



BONDWATCH

Daily

INDIA

March 24, 2023

Indian government bond yields ended lower on Friday, as well as for the second straight week, mirroring a similar movement in U.S. peers after the Federal Reserve hinted at ending the rate hike cycle soon.

The 10-year benchmark 7.26% 2032 bond yield ended at 7.3128%, after closing at 7.3480% on Thursday. The yield fell 4 basis points (bps) this week, after falling 8 bps last week.

U.S. Treasury yields dropped on Thursday, a day after the Fed hiked rates by 25 bps but indicated that it is on the verge of pausing further increases after the recent collapse of two U.S. banks. The U.S. 10-year yield fell 10 bps on Thursday to 3.4040% and was last at 3.3150%. The two-year yield was at 3.6619%. The yields were down 8 bps and 18 bps for the week.

Investors now await the Reserve Bank of India's (RBI) monetary policy decision on April 6. The RBI has raised the repo rate by 250 bps since last March to 6.50%.

Market participants also await the government's borrowing calendar for April-September due next week.

The Indian government's borrowing for April-September is likely to be between 55% and 58% of its gross annual borrowing target of 15.43 trillion rupees. The government is likely to meet the central bank officials on Monday to discuss a plan.

The Indian rupee weakened 0.26% versus the U.S. dollar, and quoted at 82.48 per dollar as risk sentiment worsened on worries over health of the financial sector in U.S. and Europe.

Repo: The weighted average call rates in the interbank segment decreased to 6.54% vs 6.61% as on the previous day while that the TREP segment increased to 6.54% vs 6.50% as on the previous day.

GOI Yield	24-Mar	23-Mar	17-Mar	24-Feb
1 Year	7.180	7.190	7.220	7.250
5 Year	7.148	7.209	7.228	7.391
10 Year	7.313	7.348	7.351	7.418

AAA Bmk	24-Mar	23-Mar	17-Mar	24-Feb
1 Year	7.83	7.78	7.83	7.87
5 Year	7.72	7.72	7.82	7.85
10 Year	7.75	7.72	7.75	7.78

CD	24-Mar	23-Mar	17-Mar	24-Feb
3 Month	7.30	7.30	7.50	7.40
6 Month	7.60	7.60	7.65	7.70
1 Year	7.75	7.75	7.80	7.85

CP	24-Mar	23-Mar	17-Mar	24-Feb
3 Month	7.40	7.40	7.60	7.50
6 Month	7.70	7.70	7.75	7.80
1 Year	7.85	7.85	7.90	8.00

OIS Rate	24-Mar	23-Mar	17-Mar	24-Feb
1 Year	6.69	6.71	6.79	7.00
2 Year	6.27	6.31	6.39	6.73
3 Year	6.21	6.23	6.38	6.63
5 Year	6.21	6.24	6.35	6.63

	24-Mar	23-Mar	17-Mar	24-Feb
Sensex	57,527	57,925	57,990	59,464
Nifty	16,945	17,077	17,100	17,466
USD/INR	82.48	82.26	82.55	82.75
Gold (USD)	1,994	1,994	1,988	1,811
Oil (USD)	73.47	75.91	72.97	83.16

NDF	24-Mar	23-Mar	17-Mar	24-Feb
3 Month	82.99	82.73	83.09	83.45
1 Year	84.46	84.22	84.52	84.52
2 Year	87.39	87.04	86.72	86.72
3 Year	90.30	89.94	89.47	89.27

Market Observations

G-sec

- Demand was seen in 6month and 1yr T-bills by foreign banks at 7.17 and 7.18 levels respectively.

