



BONDWATCH

Daily

April 27, 2023

INDIA

Indian government bond yields ended marginally lower on Thursday as traders awaited fresh supply via the debt auction at the end of the week and for the U.S. Federal Reserve's policy decision next week.

Bond yields have been easing for the past five sessions after strong demand at last week's debt auction led to a sharp fall in yields in the secondary market. Major buying from foreign banks as well as traders has led to the current rally, on rising bets of policy pivots from both the U.S. and Indian central banks.

The 10-year benchmark 7.26% 2033 bond yield ended at 7.0987%, after closing at 7.1126% on Wednesday

In the global market, U.S. Treasury yields rose on Wednesday as investors awaited key economic data that could provide fresh insights into the state of the economy and affect the Federal Reserve's monetary policy.

The odds of a 25-basis-point rate hike by the Fed on May 3 have eased to below 80%, from above 90% last week, amid continued concerns about the regional banking sector and ahead of a possible vote on the U.S. debt ceiling.

Oil prices dropped on Wednesday, extending the previous session's sharp losses, even after a report showed U.S. crude inventories fell more than expected, as recession fears grew for the world's biggest economy.

The Indian rupee weakened 0.09% versus the U.S. dollar, and quoted at 81.8375 per dollar, reversing its dollar inflow-led gains amid mixed Asian peers.

Repo: The weighted average call rates in the interbank segment increased to 6.72% vs 6.69% as on the previous day while that the TREP segment increased to 6.76% vs 6.75% as on the previous day.

| GOI Yield | 27-Apr | 26-Apr | 20-Apr | 27-Mar |
|-----------|--------|--------|--------|--------|
| 1 Year | 6.970 | 6.980 | 6.970 | 7.200 |
| 5 Year | 6.976 | 6.990 | 7.016 | 7.161 |
| 10 Year | 6.099 | 7.113 | 7.200 | 7.304 |

| AAA Bmk | 27-Apr | 26-Apr | 20-Apr | 27-Mar |
|---------|--------|--------|--------|--------|
| 1 Year | 7.42 | 7.42 | 7.55 | 7.83 |
| 5 Year | 7.45 | 7.50 | 7.55 | 7.70 |
| 10 Year | 7.52 | 7.52 | 7.60 | 7.75 |

| CD | 27-Apr | 26-Apr | 20-Apr | 27-Mar |
|---------|--------|--------|--------|--------|
| 3 Month | 7.05 | 7.05 | 7.05 | 7.50 |
| 6 Month | 7.25 | 7.25 | 7.25 | 7.74 |
| 1 Year | 7.50 | 7.50 | 7.50 | 7.78 |

| CP | 27-Apr | 26-Apr | 20-Apr | 27-Mar |
|---------|--------|--------|--------|--------|
| 3 Month | 7.15 | 7.15 | 7.15 | 7.60 |
| 6 Month | 7.40 | 7.40 | 7.35 | 7.84 |
| 1 Year | 7.60 | 7.60 | 7.60 | 7.88 |

| OIS Rate | 27-Apr | 26-Apr | 20-Apr | 27-Mar |
|----------|--------|--------|--------|--------|
| 1 Year | 6.58 | 6.55 | 6.61 | 6.74 |
| 2 Year | 6.19 | 6.15 | 6.22 | 6.30 |
| 3 Year | 6.04 | 6.03 | 6.12 | 6.22 |
| 5 Year | 6.03 | 6.00 | 6.12 | 6.23 |

| | 27-Apr | 26-Apr | 20-Apr | 27-Mar |
|------------|--------|--------|--------|--------|
| Sensex | 60,649 | 60,301 | 59,632 | 57,654 |
| Nifty | 17,915 | 17,814 | 17,624 | 16,986 |
| USD/INR | 81.84 | 81.77 | 82.15 | 82.37 |
| Gold (USD) | 2,000 | 1,989 | 2,004 | 1,957 |
| Oil (USD) | 77.76 | 77.69 | 81.10 | 78.12 |

| NDF | 27-Apr | 26-Apr | 20-Apr | 27-Mar |
|---------|--------|--------|--------|--------|
| 3 Month | 82.19 | 82.17 | 82.52 | 82.71 |
| 1 Year | 83.61 | 83.65 | 83.86 | 84.23 |
| 2 Year | 86.01 | 85.94 | 86.27 | 86.40 |
| 3 Year | 89.24 | 88.74 | 89.00 | 89.74 |

