



INDIA

Indian government bond yields ended marginally higher on Thursday as the focus shifted to a fresh supply of debt after the Reserve Bank of India (RBI) kept rates and stance unchanged, as expected, without providing major dovish guidance.

India's benchmark 10-year yield ended at 7.0789%, following its previous close of 7.0723%.

India's key repo rate was kept unchanged for a sixth straight meeting at 6.5% as inflation remained above the RBI's 4% medium-term target and economic growth continued to be resilient.

Government bond yields and overnight index swap rates rose earlier in the day after the central bank's policy announcement.

The central bank, which had been infusing liquidity in December-January, shifted towards aggressive withdrawal in February amid a pick-up in inflows from government spending. Liquidity is being driven by exogenous factors which will correct in the foreseeable future, said RBI Governor Shaktikanta Das while announcing the policy decision.

Meanwhile, the 10-year U.S. yield continued to hover around 4.10%, while the odds of a rate cut by the Federal Reserve in May have declined to around 64% from 95% last week.

Oil prices gained ground on Thursday as investors considered the impact of Israel's rejection of a ceasefire offer from Hamas and unexpected drops in U.S. fuel stocks.

The Indian rupee strengthened 0.02% versus the U.S. dollar, and quoted at 82.9550 per dollar after the RBI kept its benchmark policy rates unchanged, with the focus shifting to U.S. economic data and remarks from a U.S. Federal Reserve official later in the day.

Repo: The weighted average call rates in the interbank segment increased to 6.65% vs 6.48% as on the previous day while that the TREP segment increased to 6.63% vs 6.39% as on the previous day.

Market Observations

G-sec

- Oct to Dec t-bills were actively traded at 7.10 levels.
- Good buying demand was seen in 9-year illiquid G-sec post MPC by foreign banks at 7.11 centric levels.

Corporate Bonds

- Major activity was seen up to the 2027 segment.
- Mutual funds and banks were active on both sides.

CP/CD

- Demand was seen in the 0 to 3-month segment.

| GOI Yield | 8-Feb | 7-Feb | 1-Feb | 12-Jan |
|-----------|-------|-------|-------|--------|
| 1 Year | 7.095 | 7.110 | 7.130 | 7.140 |
| 5 Year | 7.045 | 7.028 | 6.990 | 7.057 |
| 10 Year | 7.079 | 7.072 | 7.058 | 7.180 |

| AAA Bmk | 8-Feb | 7-Feb | 1-Feb | 12-Jan |
|---------|-------|-------|-------|--------|
| 1 Year | 7.90 | 7.90 | 7.90 | 7.88 |
| 5 Year | 7.62 | 7.62 | 7.62 | 7.73 |
| 10 Year | 7.60 | 7.60 | 7.60 | 7.68 |

| CD | 8-Feb | 7-Feb | 1-Feb | 12-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 | 7.88 | 7.90 |

| CP | 8-Feb | 7-Feb | 1-Feb | 12-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 |

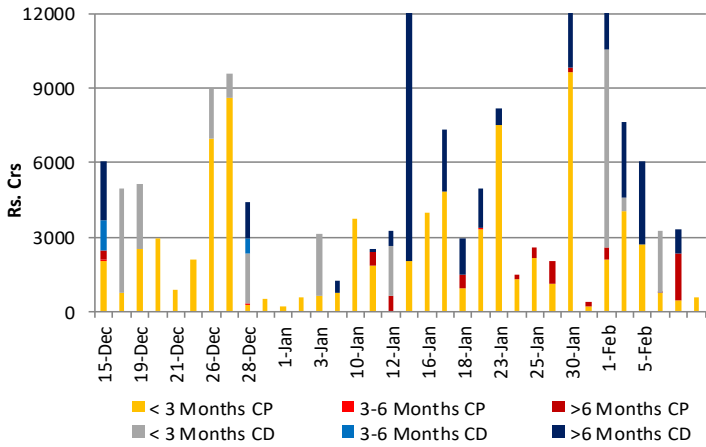
| OIS Rate | 8-Feb | 7-Feb | 1-Feb | 12-Jan |
|----------|-------|-------|-------|--------|
| 1 Year | 6.63 | 6.61 | 6.58 | 6.63 |
| 2 Year | 6.31 | 6.29 | 6.23 | 6.29 |
| 3 Year | 6.27 | 6.25 | 6.17 | 6.24 |
| 5 Year | 6.23 | 6.21 | 6.13 | 6.20 |

| | 8-Feb | 7-Feb | 1-Feb | 12-Jan |
|------------|--------|--------|--------|--------|
| Sensex | 71,428 | 72,152 | 71,645 | 72,568 |
| Nifty | 21,718 | 21,931 | 21,697 | 21,895 |
| USD/INR | 82.96 | 82.97 | 82.97 | 82.92 |
| Gold (USD) | 2,029 | 2,034 | 2,055 | 2,049 |
| Oil (USD) | 79.95 | 79.21 | 78.70 | 78.29 |

