



## INDIA

Indian government bond yields settled lower on Wednesday as market participants anticipated dovish commentary from the Reserve Bank of India (RBI) at its policy decision on Thursday.

India's benchmark 10-year yield ended at 7.0723%, following its previous close of 7.0904%.

The RBI is expected to hold the key interest rate steady on Thursday, as per market expectations, although policymakers' commentary remains key amid easing inflationary pressures and a fiscally prudent federal budget announcement last week.

The central bank has held its key interest rate steady at 6.50% in the last five consecutive policies.

The overall market sentiment has remained positive after the government said it aims to reduce the fiscal deficit and lower its gross borrowing by a wide margin next financial year.

U.S. yields eased on Tuesday but remained elevated, with the 10-year yield around 4.10%, as strong economic data and Federal Reserve Chair Jerome Powell's hawkish comments pushed back expectations on the timing of rate cuts in the world's largest economy.

The odds of a Fed rate cut in May have now declined to around 66% from 88% last week.

Oil prices rose for a third day on Wednesday after U.S. crude inventories grew less than expected and a cut in the forecast for output growth in the U.S. eased concerns about potential oversupply.

The Indian rupee strengthened 0.10% versus the U.S. dollar, and quoted at 82.9675 per dollar on the back of dollar sales from two large foreign banks and strength in most of its Asian peers.

Repo: The weighted average call rates in the interbank segment increased to 6.48% vs 6.46% as on the previous day while that the TREP

### Market Observations

#### G-sec

- T-bill cut off was in line with market expectation. 3-month T-bill got traded @7.00 centric levels post cut off. Major buyers were mutual funds.
- Selling was seen in 2027 and 2028 maturity SDLs @7.35 centric levels.

#### Corporate Bonds

- Major activity was seen up to the 2028 segment.
- Mutual funds were active on both sides.

#### CP/CD

- Demand was seen in the 3-month segment.

| GOI Yield | 7-Feb | 6-Feb | 31-Jan | 11-Jan |
|-----------|-------|-------|--------|--------|
| 1 Year    | 7.110 | 7.125 | 7.130  | 7.130  |
| 5 Year    | 7.028 | 7.036 | 7.027  | 7.057  |
| 10 Year   | 7.072 | 7.090 | 7.144  | 7.162  |

| AAA Bmk | 7-Feb | 6-Feb | 31-Jan | 11-Jan |
|---------|-------|-------|--------|--------|
| 1 Year  | 7.90  | 7.90  | 7.90   | 7.90   |
| 5 Year  | 7.62  | 7.62  | 7.69   | 7.75   |
| 10 Year | 7.60  | 7.60  | 7.65   | 7.66   |

| CD      | 7-Feb | 6-Feb | 31-Jan | 11-Jan |
|---------|-------|-------|--------|--------|
| 3 Month | 7.80  | 7.80  | 7.80   | 7.55   |
| 6 Month | 7.85  | 7.85  | 7.85   | 7.70   |
| 1 Year  | 7.85  | 7.85  | 7.90   | 7.90   |

| CP      | 7-Feb | 6-Feb | 31-Jan | 11-Jan |
|---------|-------|-------|--------|--------|
| 3 Month | 7.95  | 7.95  | 7.90   | 7.80   |
| 6 Month | 7.95  | 7.95  | 7.95   | 7.85   |
| 1 Year  | 8.00  | 8.00  | 8.00   | 8.00   |

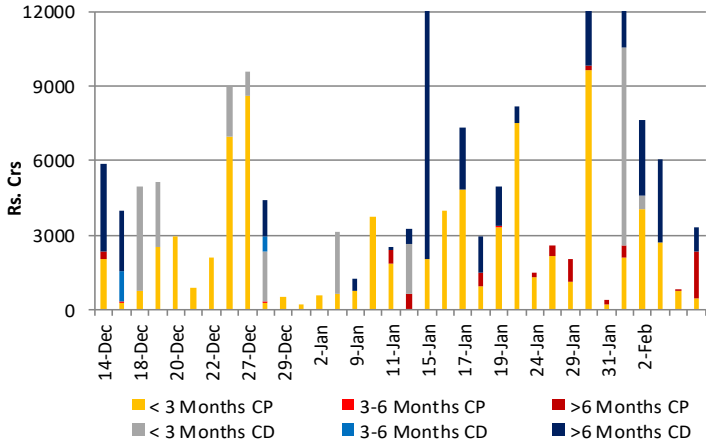
| OIS Rate | 7-Feb | 6-Feb | 31-Jan | 11-Jan |
|----------|-------|-------|--------|--------|
| 1 Year   | 6.61  | 6.60  | 6.60   | 6.64   |
| 2 Year   | 6.29  | 6.28  | 6.26   | 6.31   |
| 3 Year   | 6.25  | 6.24  | 6.21   | 6.25   |
| 5 Year   | 6.21  | 6.21  | 6.18   | 6.21   |