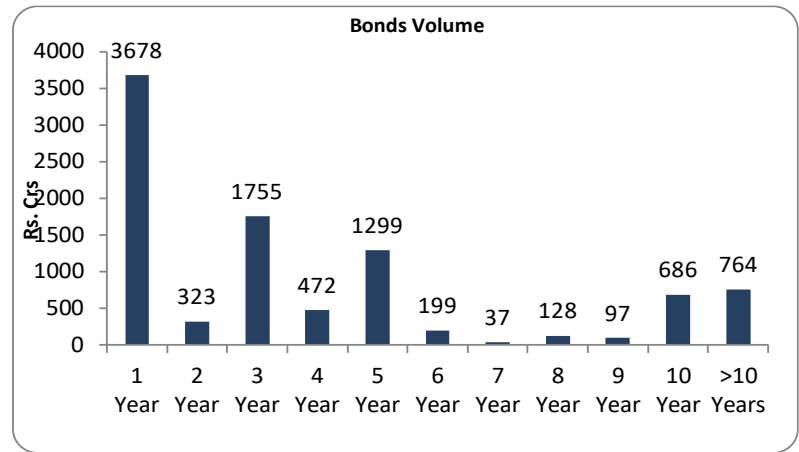
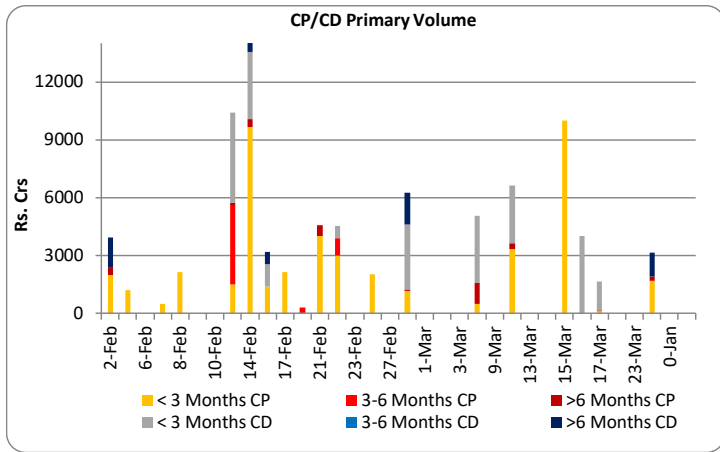
-Demand was seen in 2026 and 2027 dated SDLs by Mutual Funds.

Corporate Bonds

- There was some selling seen by Private banks in 2025-2027 maturity and Mutual Funds were on the buying side.

CP/CD

- Demand seen in 1month to 6month segment.



10 Year Benchmarks	24-Mar	23-Mar	17-Mar	24-Feb
India	7.32	7.35	7.35	7.42
US	3.29	3.40	3.40	3.95
South Korea	3.21	3.26	3.41	3.53
Russia	11.14	11.14	11.14	10.90
Brazil	13.11	13.11	13.14	13.44
Germany	2.03	2.19	2.12	2.53
China	2.88	2.87	2.87	2.92

Top Traded Securities	Volume	24-Mar	23-Mar	17-Mar	24-Feb
5.74 2026	1,290	7.16	7.20	7.22	7.38
7.38 2027	105	7.15	7.21	7.23	7.39
7.10 2029	15	7.24	7.28	7.32	7.40
6.54 2032	40	7.33	7.36	7.37	7.43
7.26 2032	-	7.31	7.35	7.35	7.42
7.54 2036	-	7.40	7.42	7.42	7.47

