



The benchmark 10-year yield ended at 7.3102%, after closing higher at 7.3197% on Monday. The 10-year 7.26% 2033 bond yield ended at 7.2763%. The MPC to raise rates by 25 BPS on Wednesday.

The RBI is likely to raise key interest rate by 25 basis points (bps) to 6.50%, a Reuters poll of economists showed. More than three-quarters of economists, 40 of 52, expected the 25-bps raise, according to the poll conducted between Jan. 13-27. The remaining 12 predicted no change at the meeting.

The central bank has raised the repo rate by 225 bps since May to 6.25% in its effort to tame inflation. Indian bond yields did not react much even as their U.S. peers jumped.

The 10-year U.S. yield rose 23 bps and the two-year yield, a closer indication of interest rate expectations, climbed 37 bps in the last two sessions, as strong economic data bolstered expectations that the Federal Reserve's will continue hiking interest rate.

Traders also await heavy supply towards the end of this week after absorbing over 200 billion rupees (\$2.42 billion) of state debt earlier in the day.

The central government will raise 80 billion rupees through green bonds on Thursday, and 300 billion rupees through securities on Friday.

The Indian rupee little changed versus the U.S. dollar, and quoted at 82.70 per dollar ahead of the Reserve Bank of India policy decision and the Federal Reserve Chair Jerome Powell's speech.

Repo: The weighted average call rates in the interbank segment increased to 6.11% vs 6.08% on the previous day while that the TREP segment increased to 6.04% vs 6.02% as on the previous day.

Market Observations

G-sec

- SDL cut off was in line with market expectation. 10yr SDL cut off for a few lower rating states were a tad bit higher.
- Demand was seen in 2 year SDL by PDs and foreign banks at 7.2450 yield.
- Heavy supply was seen in money market securities with very limited demand before tomorrow's MPC meet

Corporate Bonds

- Major activity seen in 2024-2026 segments mainly by PSUs. Current yields have already factored in a rate hike.

CP/CD

- Major demand was witnessed upto the 3 month papers.

GOI Yield	7-Feb	6-Feb	31-Jan	10-Jan
1 Year	6.920	6.920	6.890	6.890
5 Year	7.168	7.173	7.215	7.173
10 Year	7.310	7.320	7.344	7.313

AAA Bmk	7-Feb	6-Feb	31-Jan	10-Jan
1 Year	7.75	7.75	7.72	7.58
5 Year	7.58	7.58	7.75	7.55
10 Year	7.68	7.68	7.78	7.63

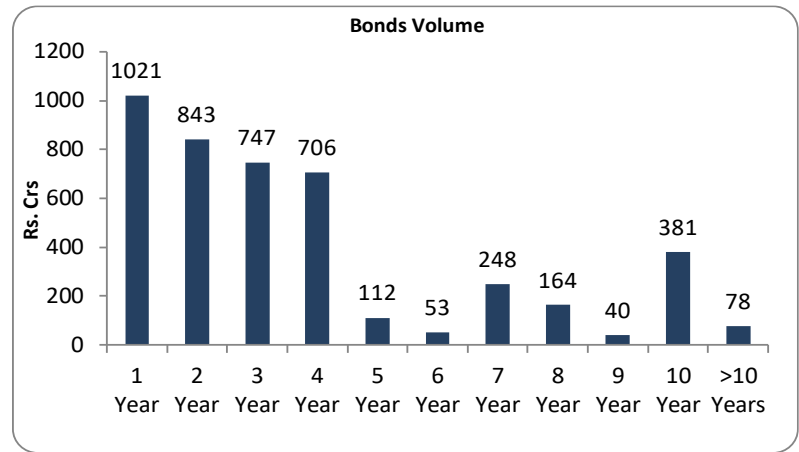
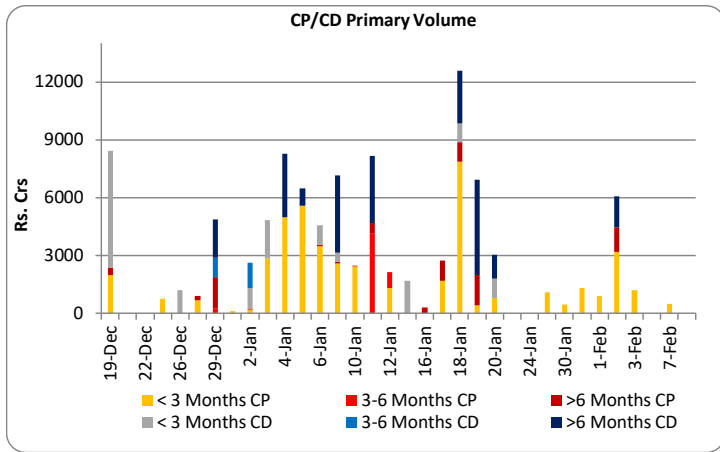
CD	7-Feb	6-Feb	31-Jan	10-Jan
3 Month	7.20	7.20	7.20	6.98
6 Month	7.55	7.55	7.65	7.40
1 Year	7.72	7.72	7.75	7.70

