



Indian government bond yields eased on Thursday, tracking a sharp decline in oil prices, while caution ahead of the Reserve Bank of India's (RBI) monetary policy decision on Friday capped the fall.

The 10-year benchmark bond yield ended at 7.2382%, after closing the previous session at 7.2528%.

Market participants waiting for the RBI monetary policy on Friday where RBI is expected to the key policy rate at 6.50% for a fifth consecutive meeting.

Traders anticipate a hawkish undertone to the policy guidance, with the focus remaining on inflation and liquidity management.

India's retail inflation likely picked up in November due to higher food prices, bringing it closer to the upper end of the RBI's 2%-6% target range.

Meanwhile, weaker economic data and softer inflation reading have led to bets that the Federal Reserve may start cutting rates in the first half of 2024, with the odds for a rate cut in March close to 61%.

Oil prices plunged on Wednesday, as worries about global fuel demand mounted after U.S. data showed a larger-than-expected rise in gasoline stocks, while concerns over China's economic health and future fuel demand also weighed.

The Indian rupee weakened 0.03% versus the U.S. dollar, and quoted at 83.35 per dollar as risk appetite in the region weakened and as crude oil prices resumed their uptrend.

Repo: The weighted average call rates in the interbank segment remained the same at 6.70% vs 6.720% as on the previous day while that the TREP segment decreased to 6.72% vs 6.73% as on the previous day.

GOI Yield	7-Dec	6-Dec	22-Nov	7-Nov
1 Year	7.150	7.190	7.120	7.145
5 Year	7.216	7.239	7.244	7.246
10 Year	7.238	7.253	7.244	7.281

AAA Bmk	7-Dec	6-Dec	22-Nov	7-Nov
1 Year	7.77	7.77	7.82	7.68
5 Year	7.79	7.81	7.83	7.77
10 Year	7.78	7.78	7.75	7.76

CD	7-Dec	6-Dec	22-Nov	7-Nov
3 Month	7.35	7.35	7.30	7.22
6 Month	7.65	7.65	7.60	7.50
1 Year	7.85	7.85	7.75	7.75

CP	7-Dec	6-Dec	22-Nov	7-Nov
3 Month	7.80	7.80	7.45	7.32
6 Month	8.00	8.00	7.70	7.60
1 Year	8.15	8.15	7.95	7.85

OIS Rate	7-Dec	6-Dec	22-Nov	7-Nov
1 Year	6.85	6.85	6.90	6.87
2 Year	6.54	6.54	6.62	6.60
3 Year	6.49	6.49	6.59	6.56
5 Year	6.45	6.45	6.56	6.57

	7-Dec	6-Dec	22-Nov	7-Nov
Sensex	69,522	69,654	66,023	64,942
Nifty	20,901	20,938	19,812	19,407
USD/INR	83.35	83.33	83.32	83.26
Gold (USD)	2,030	2,025	1,990	1,968
Oil (USD)	75.03	74.30	81.96	81.61

10 Year Benchmarks	7-Dec	6-Dec	22-Nov	7-Nov
India	7.24	7.25	7.25	7.28
US	4.15	4.12	4.42	4.57
South Korea	3.58	3.52	3.76	4.06
Russia	12.42	12.42	11.97	12.17
Brazil	10.91	10.91	11.08	11.47
Germany	2.18	2.21	2.56	2.67
China	2.69	2.69	2.68	2.67

NDF	7-Dec	6-Dec	22-Nov	7-Nov
3 Month	83.60	83.55	83.52	83.47
1 Year	84.79	84.74	84.68	84.60
2 Year	87.21	87.10	86.85	86.66
3 Year	90.13	89.95	89.25	89.13

Market Observations

G-sec

- Selling was seen in 2 and 3-year G-sec by Mutual funds and Insurance companies with very timid demand by foreign banks.
- Selling was seen in 10 and 11-year SDLs @7.68 to 7.70 levels.

Corporate Bonds

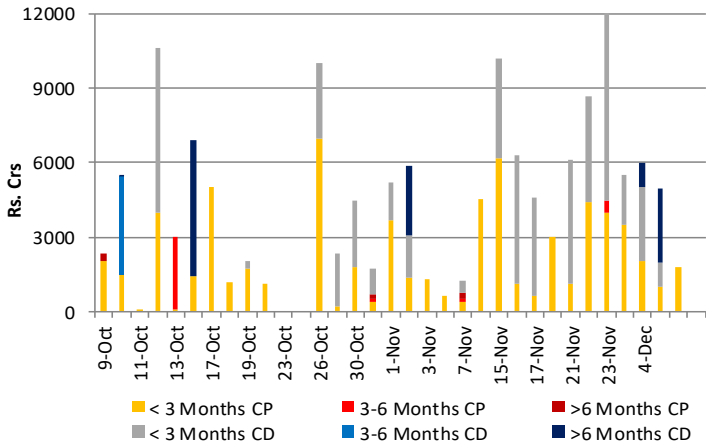
- Mutual funds were active across all segments.
- Banks were on the selling side in the 2027-28 segment and the longer segment.