Market Observations

G-sec

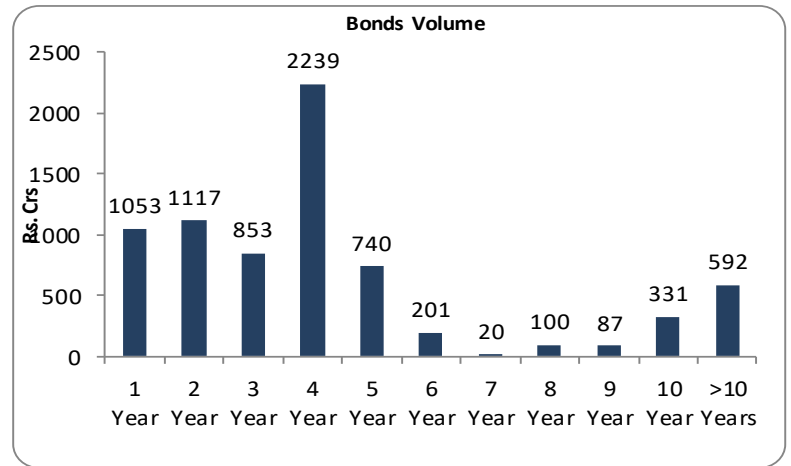
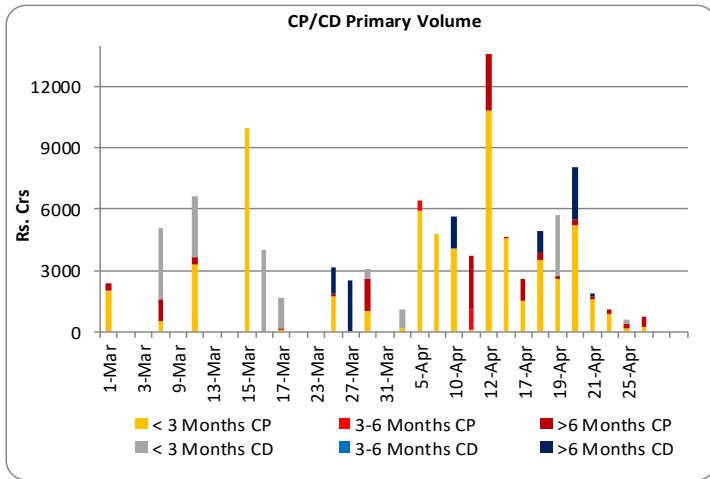
- Switches were reported in 2025 and 2026 maturity SDLs @parity (7.15 and 7.18 levels respectively)
- Demand was seen in 9 and 10-year SDLs @7.45 centric levels.

Corporate Bonds

- Mutual funds were selling and few banks were on the buying side in the 1-year segment.
- Activity was majorly seen in the 3-year segment.
- Longer end segment was driven by pension fund buying.

CP/CD

- Corporates were selling and mutual funds were net buyers in the 1-month segment.



| 10 Year Benchmarks | 27-Apr | 26-Apr | 20-Apr | 27-Mar |
|--------------------|--------|--------|--------|--------|
| India | 7.10 | 7.12 | 7.22 | 7.31 |
| US | 3.46 | 3.43 | 3.55 | 3.53 |
| South Korea | 3.34 | 3.31 | 3.42 | 3.26 |
| Russia | 10.66 | 10.68 | 10.60 | 11.16 |
| Brazil | 12.45 | 12.41 | 12.72 | 12.91 |
| Germany | 2.40 | 2.39 | 2.44 | 2.23 |
| China | 2.79 | 2.81 | 2.84 | 2.86 |

