



BONDWATCH

Daily

October 26, 2023

INDIA

Indian government bond yields rose in early trade on Thursday, with the benchmark yield back above the 7.35% mark, as their U.S. peers resumed their upward journey after a brief fall earlier in the week.

The 10-year benchmark bond yield was at 7.3605% as of 10:00 a.m. IST, after ending at 7.3408% in the previous session.

U.S yields rose after an auction showed weak demand and following data that indicated new-home sales accelerated in September, affirming market expectations of prolonged higher-for-longer interest rates.

The benchmark U.S. 10-year yield jumped 11 basis points on Wednesday and was over 4.95%, with all eyes on the Federal Reserve's monetary policy decision next week. Although markets do not expect any rate action, the focus will remain on the guidance.

The benchmark Brent crude contract was trading around \$90-per-barrel.

Meanwhile, market participants are watching for the first debt auction by the RBI, after it earlier this month mentioned that it aims to sell bonds via auctions to absorb liquidity.

The central bank might conduct open market sales of bonds once government spending picks up and there is an improvement in the durable liquidity surplus.

The Indian rupee weakened 0.07% versus the U.S. dollar, and quoted at 83.26 per dollar, tracking Asian peers lower but likely central bank intervention capped further losses.

Repo: The weighted average call rates in the interbank segment increased to 6.77% vs 6.75% as on the previous day while that the TREP segment remained the same at 6.76% vs 6.76% as on the previous day.

GOI Yield	26-Oct	25-Oct	19-Oct	28-Sep
1 Year	7.150	7.158	7.125	7.100
5 Year	7.358	7.344	7.379	7.243
10 Year	7.367	7.341	7.372	7.236

AAA Bmk	26-Oct	25-Oct	19-Oct	28-Sep
1 Year	7.60	7.60	7.57	7.50
5 Year	7.81	7.82	7.82	7.72
10 Year	7.78	7.78	7.76	7.62

CD	26-Oct	25-Oct	19-Oct	28-Sep
3 Month	7.20	7.20	7.25	7.05
6 Month	7.45	7.45	7.45	7.20
1 Year	7.70	7.70	7.75	7.50

CP	26-Oct	25-Oct	19-Oct	28-Sep
3 Month	7.30	7.30	7.35	7.15
6 Month	7.55	7.55	7.55	7.30
1 Year	7.80	7.80	7.85	7.60

OIS Rate	26-Oct	25-Oct	19-Oct	28-Sep
1 Year	6.99	6.99	7.02	7.10
2 Year	6.75	6.75	6.81	6.88
3 Year	6.74	6.73	6.80	6.85
5 Year	6.76	6.74	6.81	6.83

	26-Oct	25-Oct	19-Oct	28-Sep
Sensex	63,148	64,049	65,629	65,508
Nifty	18,857	19,122	19,625	19,524
USD/INR	83.23	83.18	83.25	83.19
Gold (USD)	1,986	1,980	1,974	1,865
Oil (USD)	88.72	90.13	92.38	95.38

NDF	26-Oct	25-Oct	19-Oct	28-Sep
3 Month	83.55	83.50	83.44	83.52
1 Year	84.68	84.57	84.67	84.70
2 Year	86.89	86.62	86.67	86.80
3 Year	89.21	88.97	88.92	89.60

Market Observations

G-sec

- Mutual funds seen buying 1-2-month maturity bills.
- Higher demand seen in 2-3-year maturity papers.

Corporate Bonds

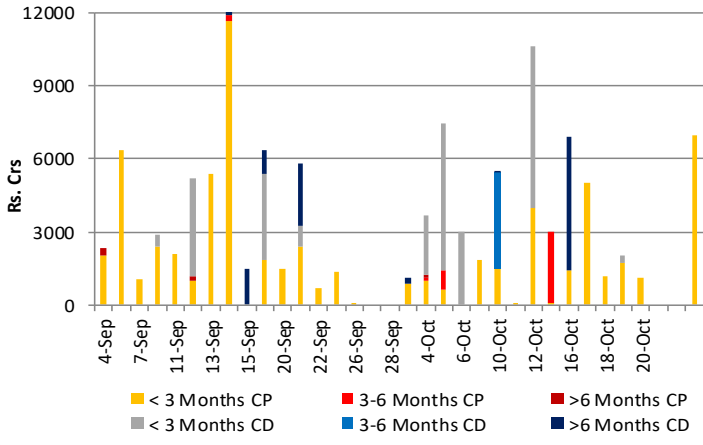
- Mutual funds were active in the 2025-2026 segment.
- Banks were active on the selling side throughout all segments.