CP/CD

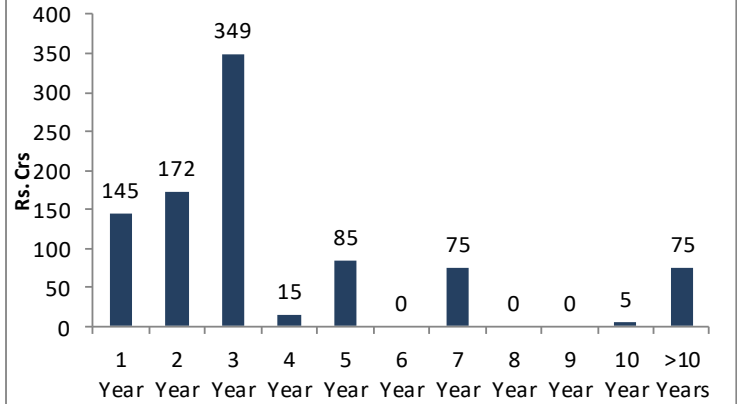
- Activity was seen in the 3-month segment.



CP/CD Primary Volume



Bonds Volume (prev.)



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Top Traded Securities	Volume	16-Nov	15-Nov	9-Nov	18-Oct
7.26 2033	745	7.27	7.28	7.31	7.40
7.06 2028	1,045	7.38	7.37	7.41	7.48
7.62 2039	-	7.30	7.29	7.36	7.42
7.30 2053	720	7.42	7.42	7.44	7.53
6.64 2035	435	7.33	7.33	7.39	7.44
7.40 2035	-	7.35	7.33	7.35	7.44

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
4-Dec-23	11170	7472	3698

	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
4-Dec-23	5662	4394	1268

	TOTAL (Rs.Crs)		
	Gross Purchase	Gross Sales	Net Investment
4-Dec-23	16832	11866	4966