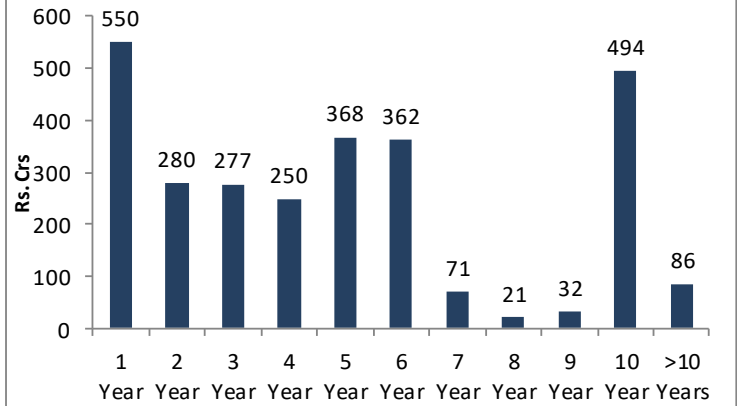
| NDF | 8-Feb | 7-Feb | 1-Feb | 12-Jan |
|---------|-------|-------|-------|--------|
| 3 Month | 83.16 | 83.27 | 83.24 | 83.20 |
| 1 Year | 84.48 | 84.45 | 84.48 | 84.43 |
| 2 Year | 86.70 | 86.73 | 86.89 | 86.91 |
| 3 Year | 89.68 | 89.38 | 89.64 | 89.81 |



CP/CD Primary Volume



Bonds Volume



| 10 Year Benchmarks | 8-Feb | 7-Feb | 1-Feb | 12-Jan |
|--------------------|-------|-------|-------|--------|
| India | 7.08 | 7.07 | 7.06 | 7.18 |
| US | 4.13 | 4.11 | 3.86 | 3.95 |
| South Korea | 3.40 | 3.38 | 3.34 | 3.31 |
| Russia | 12.42 | 12.41 | 12.30 | 12.67 |
| Brazil | 10.69 | 10.62 | 10.55 | 10.52 |
| Germany | 2.33 | 2.30 | 2.14 | 2.14 |
| China | 2.45 | 2.45 | 2.44 | 2.52 |

| Top Traded Securities | Volume | 7-Feb | 6-Feb | 31-Jan | 9-Jan |
|-----------------------|--------|-------|-------|--------|-------|
| 7.26 2033 | 1,015 | 7.10 | 7.12 | 7.18 | 7.22 |
| 7.06 2028 | 1,260 | 7.03 | 7.04 | 7.04 | 7.08 |
| 7.62 2039 | 15 | 7.12 | 7.13 | 7.26 | 7.36 |
| 7.30 2053 | 1,245 | 7.13 | 7.15 | 7.27 | 7.42 |
| 6.64 2035 | - | 7.10 | 7.12 | 7.22 | 7.28 |
| 7.40 2035 | 20 | 7.11 | 7.12 | 7.22 | 7.32 |

| MF | DEBT | | |
|----------|----------------|-------------|----------------|
| | Gross Purchase | Gross Sales | Net Investment |
| 6-Feb-24 | 10413 | 9830 | 583 |

| EQUITY | Gross Purchase | Gross Sales | Net Investment |
|--------|----------------|-------------|----------------|
| | 8434 | 9848 | -1414 |

| TOTAL (Rs.Crs) | | |
|----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 18847 | 19678 | -831 |