CP/CD

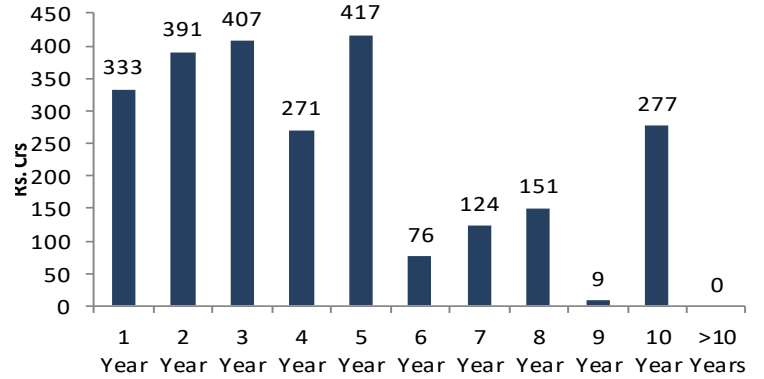
- Activity was seen in the 1 to 3-month segments.



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	26-Oct	25-Oct	19-Oct	28-Sep
India	7.37	7.34	7.37	7.24
US	4.97	4.95	4.99	4.60
South Korea	4.39	4.26	4.38	4.03
Russia	12.35	12.37	12.33	12.87
Brazil	11.79	11.79	11.83	11.92
Germany	2.89	2.89	2.93	2.97
China	2.73	2.74	2.74	2.72

Top Traded Securities	Volume	8-Sep	7-Sep	1-Sep	10-Aug
7.26 2033	1,225	7.20	7.17	7.18	7.15
7.06 2028	1,295	7.26	7.24	7.25	7.30
7.62 2039	-	7.21	7.20	7.19	7.18
7.30 2053	170	7.35	7.33	7.33	7.36
6.64 2035	150	7.17	7.16	7.22	7.24
7.40 2035	615	7.20	7.18	7.24	7.23