|            | 7-Feb  | 6-Feb  | 31-Jan | 11-Jan |
|------------|--------|--------|--------|--------|
| Sensex     | 72,152 | 72,186 | 71,752 | 71,721 |
| Nifty      | 21,931 | 21,929 | 21,726 | 21,647 |
| USD/INR    | 82.97  | 83.06  | 83.04  | 83.03  |
| Gold (USD) | 2,035  | 2,035  | 2,037  | 2,028  |
| Oil (USD)  | 79.05  | 78.59  | 81.71  | 77.41  |

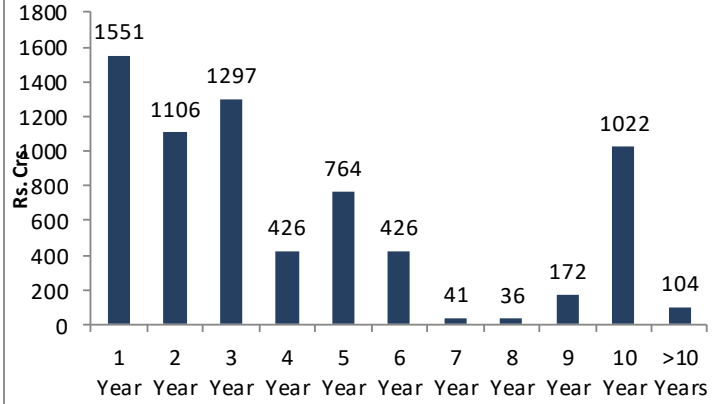
| NDF     | 7-Feb | 6-Feb | 31-Jan | 11-Jan |
|---------|-------|-------|--------|--------|
| 3 Month | 83.14 | 83.34 | 83.40  | 83.37  |
| 1 Year  | 84.49 | 84.52 | 84.60  | 84.60  |
| 2 Year  | 86.86 | 86.77 | 86.94  | 87.04  |
| 3 Year  | 89.62 | 89.42 | 89.69  | 89.94  |



CP/CD Primary Volume



Bonds Volume (prev.)



| 10 Year Benchmarks | 7-Feb | 6-Feb | 31-Jan | 11-Jan |
|--------------------|-------|-------|--------|--------|
| India              | 7.07  | 7.09  | 7.14   | 7.17   |
| US                 | 4.12  | 4.09  | 3.97   | 3.98   |
| South Korea        | 3.38  | 3.38  | 3.35   | 3.30   |
| Russia             | 12.37 | 12.40 | 12.27  | 12.60  |
| Brazil             | 10.57 | 10.57 | 10.58  | 10.61  |
| Germany            | 2.30  | 2.30  | 2.16   | 2.21   |
| China              | 2.45  | 2.46  | 2.44   | 2.50   |

| Top Traded Securities | Volume | 7-Feb | 6-Feb | 31-Jan | 9-Jan |
|-----------------------|--------|-------|-------|--------|-------|
| 7.26 2033             | 730    | #N/A  | #N/A  | #N/A   | #N/A  |
| 7.06 2028             | 445    | #N/A  | #N/A  | #N/A   | #N/A  |
| 7.62 2039             | -      | 7.10  | 7.12  | 7.18   | 7.22  |
| 7.30 2053             | 1,165  | 7.11  | 7.11  | #N/A   | #N/A  |
| 6.64 2035             | 195    | #N/A  | #N/A  | #N/A   | 7.28  |
| 7.40 2035             | 255    | #N/A  | #N/A  | #N/A   | 7.32  |

| MF       | DEBT           |             |                |
|----------|----------------|-------------|----------------|
|          | Gross Purchase | Gross Sales | Net Investment |
| 5-Feb-24 | 9607           | 11122       | -1515          |

| EQUITY | Gross Purchase | Gross Sales | Net Investment |
|--------|----------------|-------------|----------------|
|        | 9499           | 10896       | -1397          |

| TOTAL (Rs.Crs) |             |                |
|----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 19106          | 22018       | -2913          |

