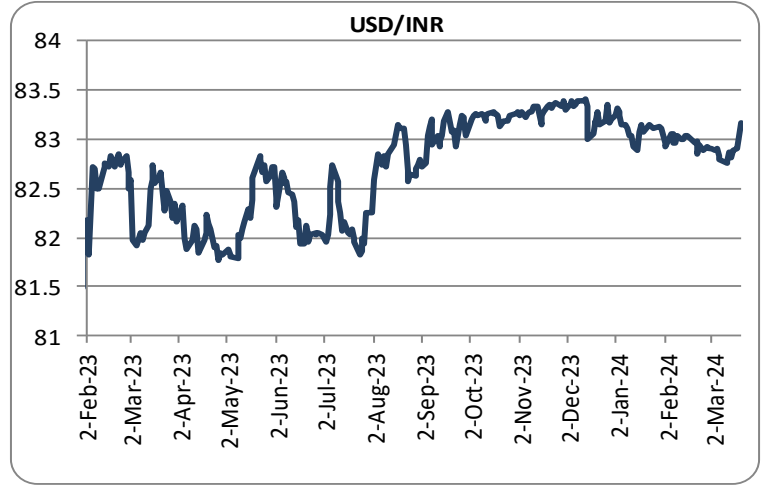
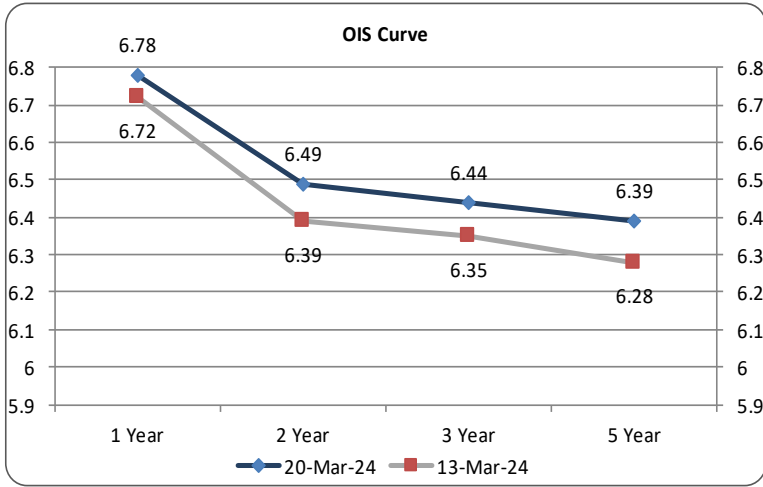
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
20-Mar-24	1232	1667	-435

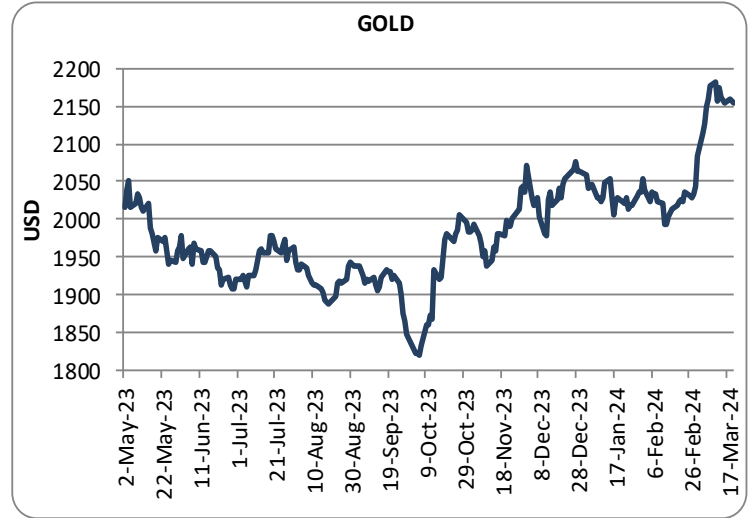
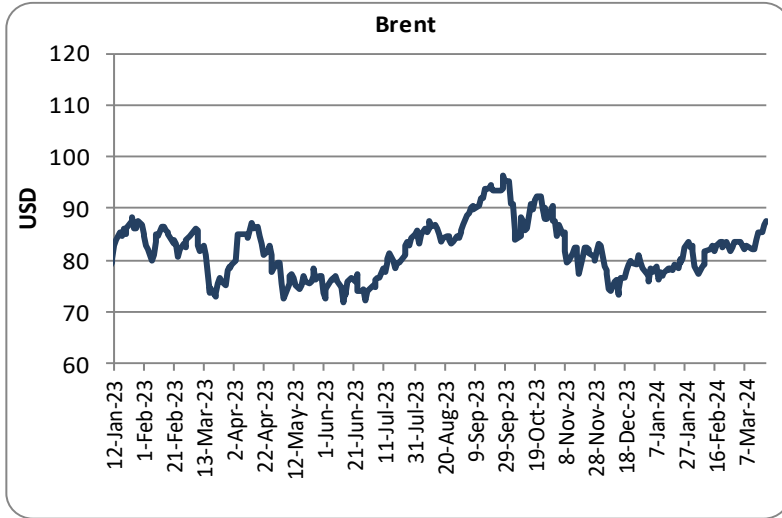
EQUITY	Gross Purchase	Gross Sales	Net Investment
	17224	15873	1351

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
18456	17539	916

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-23	8.4	8.1
CAD (\$ Bn)	Sep-23	-8.3	-9.2
Trade Deficit (\$ Bn)	Sep-23	-61.0	-56.6
WPI (%)	Feb-24	0.2	0.3
CPI (%)	Feb-24	5.1	5.1
IIP (%)	Jan-24	3.8	4.2
PMI Manufacturing	Feb-24	56.9	56.5
PMI Service	Feb-24	60.6	61.8

Economic Calender	Country	Date	Poll	Prior
CPI	UK	20-Mar-24	3.5	4
Fed funds target rate	USA	20-Mar-24	5.25-5.5	5.25-5.5
Unemployment rate	Australia	21-Mar-24	4.00	4.10
BOE Bank Rate	UK	21-Mar-24	5.25	5.25
Retail Sales	UK	22-Mar-24	(0.70)	0.70
Unemployment rate	Japan	29-Mar-24	-	2.40
CPI	Germany	02-Apr-24	-	2.50
CPI	Euro Zone	03-Apr-24	-	2.60





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

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