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
18-Oct-23	6033	5077	956

EQUITY	Gross Purchase	Gross Sales	Net Investment
	6401	8807	-2405

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
12434	13883	-1449

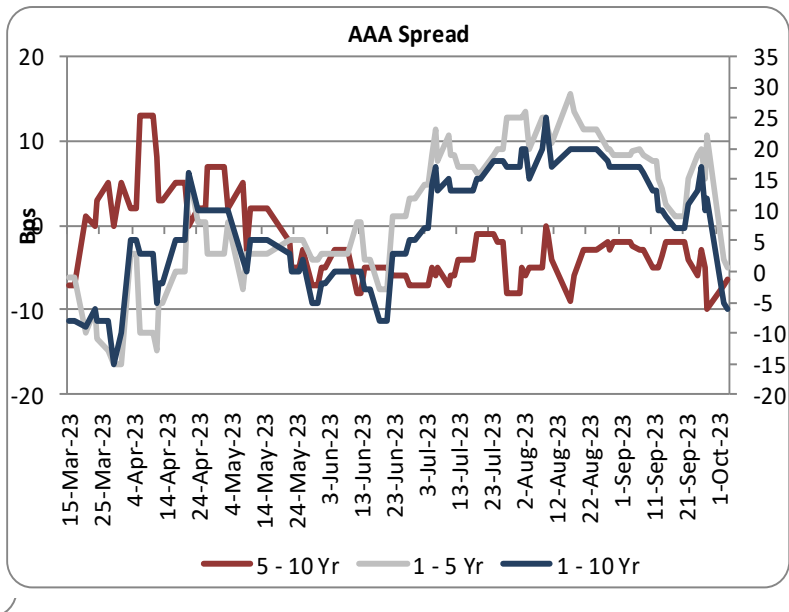
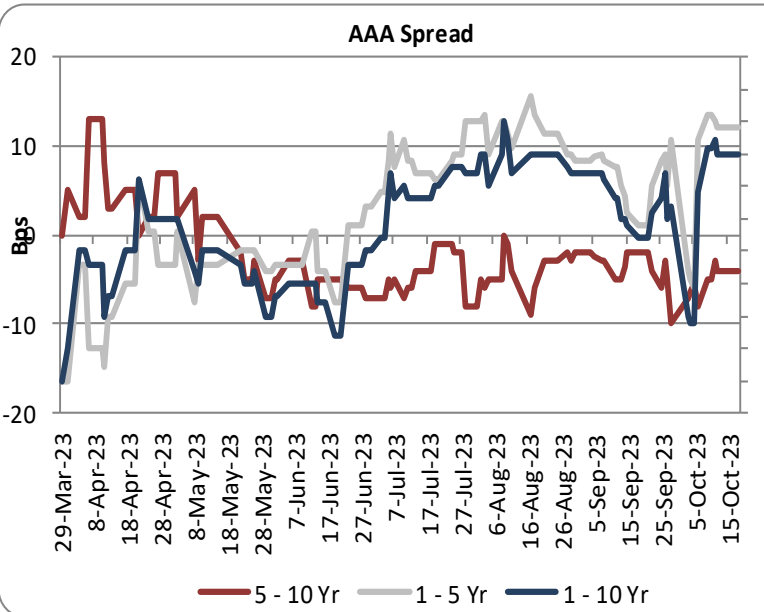
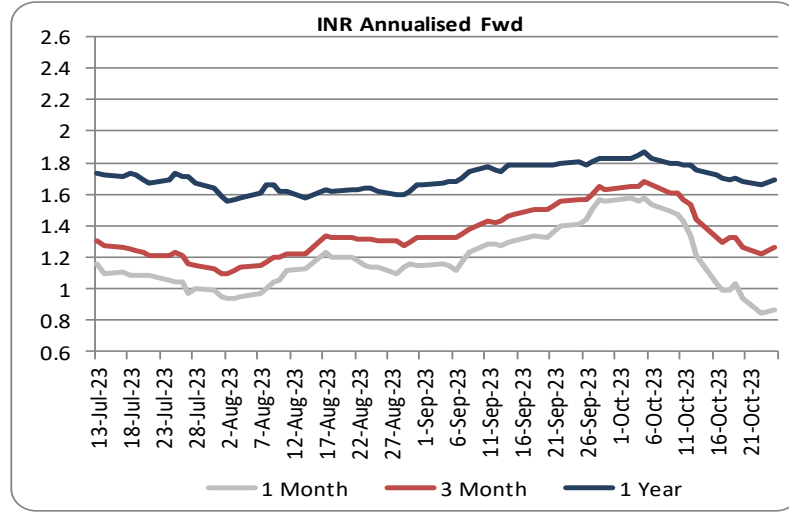
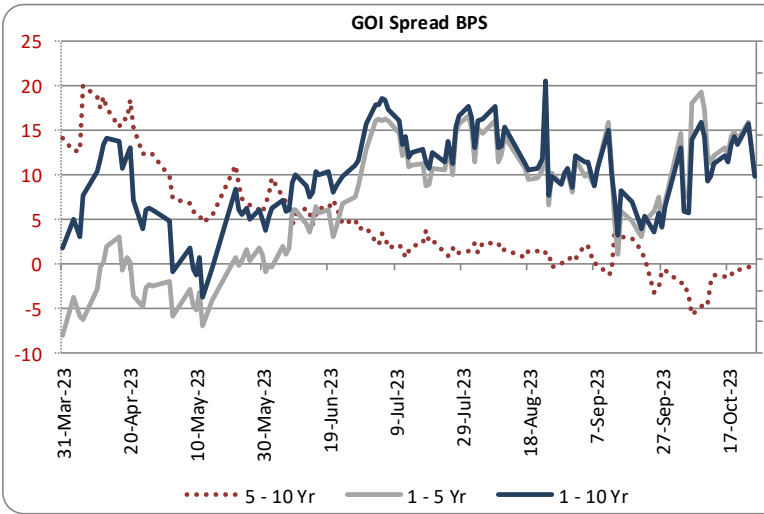
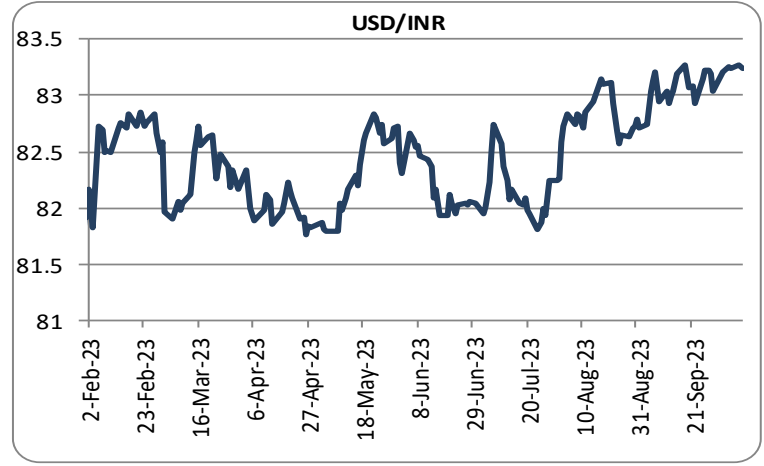
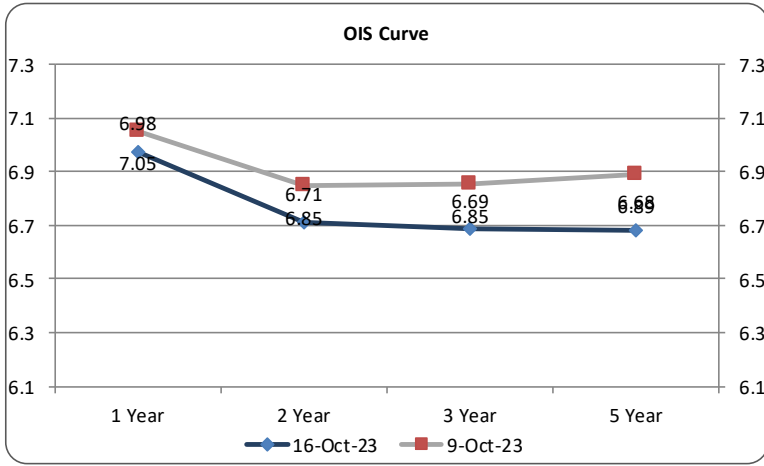
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
26-Oct-23	241	266	-24

