



BONDWATCH

Daily

April 21, 2023

INDIA

Indian government bond yields ended lower on Friday after stronger-than-expected demand at the debt auction triggered short covering resulting in increased trading activity.

The 10-year benchmark 7.26% 2032 bond yield ended at 7.1856%, the lowest level since Sept. 14, after closing at 7.2206% in the previous session. The yield ended four basis points lower on a weekly basis. The benchmark five-year interest rates were trading 3 basis points lower at 7.01% from its previous close of 7.04% on Thursday.

Earlier in the day, the market sentiment was cautious after minutes of the RBI's latest meeting showed that India's current rate tightening cycle may not be over as more hikes could be warranted to align inflation towards the central bank's medium-term target of 4%.

In the global market, U.S. Treasury yields fell on Thursday after soft U.S. economic data and as the market consolidated before the Federal Reserve's May meeting, when the U.S. central bank is expected to raise interest rates for the final time this hiking cycle.

Oil prices eased on Friday, extending losses from the two previous days and heading for a weekly decline, as softening U.S. economic data and a rise in U.S. gasoline inventories raised concerns about a recession and slower global oil demand.

The Indian rupee strengthened 0.07% to 82.09 per U.S. dollar, ending marginally higher as risk appetite remained tepid and marked its first weekly loss in five weeks.

Repo: The weighted average call rates in the interbank segment increased to 6.64% vs 6.55% as on the previous day while that the TREP segment increased to 6.71% vs 6.55% as on the previous day.

GOI Yield	21-Apr	20-Apr	13-Apr	20-Mar
1 Year	7.010	6.970	6.980	7.200
5 Year	7.002	7.016	7.050	7.190
10 Year	7.156	7.200	7.225	7.336

AAA Bmk	21-Apr	20-Apr	13-Apr	20-Mar
1 Year	7.42	7.55	7.60	7.84
5 Year	7.58	7.55	7.55	7.74
10 Year	7.58	7.60	7.58	7.75

CD	21-Apr	20-Apr	13-Apr	20-Mar
3 Month	7.05	7.05	7.00	7.35
6 Month	7.25	7.25	7.25	7.60
1 Year	7.50	7.50	7.50	7.80

CP	21-Apr	20-Apr	13-Apr	20-Mar
3 Month	7.15	7.15	7.10	7.45
6 Month	7.35	7.35	7.35	7.70
1 Year	7.60	7.60	7.60	7.90

OIS Rate	21-Apr	20-Apr	13-Apr	20-Mar
1 Year	6.60	6.61	6.59	6.68
2 Year	6.22	6.22	6.20	6.26
3 Year	6.11	6.12	6.12	6.23
5 Year	6.11	6.12	6.12	6.22

	21-Apr	20-Apr	13-Apr	20-Mar
Sensex	59,655	59,632	60,431	57,629
Nifty	17,624	17,624	17,828	16,988
USD/INR	82.09	82.15	81.85	82.64
Gold (USD)	1,987	2,004	2,040	1,979
Oil (USD)	81.39	81.10	86.09	73.79

NDF	21-Apr	20-Apr	13-Apr	20-Mar
3 Month	82.47	82.52	82.08	83.07
1 Year	83.99	83.86	83.47	84.54
2 Year	86.34	86.27	86.07	87.10
3 Year	89.23	89.00	89.37	89.90