| Top Traded Securities | Volume | 27-Apr | 26-Apr | 20-Apr | 27-Mar |
|-----------------------|--------|--------|--------|--------|--------|
| 5.74 2026 | 80 | 6.95 | 6.95 | 7.00 | 7.15 |
| 7.38 2027 | 65 | 6.97 | 6.99 | 7.02 | 7.16 |
| 7.10 2029 | - | 7.04 | 7.05 | 7.12 | 7.23 |
| 6.54 2032 | 25 | 7.16 | 7.17 | 7.23 | 7.32 |
| 7.26 2032 | - | 7.14 | 7.15 | 7.22 | 7.30 |
| 7.54 2036 | - | 7.23 | 7.23 | 7.34 | 7.38 |

| | 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 |

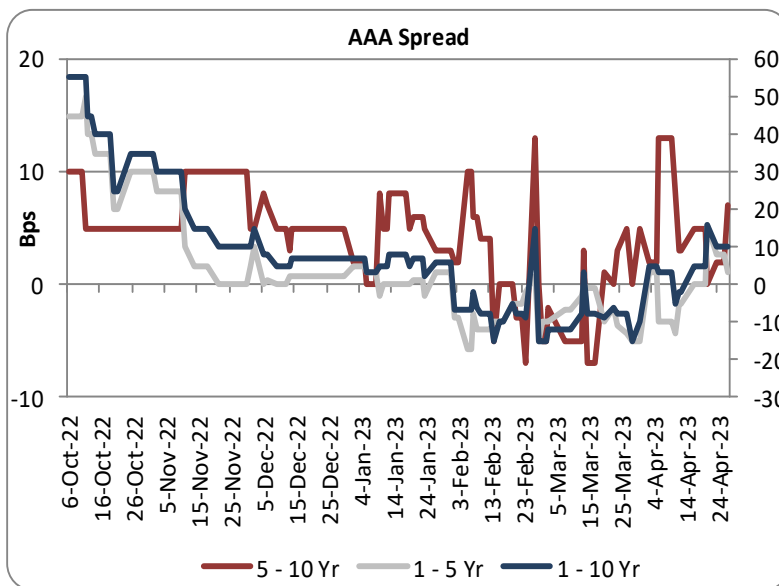
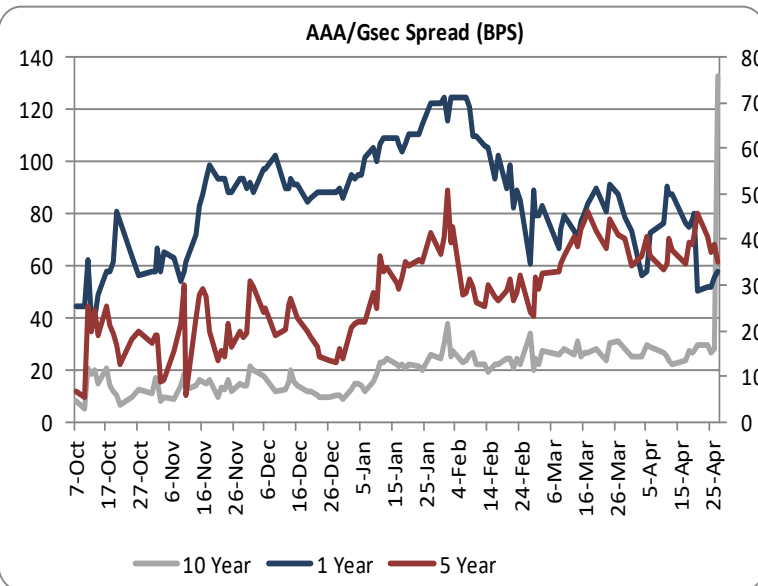
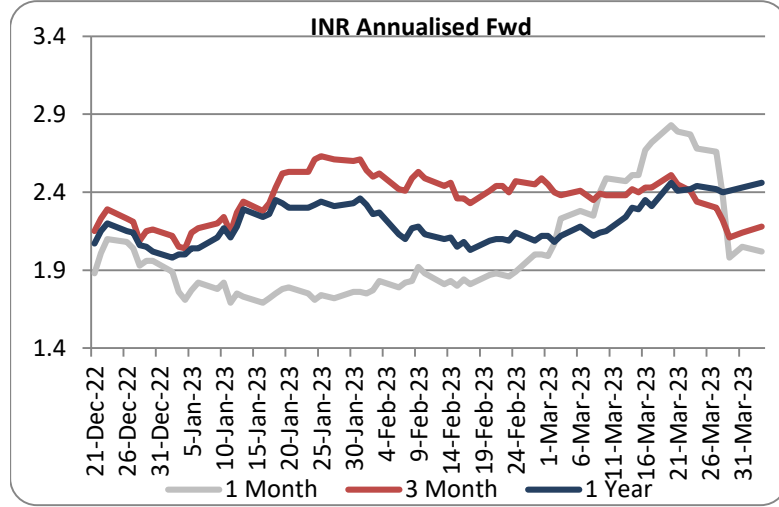
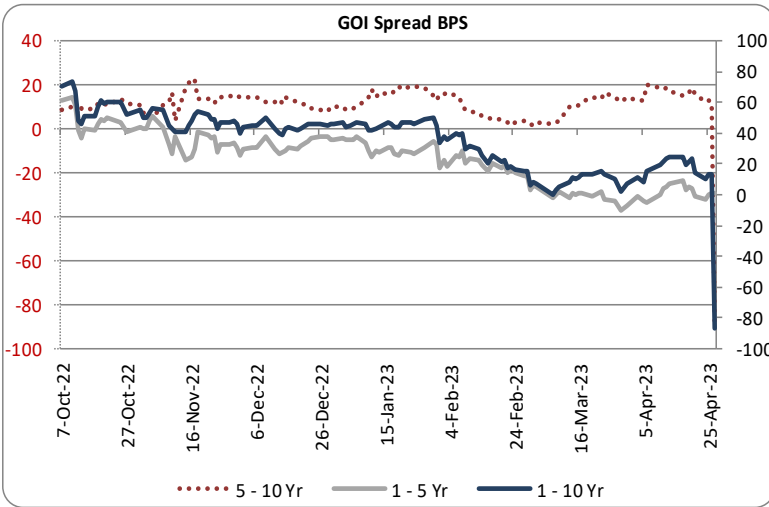
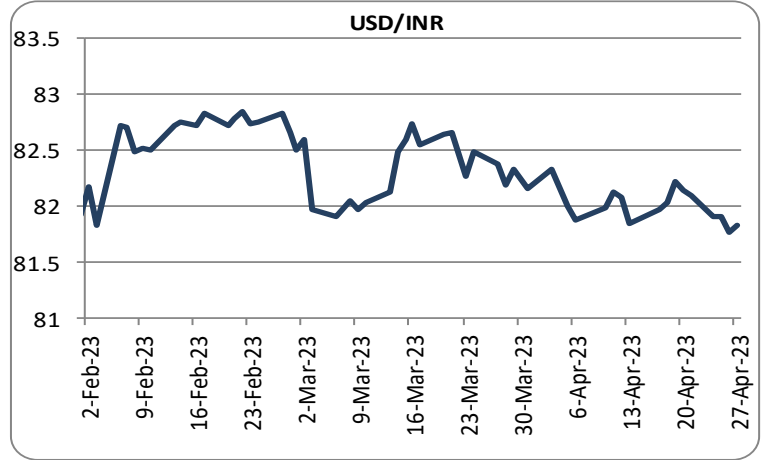
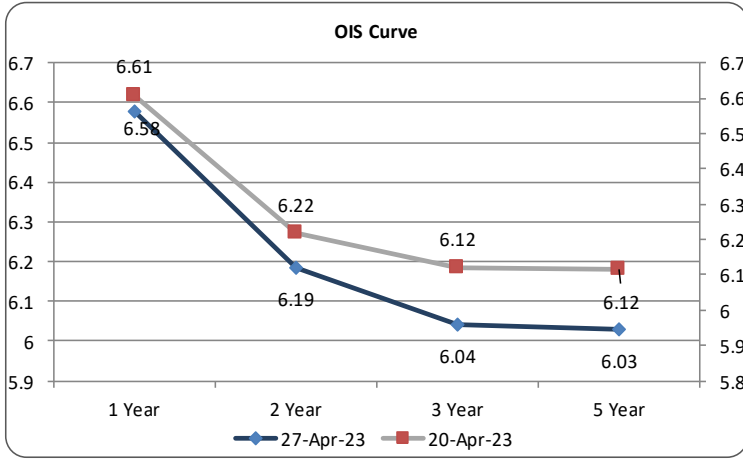
| | DEBT | | |
|------------|----------------|-------------|----------------|
| | Gross Purchase | Gross Sales | Net Investment |
| FII | | | |
| 27-Apr-23 | 1565 | 632 | 933 |