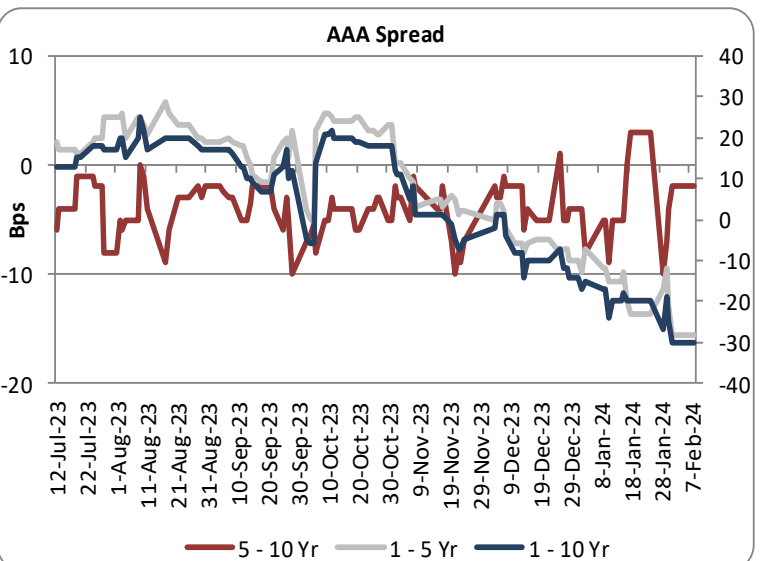
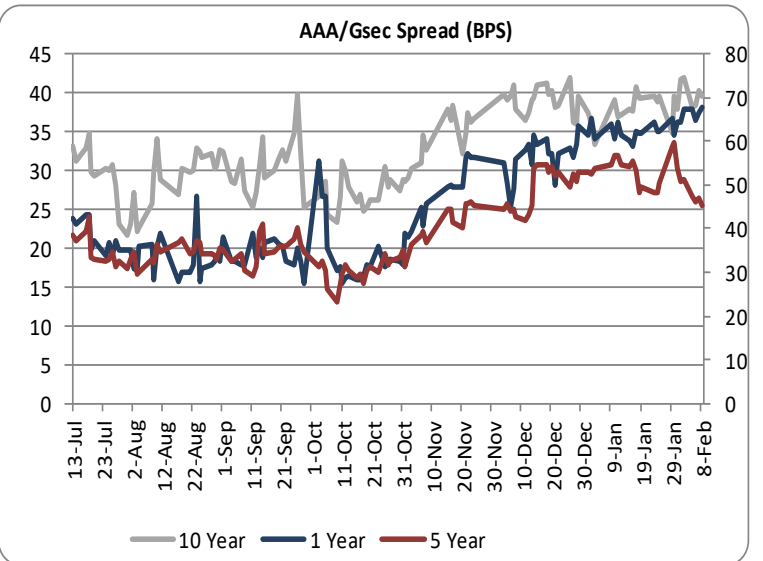
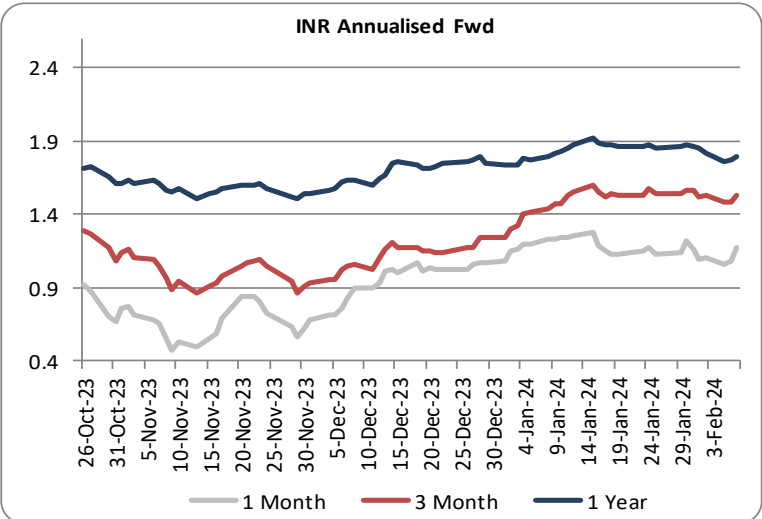
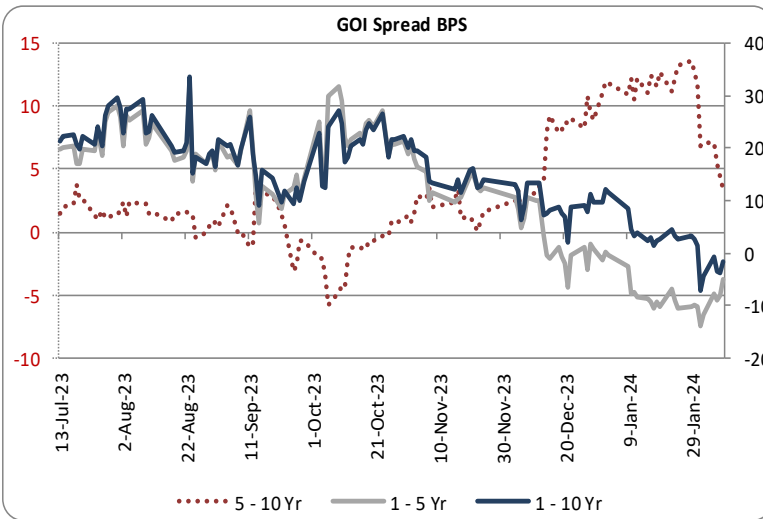
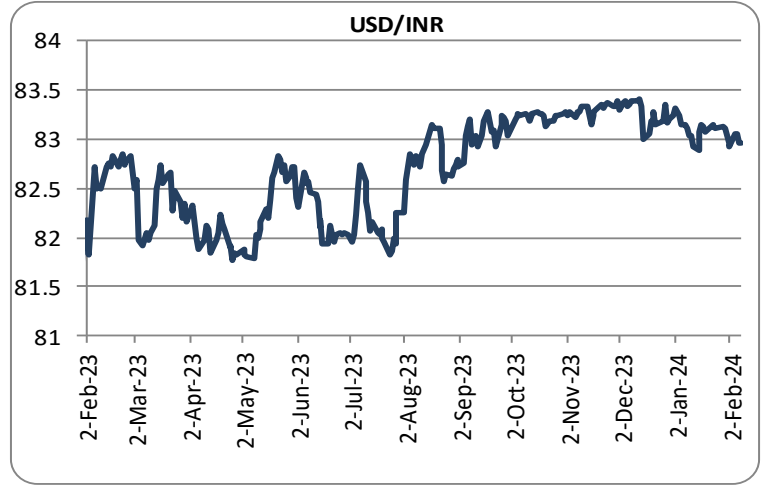
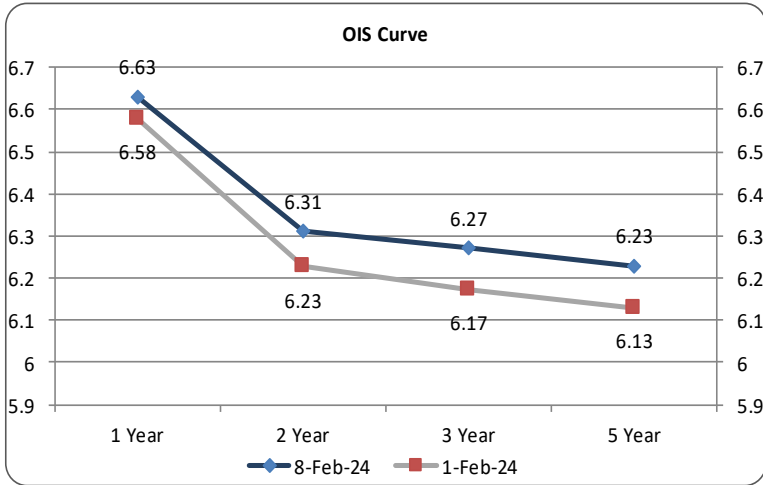
| FII | DEBT | | |
|----------|----------------|-------------|----------------|
| | Gross Purchase | Gross Sales | Net Investment |
| 8-Feb-24 | 3159 | 2512 | 647 |

