



INDIA

Indian government bond yields ended little changed on Wednesday even as U.S. yields inched higher as traders awaited more triggers for building new positions.

The 10-year benchmark bond yield ended at 7.2156% after closing at 7.2105% in the previous session.

U.S. bond yields moved higher after trading resumed on Tuesday as the market lowered expectations for rate cuts in 2024. The 10-year U.S. yield, which dropped 100 basis points (bps) in November-December, was close to 3.97% in Asian hours, as investors monitor minutes from Federal Reserve's latest monetary policy and economic data this week, including non-farm payroll due on Friday.

Even as the market expects the U.S. central bank to start cutting key policy rates from March, the probability has eased to 77% from around 89% last week. The odds of a 150-bps rate cut in 2024 have also eased to 72% against 84% last week.

The Reserve Bank of India has kept its key interest rate steady at 6.5% in its December policy and the monetary policy committee said it will remain vigilant of inflation risks, with the overall outlook remaining clouded by volatile and uncertain food prices.

Traders will also keep an eye on foreign investments that notched a remarkable jump in the last three months of 2023, with inflows reaching a six-year high.

The Indian rupee strengthened 0.05% versus the U.S. dollar, and quoted at 83.2750 per dollar, supported by dollar sales from foreign banks.

Repo: The weighted average call rates in the interbank segment decreased to 6.75% vs 6.77% as on the previous day while that the TREP segment decreased to 6.71% vs 6.74% as on the previous day.

GOI Yield	3-Jan	2-Jan	28-Dec	6-Dec
1 Year	7.100	7.090	7.100	7.190
5 Year	7.097	7.091	7.116	7.239
10 Year	7.216	7.211	7.211	7.253

AAA Bmk	3-Jan	2-Jan	28-Dec	6-Dec
1 Year	7.83	7.87	7.82	7.77
5 Year	7.76	7.74	7.75	7.81
10 Year	7.68	7.70	7.70	7.78

CD	3-Jan	2-Jan	28-Dec	6-Dec
3 Month	7.60	7.55	7.42	7.35
6 Month	7.70	7.65	7.80	7.65
1 Year	7.90	7.85	7.90	7.85

CP	3-Jan	2-Jan	28-Dec	6-Dec
3 Month	7.70	7.65	7.55	7.80
6 Month	7.80	7.75	7.90	8.00
1 Year	8.00	8.00	8.00	8.15

OIS Rate	3-Jan	2-Jan	28-Dec	6-Dec
1 Year	6.66	6.65	6.64	6.85
2 Year	6.33	6.33	6.30	6.54
3 Year	6.30	6.28	6.25	6.49
5 Year	6.25	6.23	6.20	6.45

	3-Jan	2-Jan	28-Dec	6-Dec
Sensex	71,357	71,892	72,410	69,654
Nifty	21,517	21,666	21,779	20,938
USD/INR	83.28	83.32	83.17	83.33
Gold (USD)	2,049	2,059	2,065	2,025
Oil (USD)	75.88	75.89	78.39	74.30

NDF	3-Jan	2-Jan	28-Dec	6-Dec
3 Month	83.64	83.57	83.51	83.55
1 Year	84.80	84.73	84.69	84.74
2 Year	87.30	87.28	87.23	87.10
3 Year	90.30	90.18	90.13	89.95

Market Observations

G-sec

- T-bill cut off was 2bps higher in 3-month and 6-month maturity t-bill. Demand was seen in 3-month t-bill @6.9350 level by MFs. Major sellers were foreign banks.
- Demand was seen in 10 and 11 year SDLs @7.73 levels.
- Major selling was seen in 13year G-sec by Mutual Funds @7.32 levels.

Corporate Bonds

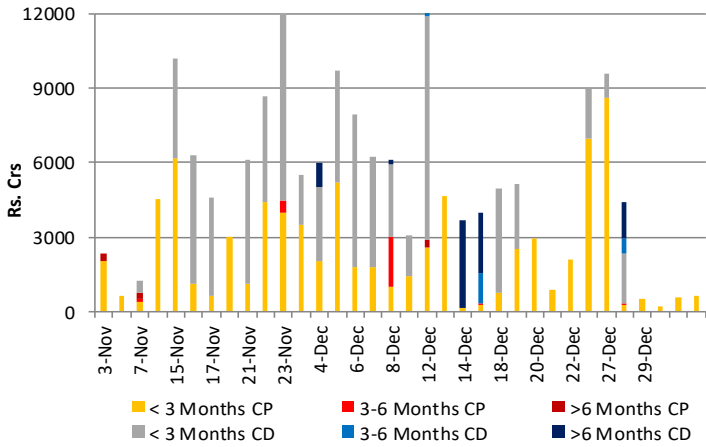
- Mutual funds were active on both sides in the 2025-26 segment.

