



# BONDWATCH

Daily

March 21, 2024

INDIA

Indian government bond yields plunged on Thursday, tracking a sharp fall in U.S. peers after the Federal Reserve maintained its outlook for three rate cuts this year.

A surprise rate cut from the Swiss National Bank, making it the first major central bank to dial back tighter monetary policy conditions, also boosted sentiment. The benchmark 10-year yield ended at 7.0477%, following its previous close of 7.0918%.

U.S. bond yields eased on Wednesday and extended their fall in Asian hours on Thursday as the Fed said it still anticipates cutting interest rates based on its updated economic projections.

The U.S. central bank revised its projections for the GDP and core personal consumption expenditure upwards for the October-December period and still retained three rate cuts.

Powell said the timing of rate cuts in 2024 will depend on more certainty over inflation declining towards the 2% target. The odds of a cut in June have risen to 75% from 59% before the Fed decision.

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 were broadly steady on Thursday as the US Federal reserve stuck to its outlook on rate cuts for the year.

The Indian rupee was flat versus the U.S. dollar, and quoted at 83.13 per dollar as local dollar demand ate into the currency's early gains.

Repo: The weighted average call rates in the interbank segment increased to 6.63% vs 6.48% as on the previous day while that the TREP segment increased to 6.73% vs 6.49% as on the previous day.

GOI Yield	21-Mar	20-Mar	14-Mar	21-Feb
1 Year	7.050	7.075	7.020	7.130
5 Year	7.060	7.096	7.042	7.040
10 Year	7.048	7.092	7.040	7.053

AAA Bmk	21-Mar	20-Mar	14-Mar	21-Feb
1 Year	7.87	7.87	7.80	7.95
5 Year	7.61	7.61	7.55	7.61
10 Year	7.53	7.53	7.53	7.54

CD	21-Mar	20-Mar	14-Mar	21-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	21-Mar	20-Mar	14-Mar	21-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	21-Mar	20-Mar	14-Mar	21-Feb
1 Year	6.75	6.78	6.73	6.70
2 Year	6.46	6.49	6.40	6.39
3 Year	6.41	6.44	6.35	6.36
5 Year	6.37	6.39	6.30	6.32

	21-Mar	20-Mar	14-Mar	21-Feb
Sensex	72,641	72,102	73,097	72,623
Nifty	22,012	21,839	22,147	22,055
USD/INR	83.15	83.16	82.82	82.97
Gold (USD)	2,207	2,186	2,161	2,025
Oil (USD)	85.46	85.95	85.42	83.03

NDF	21-Mar	20-Mar	14-Mar	21-Feb
3 Month	83.33	83.21	83.19	83.23
1 Year	84.50	84.41	84.28	84.33
2 Year	86.75	86.47	86.41	86.49
3 Year	89.40	88.94	89.06	88.94

## Market Observations

### G-sec

- SDL cut off was in line with market expectation in 15-year+ maturity. Selling was seen in SDLs @7.42 centric levels post cut off.

- Selling was seen in 2026 maturity SDLs by Mutual funds @7.30 centric levels. Major buyer banks and foreign banks.

### Corporate Bonds

- Mutual funds were active in the 2025-2026 segment on buying as well as selling side.

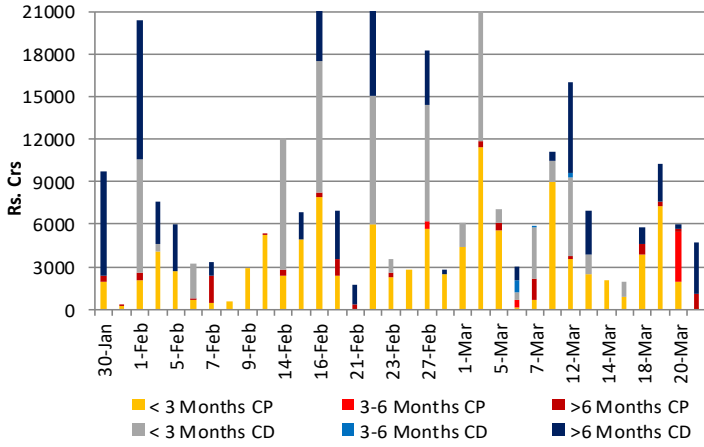
- Life Insurance companies and pension funds were active in the longer segment.