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

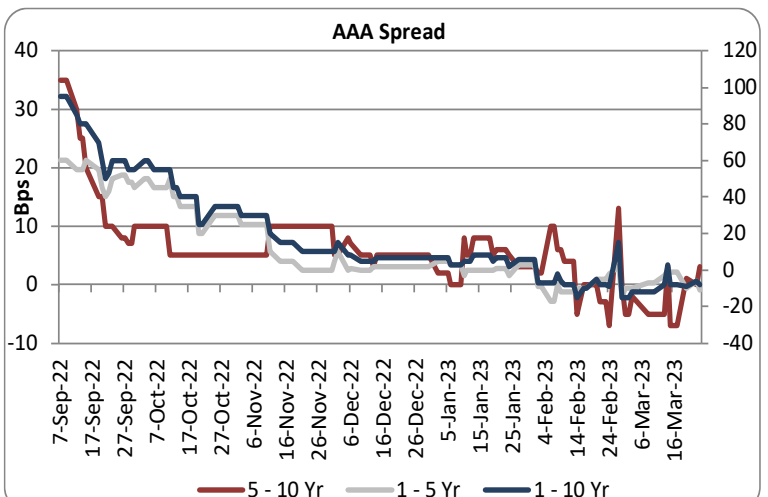
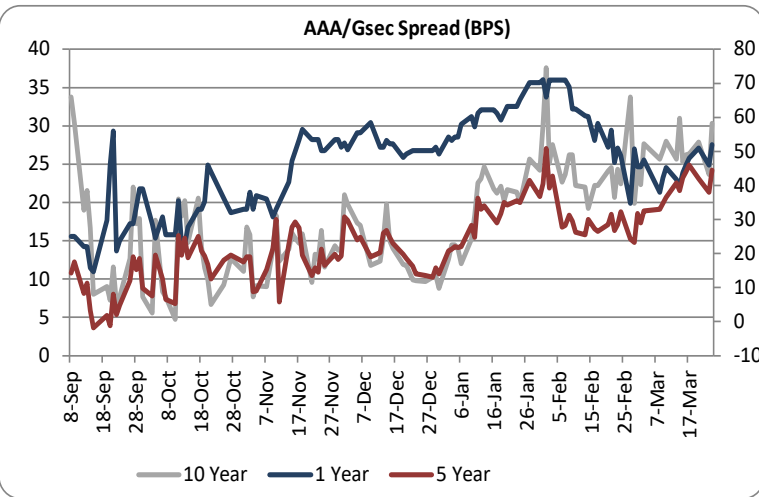
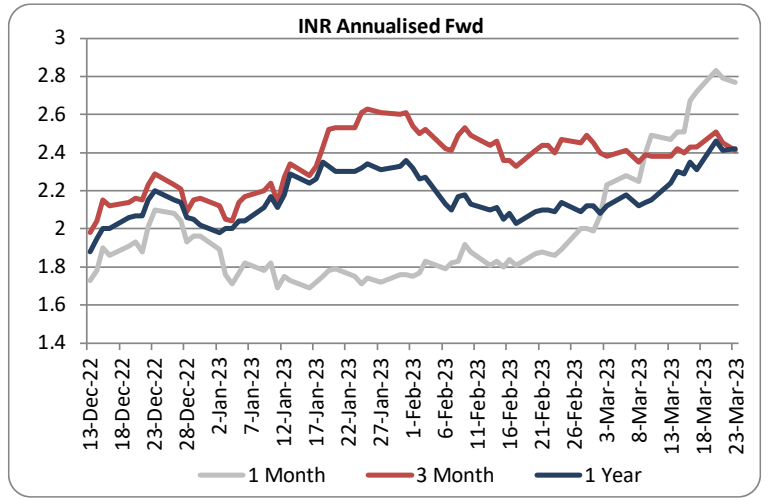
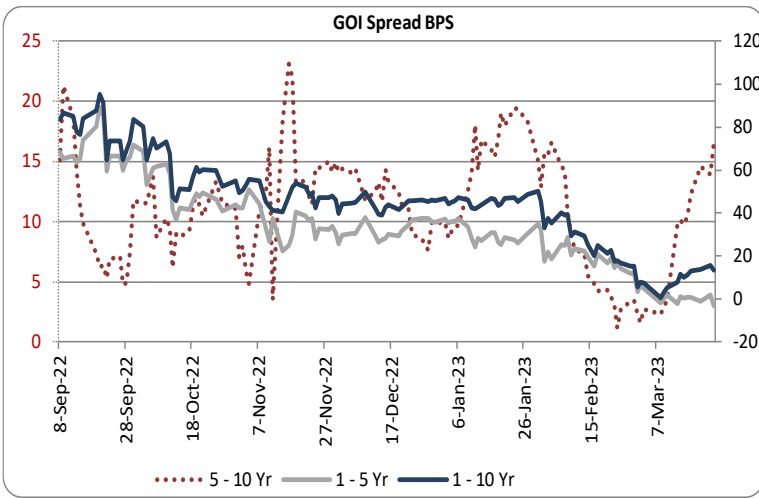
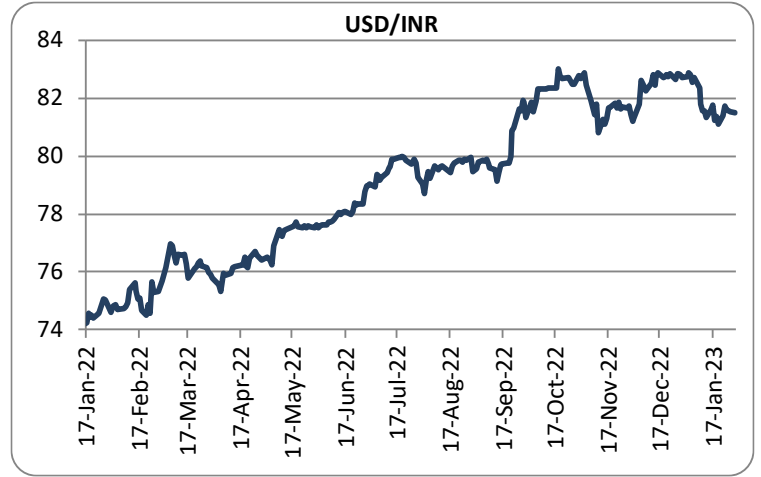
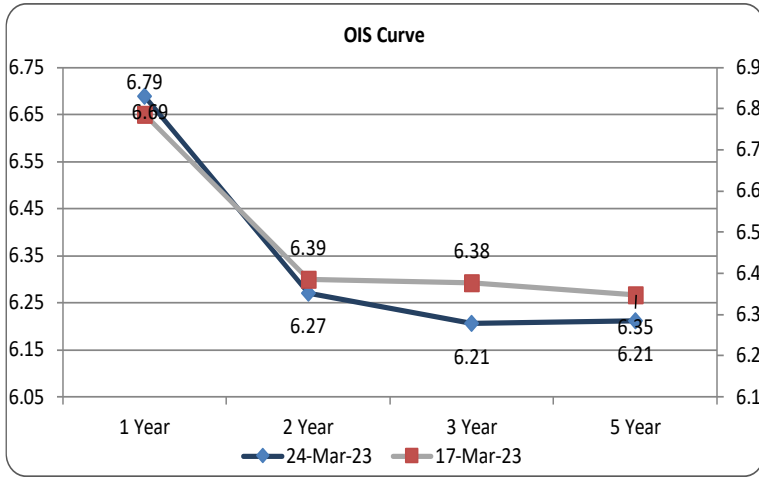
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
23-Mar-23	2272	377	1895