CP/CD

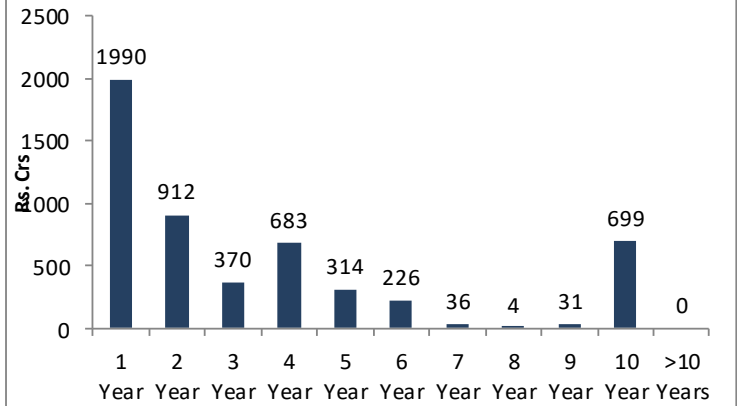
- Demand was seen in the 1 and 2-month segment.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	3-Jan	2-Jan	28-Dec	6-Dec
India	7.22	7.21	7.21	7.25
US	3.98	3.94	3.85	4.12
South Korea	3.34	3.31	3.20	3.52
Russia	12.31	12.30	12.32	12.42
Brazil	10.50	10.42	10.35	10.91
Germany	2.06	2.06	1.94	2.21
China	2.58	2.59	2.59	2.69

Top Traded Securities	Volume	20-Dec	19-Dec	13-Dec	21-Nov
7.26 2033	265	7.21	7.21	7.31	7.32
7.06 2028	2,130	7.34	7.34	7.41	7.39
7.62 2039	-	7.22	7.21	7.31	7.34
7.30 2053	840	7.25	7.25	#N/A	#N/A
6.64 2035	60	7.31	7.29	7.36	7.37
7.40 2035	340	7.27	7.25	7.35	7.37