CP	7-Feb	6-Feb	31-Jan	10-Jan
3 Month	7.30	7.30	7.30	7.03
6 Month	7.65	7.65	7.75	7.50
1 Year	7.82	7.82	7.95	7.80

OIS Rate	7-Feb	6-Feb	31-Jan	10-Jan
1 Year	6.69	6.69	6.74	6.68
2 Year	6.30	6.30	6.37	6.39
3 Year	6.23	6.22	6.28	6.34
5 Year	6.25	6.24	6.29	6.37

	7-Feb	6-Feb	31-Jan	10-Jan
Sensex	60,286	60,507	59,550	60,115
Nifty	17,722	17,765	17,662	17,914
USD/INR	82.70	82.73	81.92	81.79
Gold (USD)	1,867	1,867	1,928	1,877
Oil (USD)	82.16	80.99	84.49	80.10

NDF	7-Feb	6-Feb	31-Jan	10-Jan
3 Month	83.20	83.24	82.31	82.15
1 Year	84.45	84.59	83.65	83.43
2 Year	86.50	86.64	85.91	85.61
3 Year	89.29	89.34	88.69	88.42



10 Year Benchmarks	7-Feb	6-Feb	31-Jan	10-Jan
India	7.31	7.32	7.34	7.31
US	3.64	3.63	3.53	3.62
South Korea	3.30	3.28	3.32	3.46
Russia	10.66	10.61	10.58	10.39
Brazil	13.43	13.43	13.07	12.74
Germany	2.32	2.28	2.28	2.30
China	2.90	2.91	2.93	2.92

Top Traded Securities	Volume	7-Feb	6-Feb	31-Jan	10-Jan
5.74 2026	195	#N/A	7.14	7.17	7.14
7.38 2027	-	7.17	7.17	7.21	7.17
7.10 2029	50	7.25	7.26	7.32	7.27
6.54 2032	20	7.32	7.34	7.37	7.33
7.26 2032	-	7.31	7.32	7.34	7.31
7.54 2036	-	7.38	7.39	7.44	7.39