Market Observations

G-sec

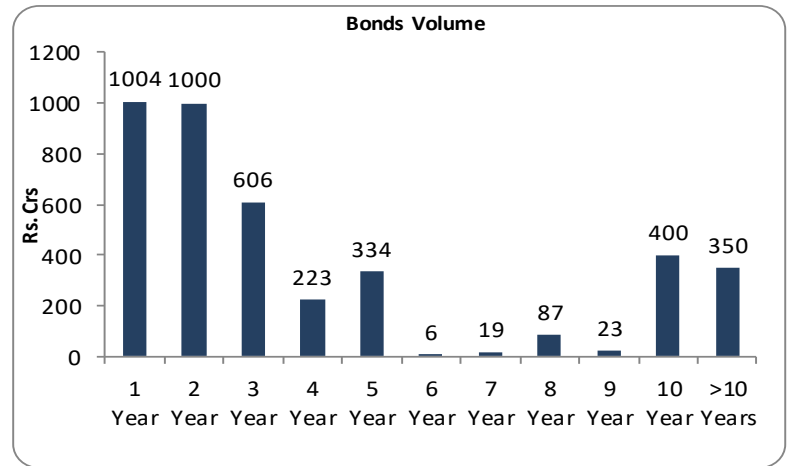
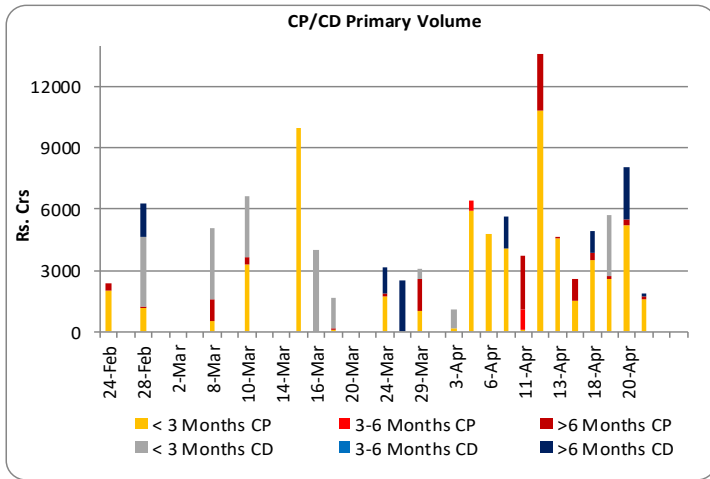
- Demand was seen in 1year t-bill @7.00 centric levels.
- Demand was seen in 12 to 13 year SDL @7.59 levels wherein major buyers were Mutual funds.
- Demand was seen in 5year G-sec @7.04 levels by private banks.

Corporate Bonds

- Market activity was dull due to PSU primary issuance and post g-sec rally.
- Mutual Funds and Insurances were seen buying corporate bonds.

CP/CD

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



10 Year Benchmarks	21-Apr	20-Apr	13-Apr	20-Mar
India	7.19	7.22	7.23	7.33
US	3.54	3.55	3.45	3.48
South Korea	3.35	3.42	3.27	3.31
Russia	10.62	10.60	10.54	11.19
Brazil	12.69	12.72	12.36	13.05
Germany	2.47	2.44	2.37	2.10
China	2.84	2.84	2.84	2.86

Top Traded Securities	Volume	21-Apr	20-Apr	13-Apr	20-Mar
5.74 2026	60	6.98	7.00	7.01	7.19
7.38 2027	-	7.00	7.02	7.05	7.19
7.10 2029	10	7.09	7.12	7.13	7.28
6.54 2032	-	7.20	7.23	7.25	7.35
7.26 2032	25	7.19	7.22	7.23	7.34
7.54 2036	-	7.29	7.34	7.36	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