### CP/CD

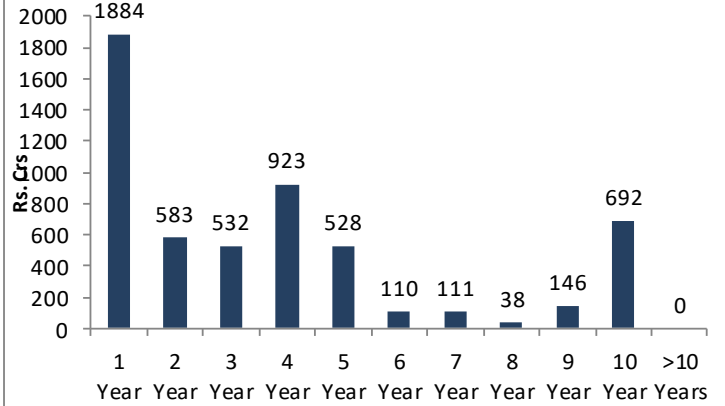
- Major activity was seen in the shorter to 3-month segment.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	21-Mar	20-Mar	14-Mar	21-Feb
India	7.05	7.10	7.04	7.05
US	4.23	4.27	4.30	4.32
South Korea	3.41	3.46	3.35	3.47
Russia	13.93	13.92	13.49	12.70
Brazil	10.90	10.90	10.82	10.72
Germany	2.40	2.44	2.42	2.44
China	2.29	2.31	2.35	2.42

Top Traded Securities	Volume	20-Mar	19-Mar	13-Mar	20-Feb
7.26 2033	75	7.13	7.13	7.07	7.09
7.06 2028	620	7.11	7.10	7.05	7.07
7.62 2039	15	7.14	7.14	7.09	7.14
7.30 2053	435	7.17	7.17	7.13	7.13
6.64 2035	1,235	7.16	7.13	7.10	7.13
7.40 2035	750	7.15	7.14	7.09	7.13