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
30-Jan-23	9358	4720	4638

EQUITY		
Gross Purchase	Gross Sales	Net Investment
14237	17145	-2908

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
23595	21865	1730

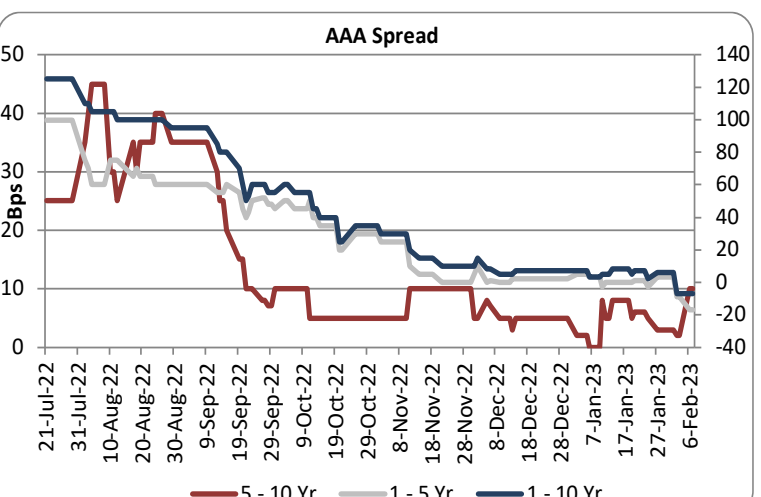
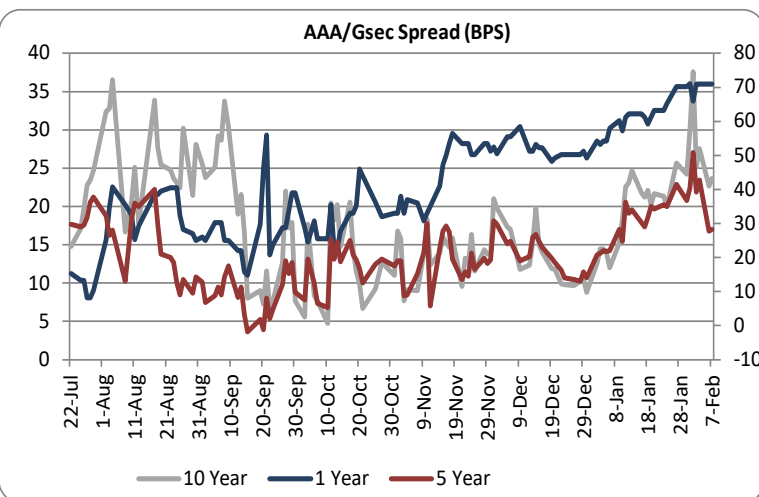
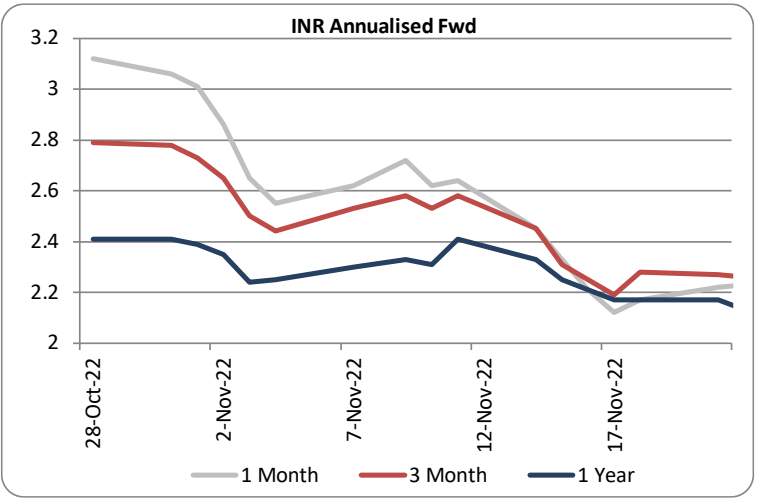
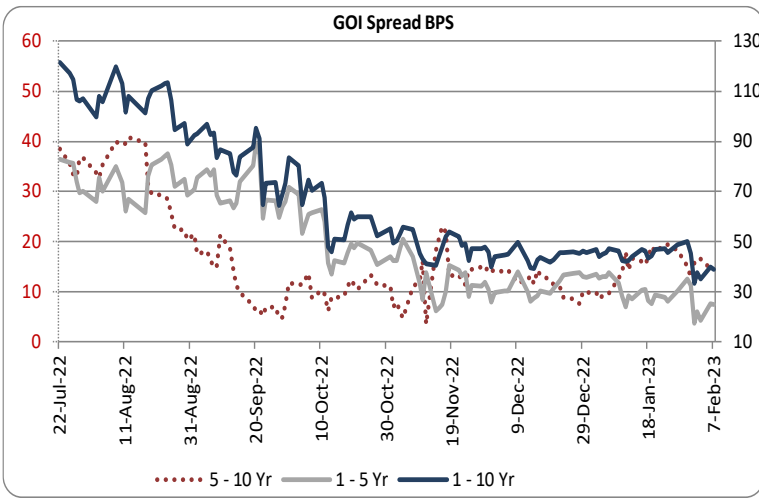
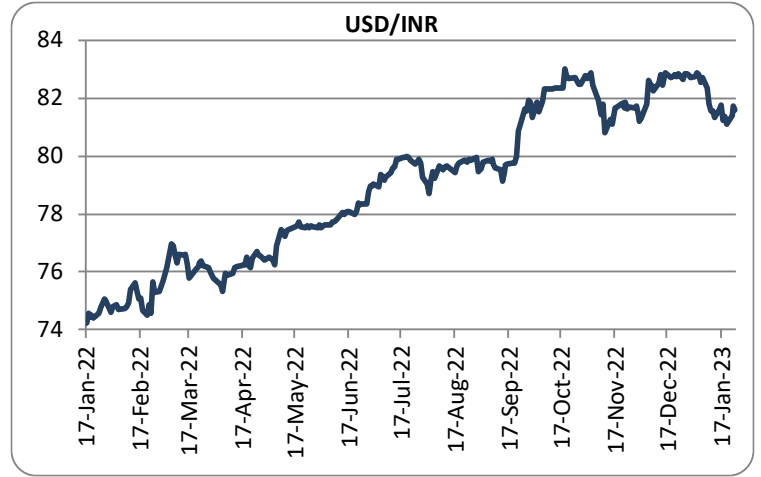
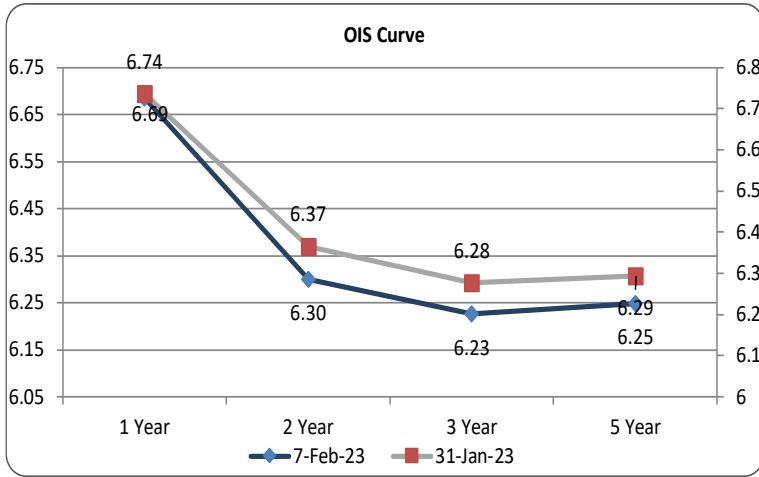
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
7-Feb-23	372	771	-399