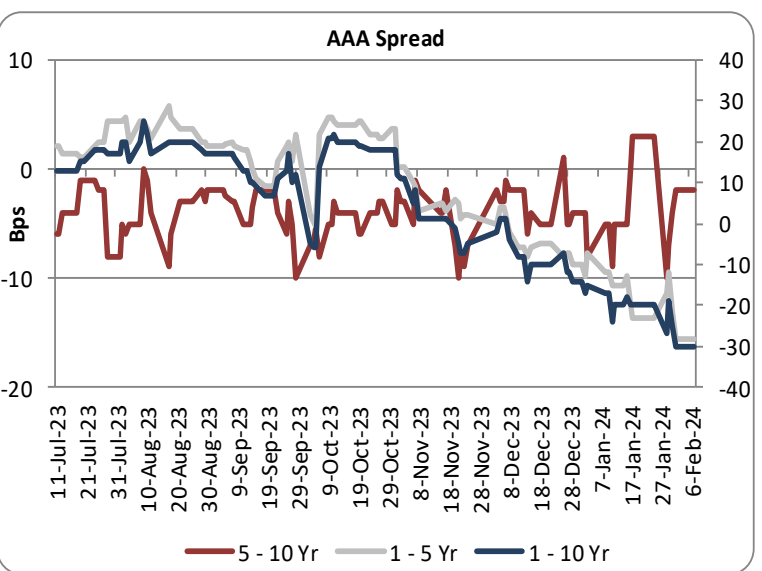
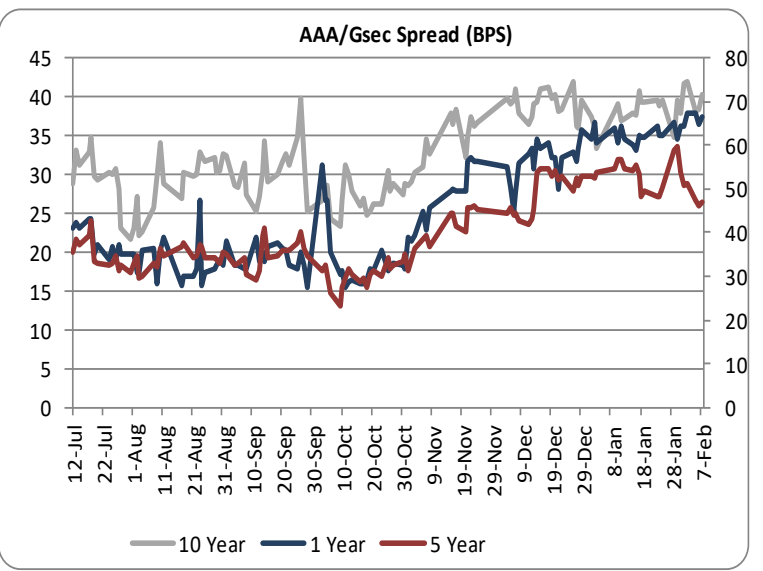
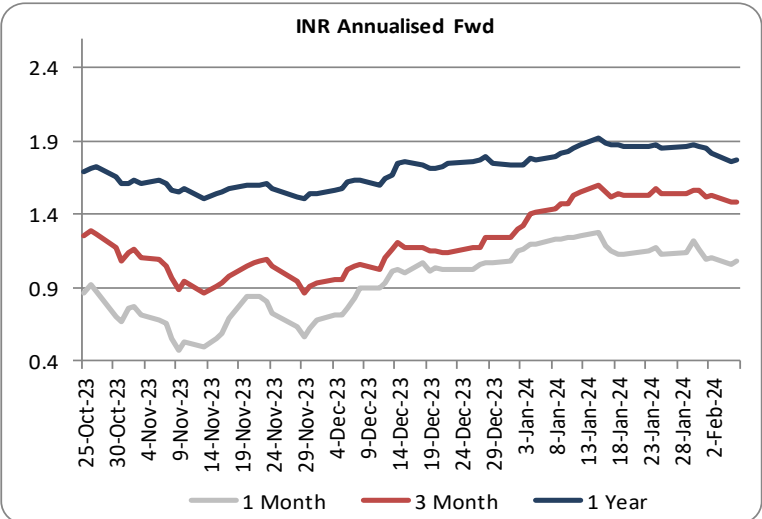
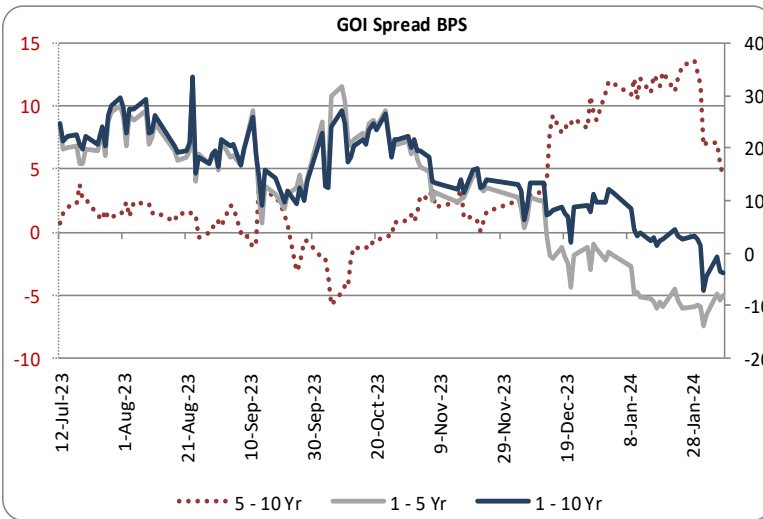
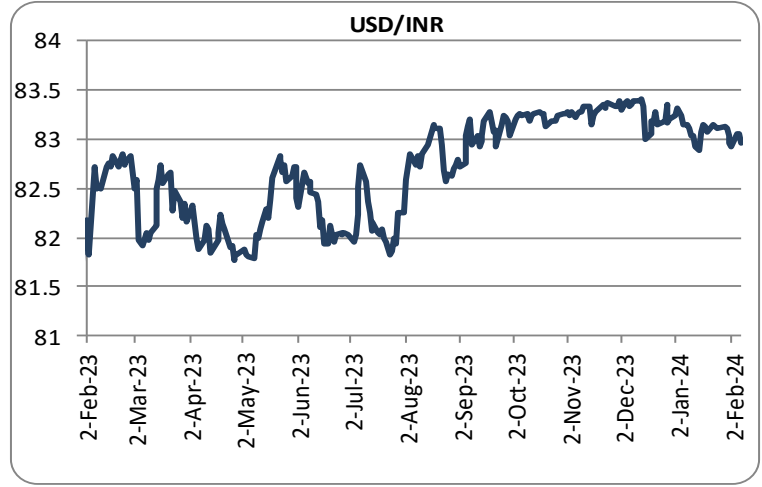
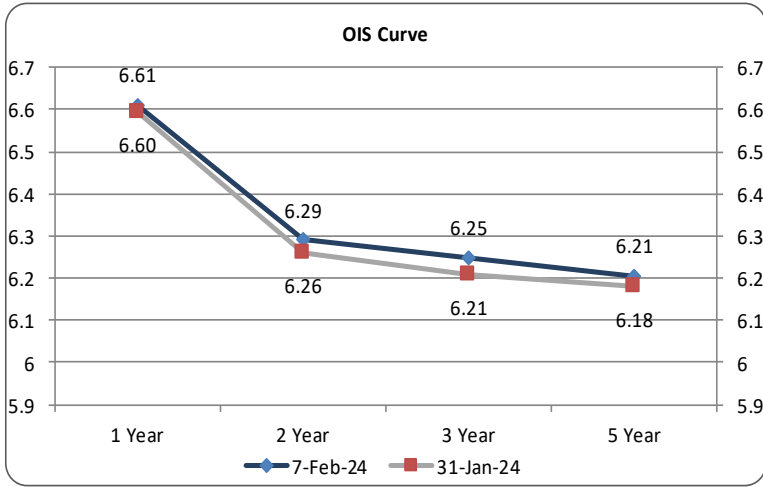
| FII      | DEBT           |             |                |
|----------|----------------|-------------|----------------|
|          | Gross Purchase | Gross Sales | Net Investment |
| 7-Feb-24 | 3729           | 567         | 3162           |