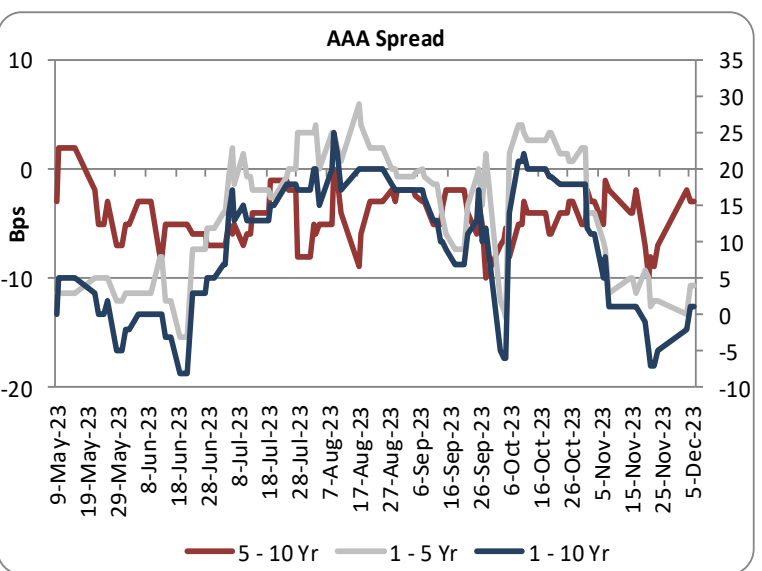
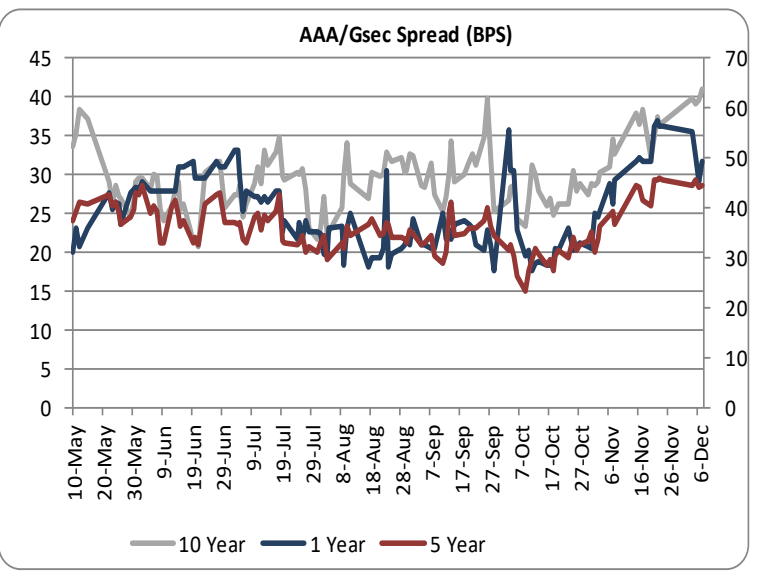
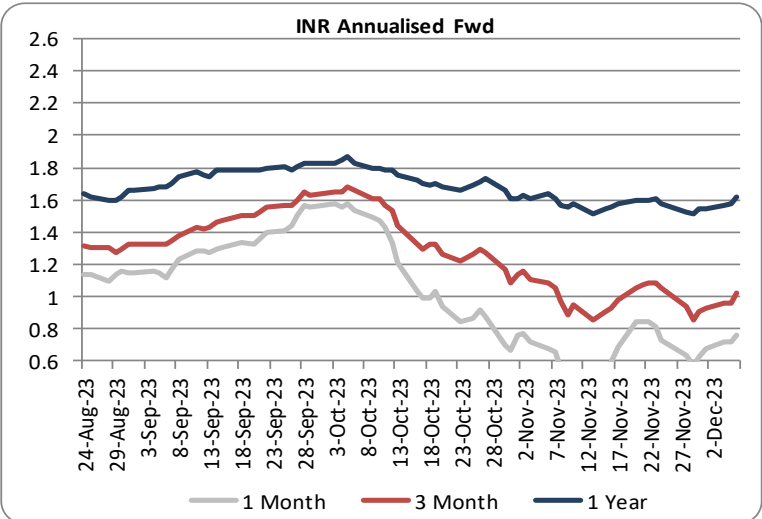
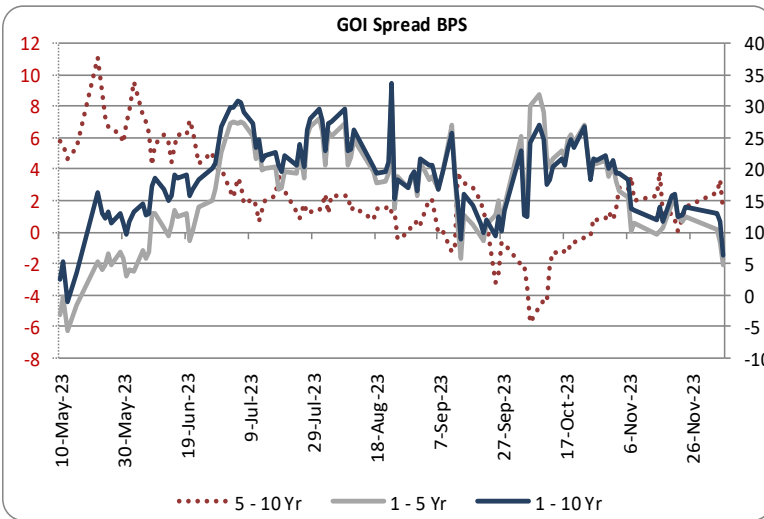
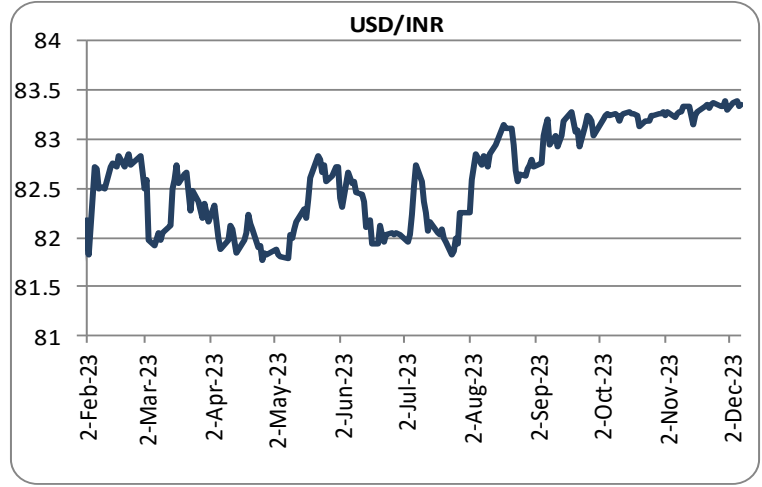
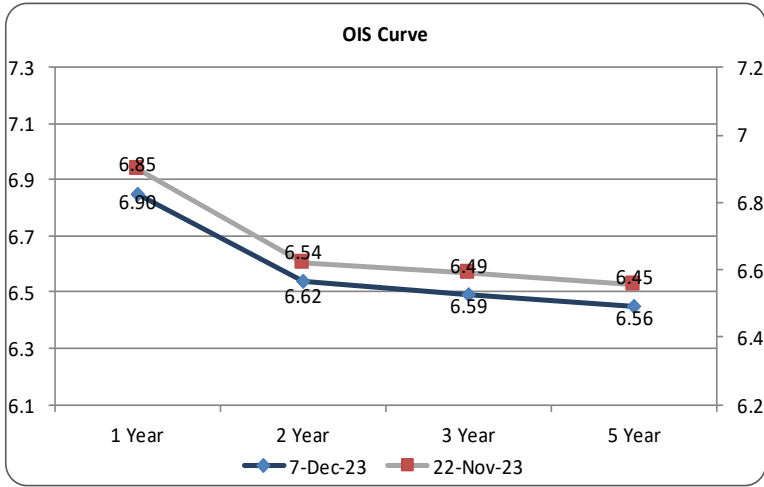
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
7-Dec-23	298	1493	-1195