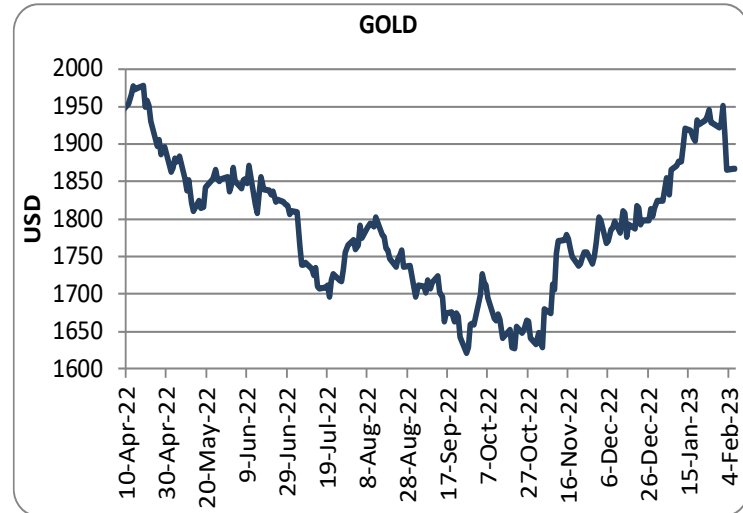
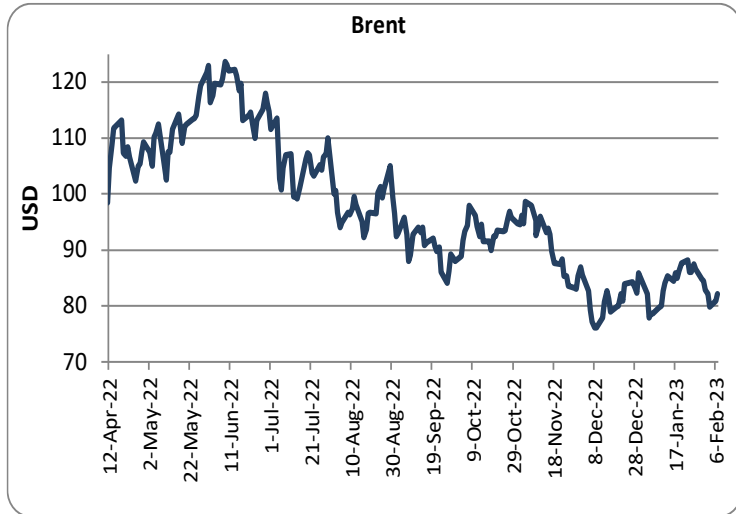
EQUITY		
Gross Purchase	Gross Sales	Net Investment
7048	8087	-1038

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
7421	8858	-1437

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Sep-22	6.3	13.5
CAD (\$ Bn)	Sep-22	-36.4	-18.2
Trade Deficit (\$ Bn)	Sep-22	-83.5	-68.6
WPI (%)	Jan-00	0.0	The time serie
CPI (%)	Jan-00	0.0	The time serie
IIP (%)	Jan-23	57.2	58.5
PMI Manufacturing	Jan-23	55.4	57.8
PMI Service	Dec-22	58.5	56.4

Economic Calender	Country	Date	Poll	Prior
Industrial Output	Brazil	03-Feb-23	(1.10)	0.90
Unemployment Rate	US	03-Feb-23	3.60	3.50
Retail Sales	Euro Zone	06-Feb-23	(0.30)	0.80
GDP	Indonesia	06-Feb-23	4.84	5.72
Reverse repo	India	08-Feb-23	-	3.35
Unemployment Rate	Czech Republic	08-Feb-23	-	3.70
CPI	Russia	08-Feb-23	11.50	11.90
Unemployment Rate	Russia	08-Feb-23	4.00	3.70





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

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