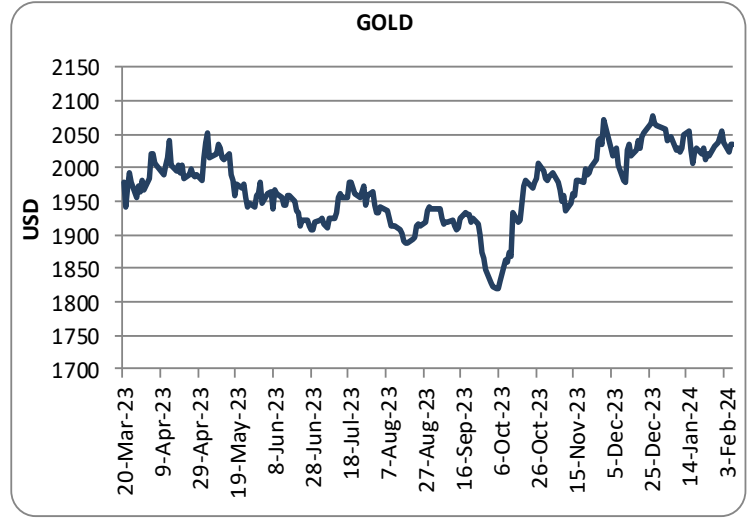
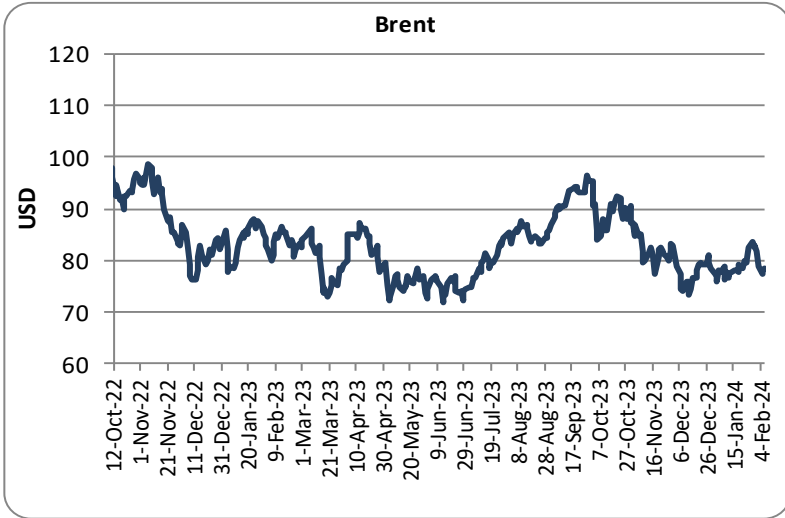
| EQUITY | Gross Purchase | Gross Sales | Net Investment |
|--------|----------------|-------------|----------------|
|        | 16367          | 16840       | -473           |