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
19-Mar-24	13187	7256	5931

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	21461	21198	264

TOTAL (Rs.Crs)			
	Gross Purchase	Gross Sales	Net Investment
	34649	28454	6195

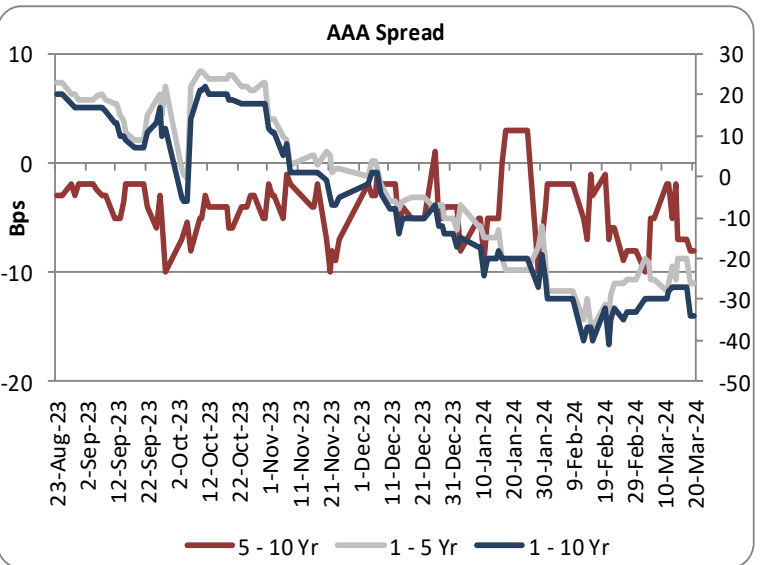
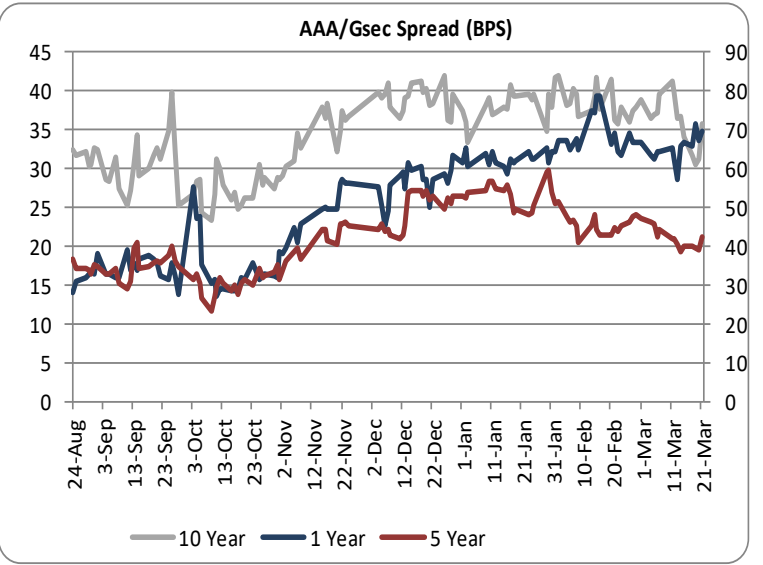
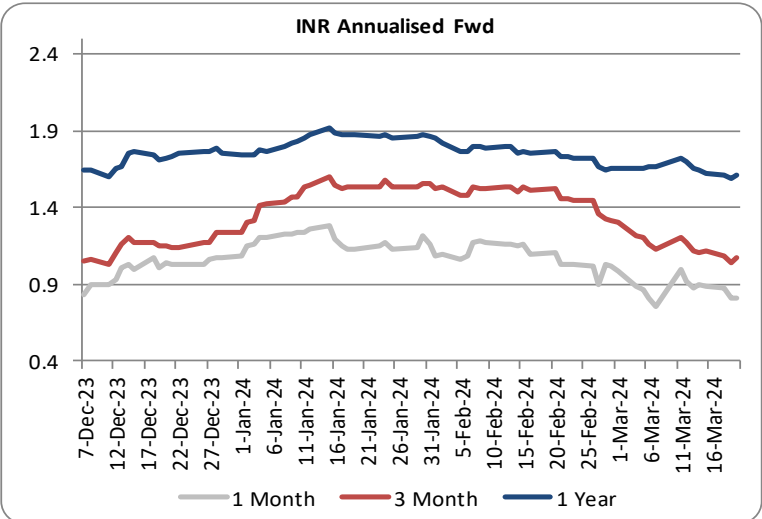
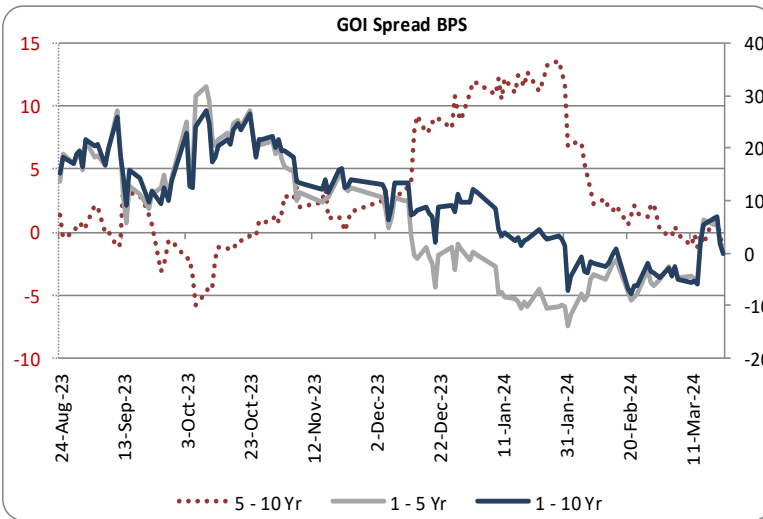
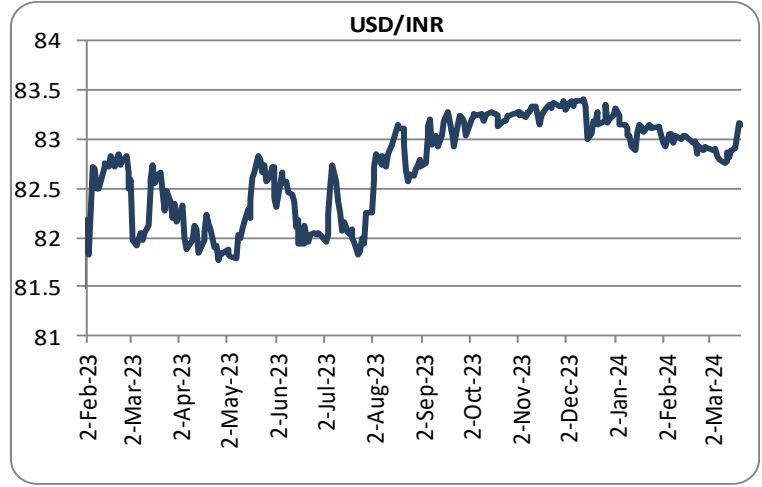
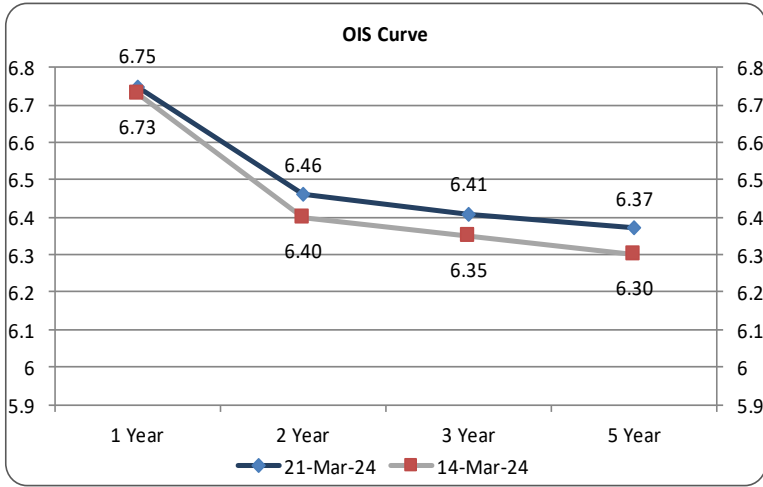
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
21-Mar-24	4386	2227	2159