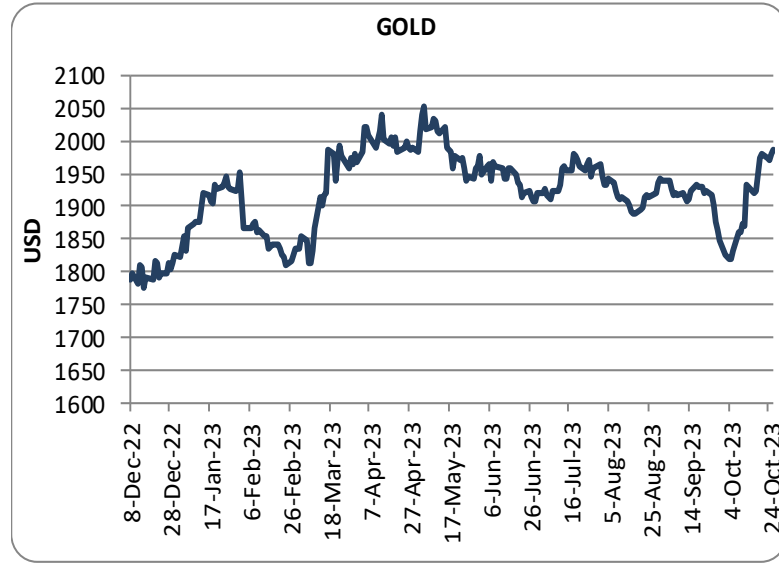
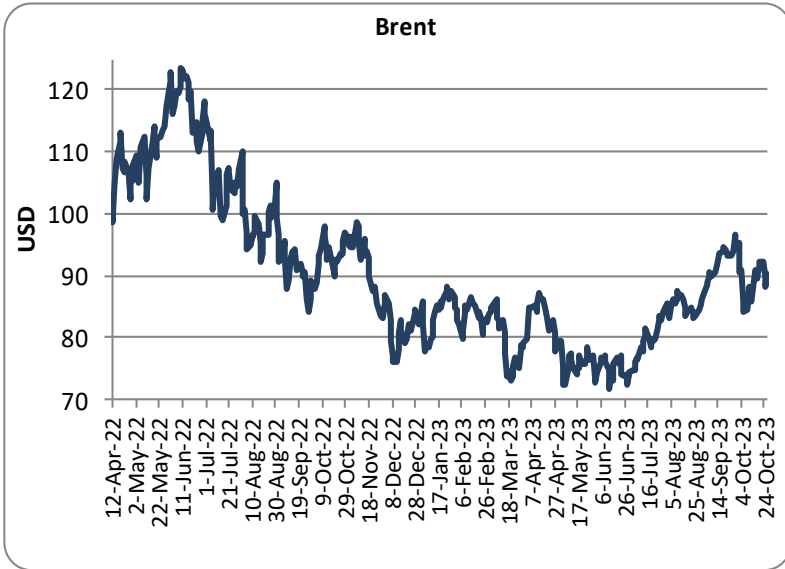
EQUITY	Gross Purchase	Gross Sales	Net Investment
	9128	13153	-4025

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
9369	13419	-4050

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Jun-23	7.8	6.1
CAD (\$ Bn)	Jun-23	-9.2	-1.3
Trade Deficit (\$ Bn)	Jun-23	-56.6	-52.6
WPI (%)	Sep-23	-0.3	-0.5
CPI (%)	Sep-23	5.0	6.8
IIP (%)	Aug-23	10.3	5.7
PMI Manufacturing	Sep-23	57.5	58.6
PMI Service	Sep-23	61	60.1

Economic Calender	Country	Date	Poll	Prior
CPI	Japan	27-Oct-23	0	2.8
CPI	Germany	30-Oct-23	-	4.50
Unemployment Rate	Japan	31-Oct-23	-	2.70
Retail Sales	Japan	31-Oct-23	-	7.00
GDP Q3	Euro Zone	31-Oct-23	-	0.50
Fed fund rate	USA	01-Nov-23	5.25-5.5	5.25-5.5
BOE bank Rate	UK	02-Nov-23	5.25	5.25
Unemployment Rate	Euro Zone	03-Nov-23	-	6.40





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

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