| TOTAL (Rs. Crs) |             |                |
|-----------------|-------------|----------------|
| Gross Purchase  | Gross Sales | Net Investment |
| 20096           | 17407       | 2689           |

| 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 (%)               | Dec-23 | 0.7    | 0.3   |
| CPI (%)               | Dec-23 | 5.7    | 5.6   |
| IIP (%)               | Nov-23 | 2.4    | 11.6  |
| PMI Manufacturing     | Jan-24 | 56.5   | 54.9  |
| PMI Service           | Jan-24 | 61.8   | 59    |

| Economic Calender | Country   | Date      | Poll | Prior  |
|-------------------|-----------|-----------|------|--------|
| BOE Bank Rate     | UK        | 1-Feb-24  | 5.25 | 5.25   |
| CPI               | Japan     | 02-Feb-24 | 2.90 | 3.20   |
| Industrial Output | Brazil    | 02-Feb-24 | 0.10 | 1.30   |
| Retail Sales      | Euro Zone | 06-Feb-24 | -    | (1.10) |
| CPI               | China     | 08-Feb-24 | -    | (0.30) |
| CRR               | India     | 08-Feb-24 | -    | 4.50   |
| CPI               | India     | 12-Feb-24 | -    | 5.69   |
| Industrial Output | India     | 12-Feb-24 | -    | 2.40   |





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

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