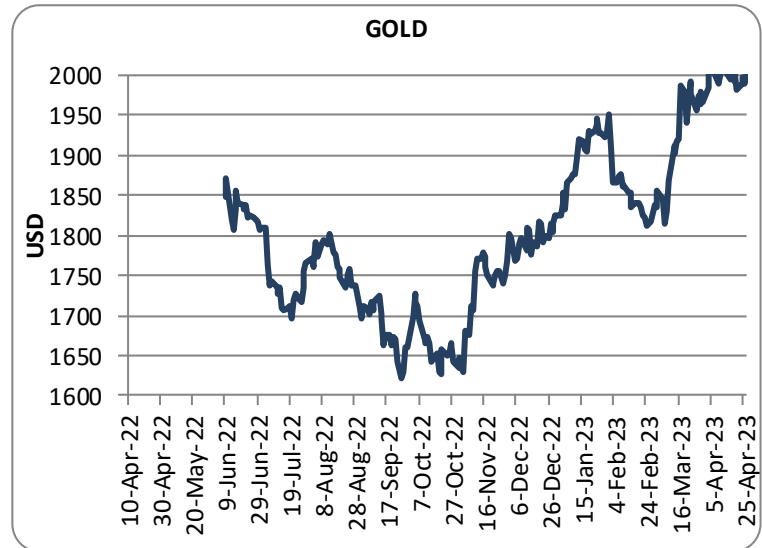
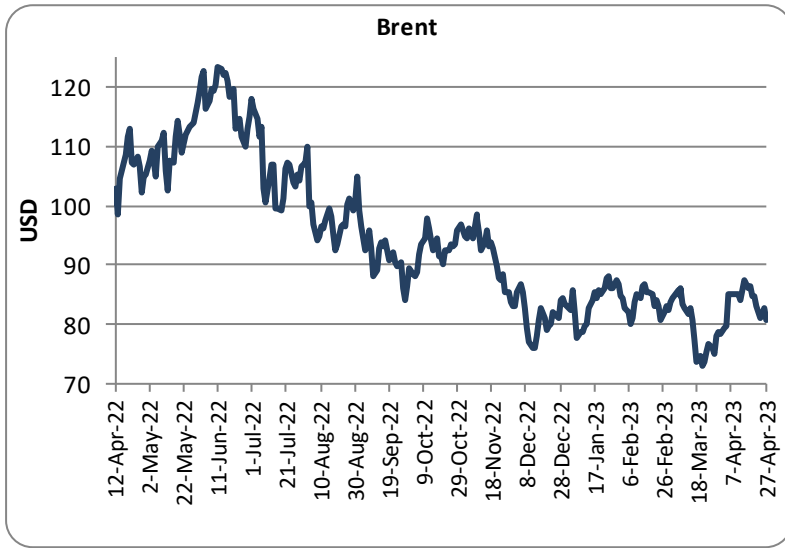
| | EQUITY | | |
|--|----------------|-------------|----------------|
| | Gross Purchase | Gross Sales | Net Investment |
| | | | |
| | 7916 | 6473 | 1444 |

| | TOTAL (Rs. Crs) | | |
|--|-----------------|-------------|----------------|
| | Gross Purchase | Gross Sales | Net Investment |
| | | | |
| | 9481 | 7105 | 2376 |

| 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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