

India Corporate Bonds: Ylds flat ahead of fresh primary supply on Wed

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NEW DELHI – Yields on corporate bonds ended steady across tenures in the secondary market today ahead of fresh primary supply from private companies, scheduled on Wednesday, dealers said.

Some mutual fund houses and traders were active in the short-term segment of the secondary market, dealers said.

In the primary market, Bajaj Finance raised 14.5 bln rupees through two re-issues and one fresh issue with different maturities.

On Wednesday, Larsen and Toubro has invited bids for three bonds with different maturities. The company plans to raise up to 35 bln rupees through these bonds.

While Aditya Birla Finance aims to raise up to 15 bln rupees through five-year papers, JM Financial Credit Solutions plans to borrow up to 1 bln rupees through two bonds. Biddings for these offerings are also scheduled on Wednesday.

"Currently the appetite in the shorter-end is supportive to the primary supply coming to the market, which is likely to continue post policy. So, we expect issuers to continue tapping at the shorter-end," a fund manager at mutual fund house said.

According to merchant bankers, some state-owned entities and private companies are charting out plans to tap the market this week.

On Thursday, the Reserve Bank of India's latest policy review decision is expected to give cues to investors, though the decision to extend the pause has already been factored in by the market, dealers said.

According to an Informist poll, an overwhelming majority of 29 out of 30 respondents expect the domestic rate-setting panel to keep the repo rate unchanged at 6.50%.

Bonds issued by Housing Development Finance Corp, REC, Indian Railway Finance Corp, LIC Housing Finance, Power Finance Corp, National Bank for Agriculture and Rural Development, and Kotak Mahindra Bank were traded the most across tenures.

There was a pick-up in the volumes today. Deals aggregating 113 bln rupees were recorded on the National Stock Exchange and BSE combined against 64 bln rupees on Monday.

UDAY BONDS

In the secondary market, Ujwal DISCOM Assurance Yojana bonds worth 1.13 bln rupees were traded at a weighted average yield of 7.20-7.47%, according to data from the RBI's Negotiated Dealing System-Order Matching System.

- * 365 mln rupees of Punjab's 20 bonds were traded at 7.43-7.47%
- * 330 mln rupees of Haryana's 2026 bonds were traded at 7.33%
- * 209 mln rupees of Tamil Nadu's 2024-30 bonds were traded at 7.20-7.42%
- * 130 mln rupees of Rajasthan's 2025-26 bonds were traded at 7.33-7.36%
- * 100 mln rupees of Himachal Pradesh's 2031 bonds were traded at 7.41%

BENCHMARK LEVELS FOR CORPORATE BONDS:

TENURES	TODAY	MONDAY
Three-year	7.40-7.44%	7.39-7.44%
Five-year	7.35-7.41%	7.35-7.41%
10-year	7.34-7.40%	7.35-7.40%