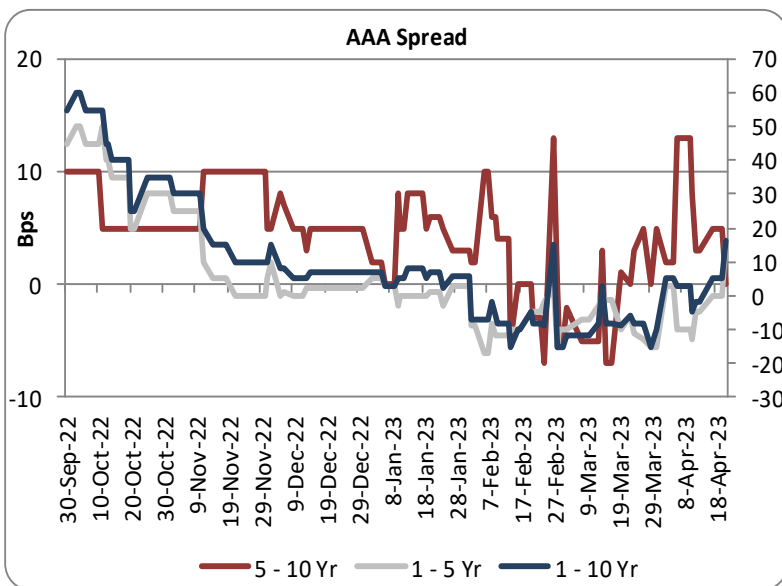
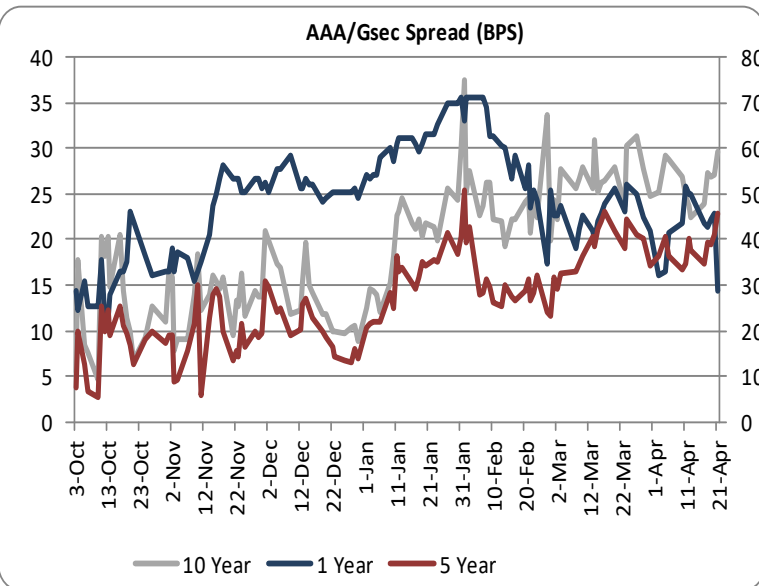
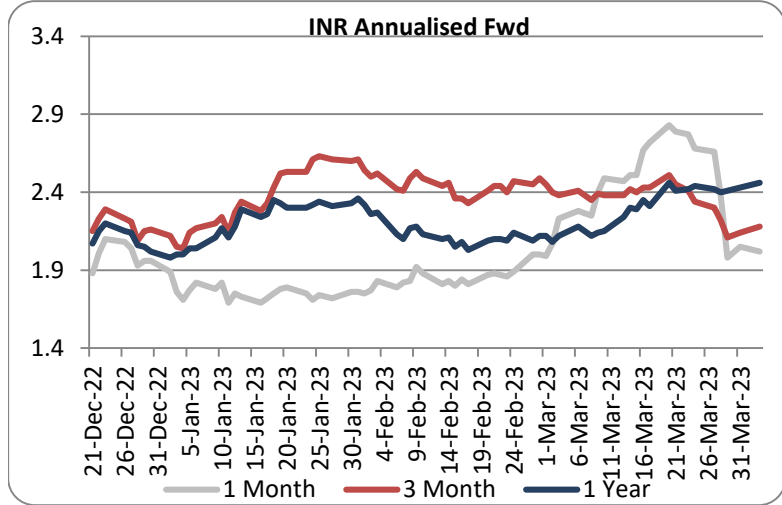
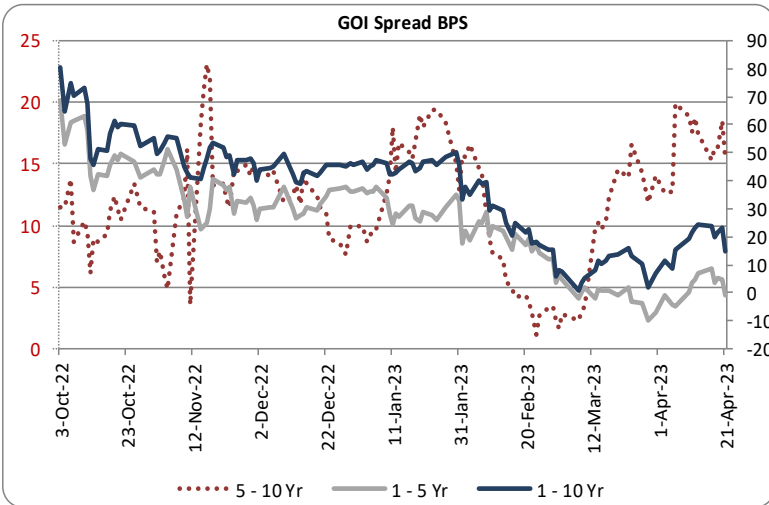
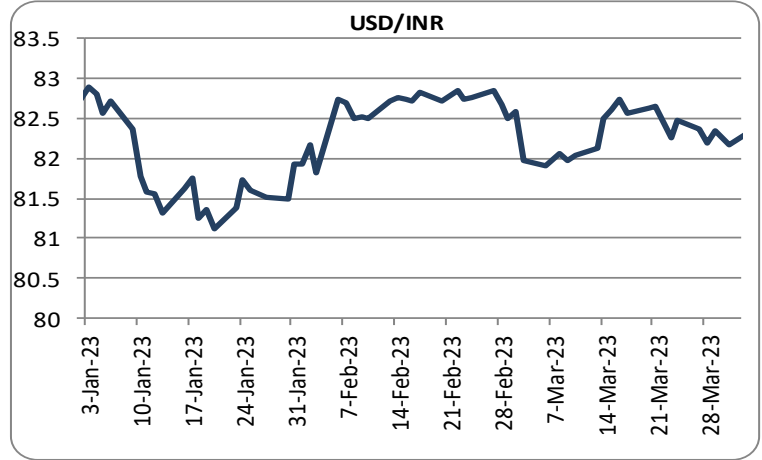
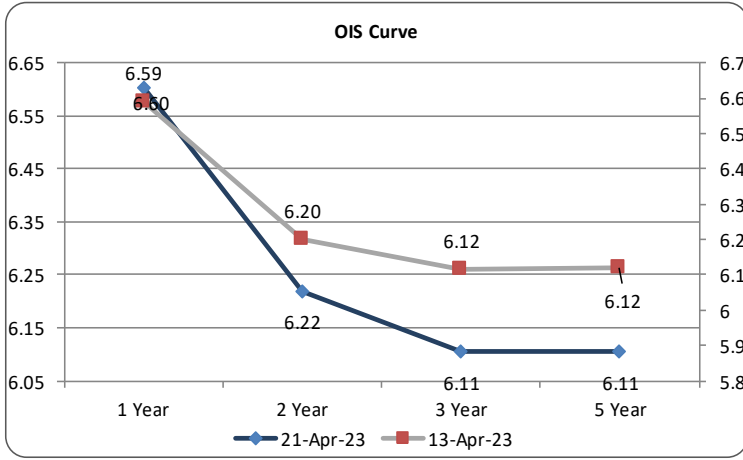
	DEBT		
	Gross Purchase	Gross Sales	Net Investment
FII			
21-Apr-23	1965	426	1539