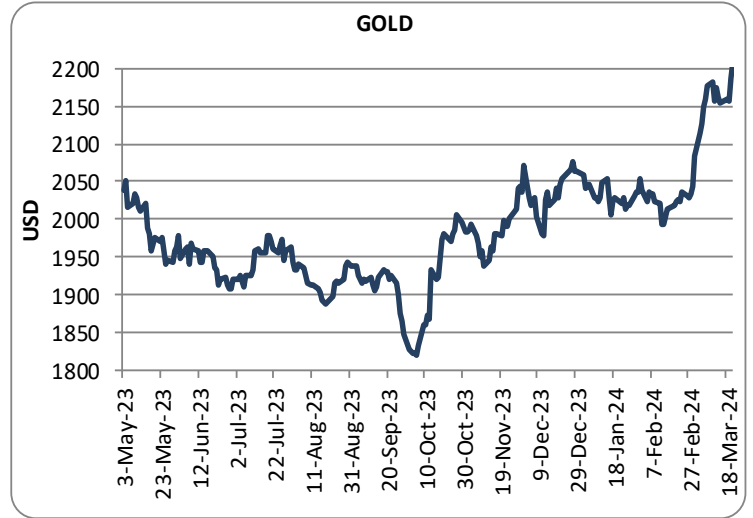
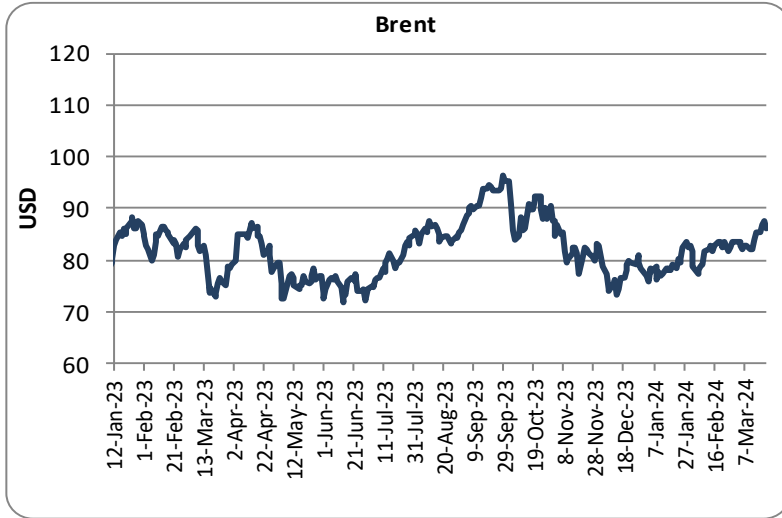
EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	11258	13500	-2243

TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	15644	15727	-83

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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