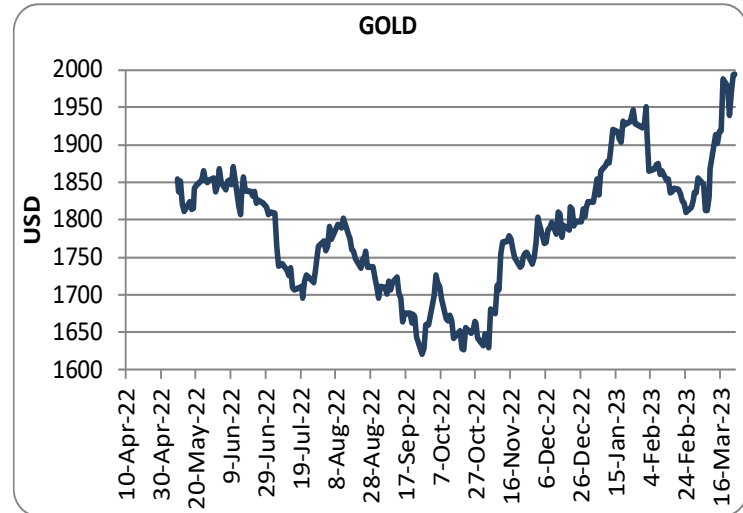
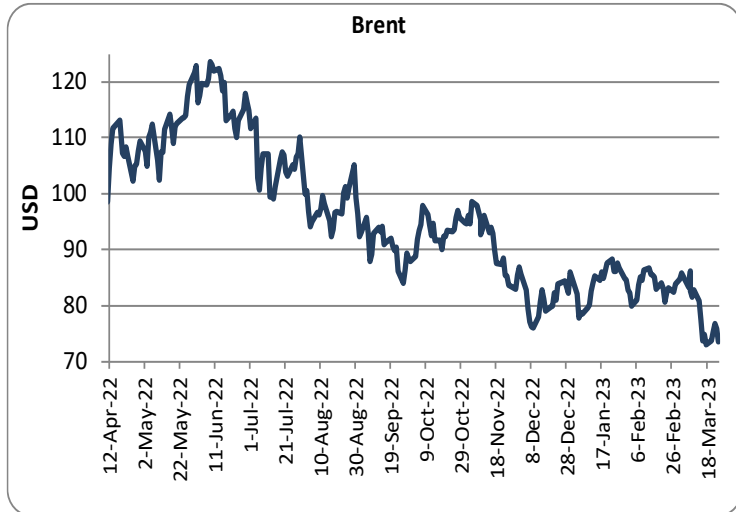
EQUITY		
Gross Purchase	Gross Sales	Net Investment
12211	13256	-1044

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
14483	13632	851

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.

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