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
1-Jan-24	5633	4744	889

EQUITY	Gross Purchase	Gross Sales	Net Investment
	6502	6605	-103

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
12135	11349	786

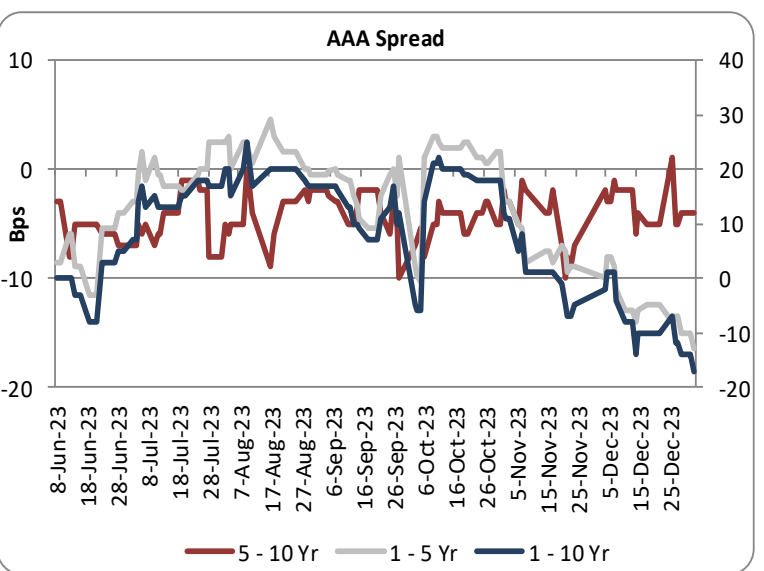
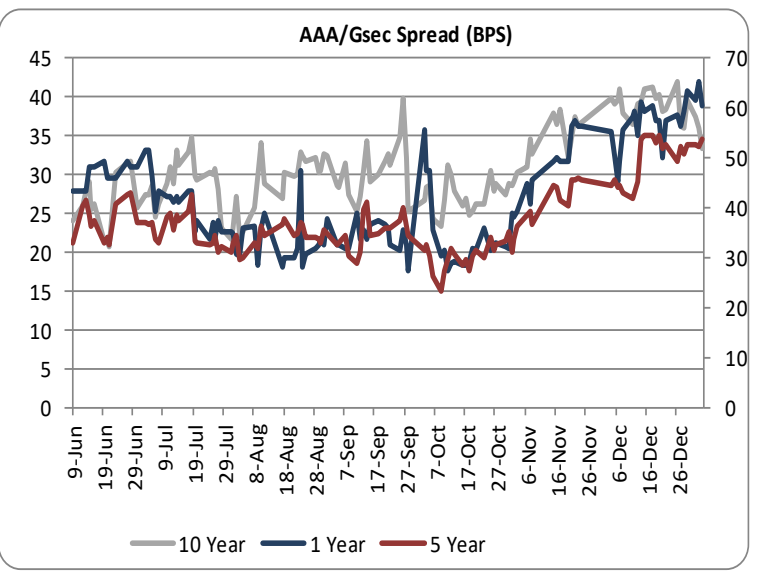
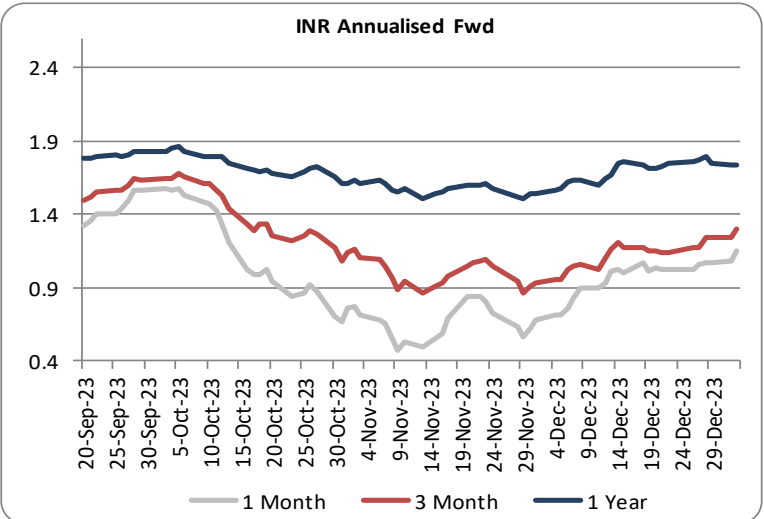
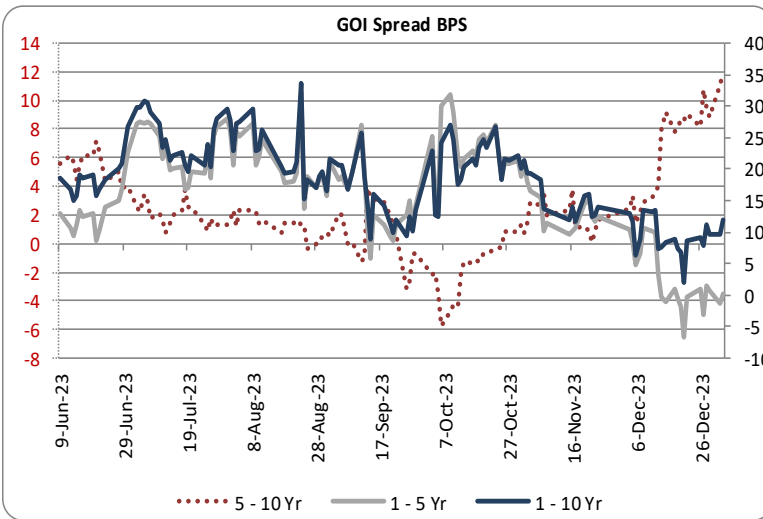
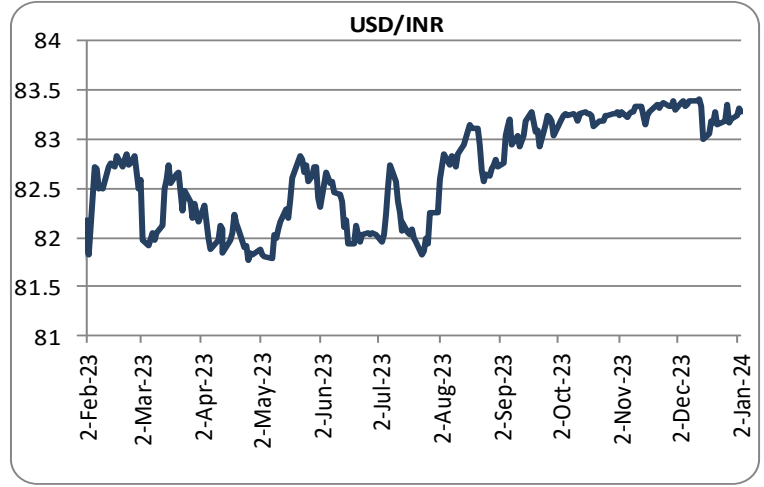
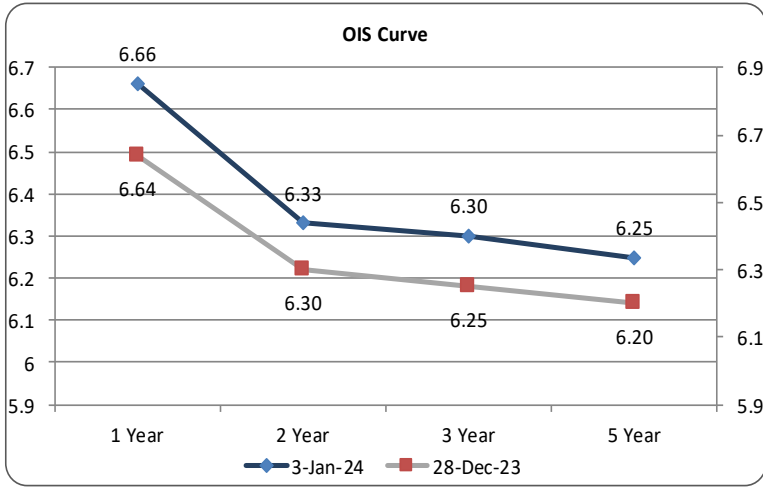
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
3-Jan-24	1221	271	950