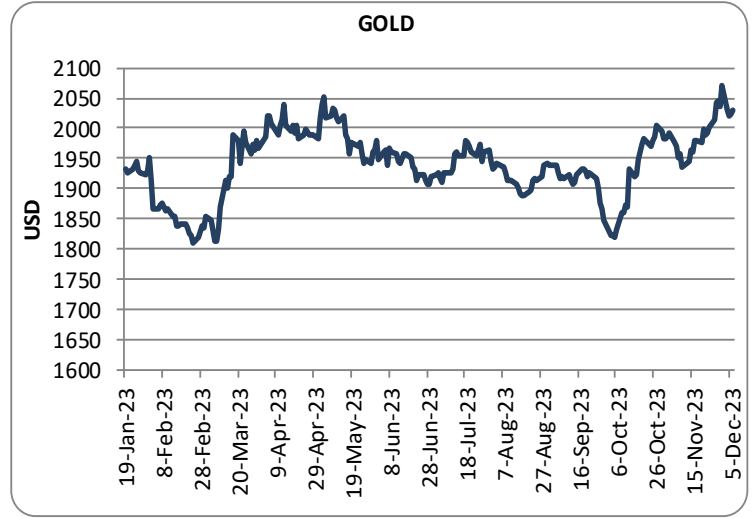
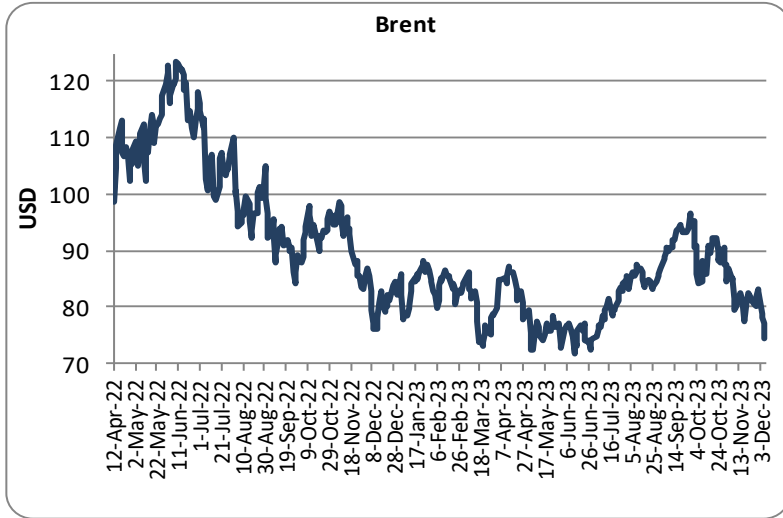
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
7-Dec-23	12030	11830	200

	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
7-Dec-23	12328	13322	-995

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Sep-23	7.6	7.8
CAD (\$ Bn)	Jun-23	-9.2	-1.3
Trade Deficit (\$ Bn)	Jun-23	-56.6	-52.6
WPI (%)	Oct-23	-0.5	-0.3
CPI (%)	Oct-23	4.9	5.0
IIP (%)	Sep-23	5.8	10.3
PMI Manufacturing	Nov-23	56	55.5
PMI Service	Nov-23	56.9	58.4

Economic Calender	Country	Date	Poll	Prior
CPI	Japan	5-Dec-23	3.7	3.8
Retail Sales	Euro Zone	06-Dec-23	(0.90)	(2.90)
Industrial Production	Germany	07-Dec-23	-	(3.86)
Repo Rate	India	08-Dec-23	6.50	6.50
Unemployment Rate	USA	08-Dec-23	3.90	3.90
Unemployment Rate	UK	12-Dec-23	-	4.20
CPI	India	12-Dec-23	-	4.87
Industrial Output	India	12-Dec-23	-	5.80





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

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