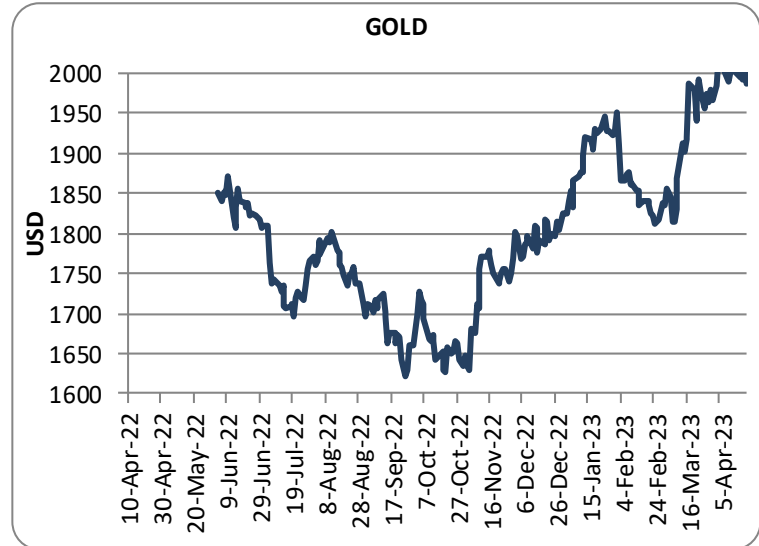
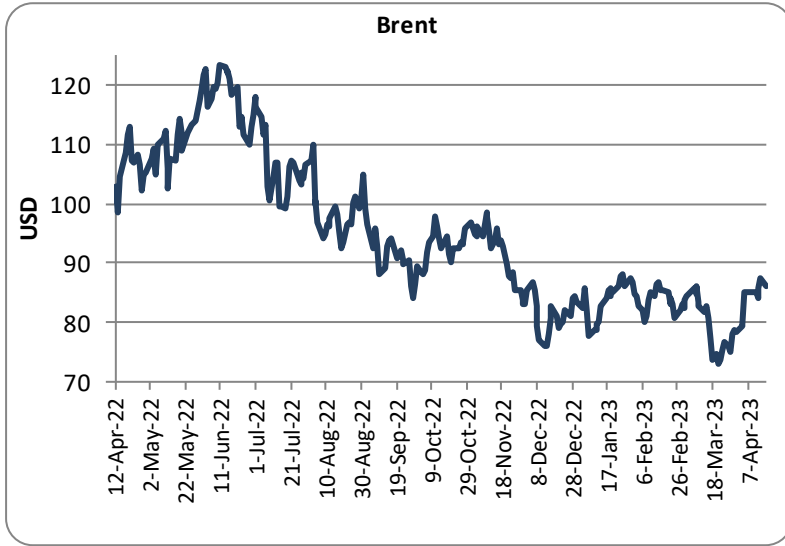
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
	5871	6839	-968

	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
	7836	7265	572

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.

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