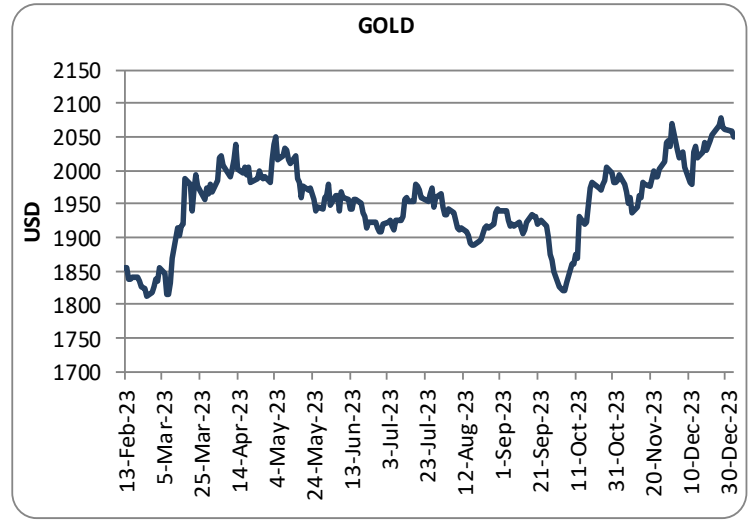
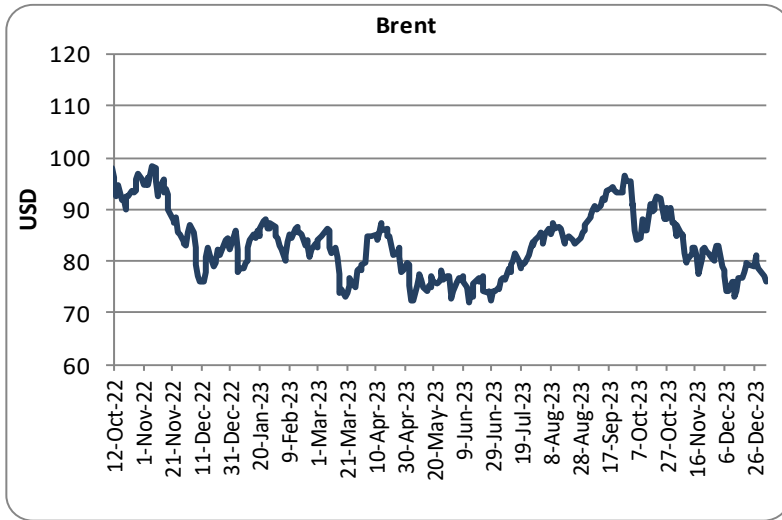
EQUITY	Gross Purchase	Gross Sales	Net Investment
	10236	8641	1595

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
11456	8912	2544

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Sep-23	7.6	7.8
CAD (\$ Bn)	Sep-23	-8.3	-9.2
Trade Deficit (\$ Bn)	Sep-23	-61.0	-56.6
WPI (%)	Nov-23	0.3	-0.5
CPI (%)	Nov-23	5.6	4.9
IIP (%)	Oct-23	11.7	5.8
PMI Manufacturing	Dec-23	54.9	56
PMI Service	Nov-23	56.9	58.4

Economic Calender	Country	Date	Poll	Prior
Unemployment Rate	Russia	27-Dec-23	2.9	2.9
Industrial Output	Japan	28-Dec-23	3.00	1.10
Retail Sales	Japan	28-Dec-23	5.00	4.20
CPI	Japan	29-Dec-23	3.26	3.30
CPI	Germany	04-Jan-24	3.70	3.20
Industrial Output	Brazil	05-Jan-24	0.20	1.20
Unemployment Rate	USA	05-Jan-24	3.80	3.70
Unemployment Rate	Canada	05-Jan-24	5.90	5.80





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

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