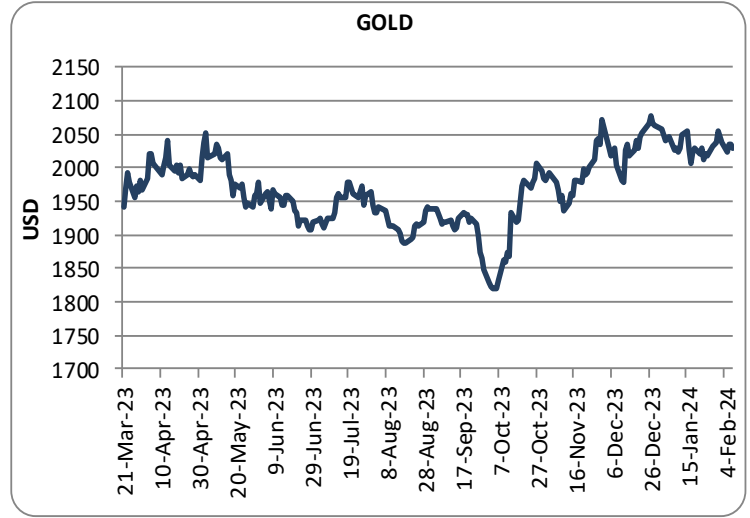
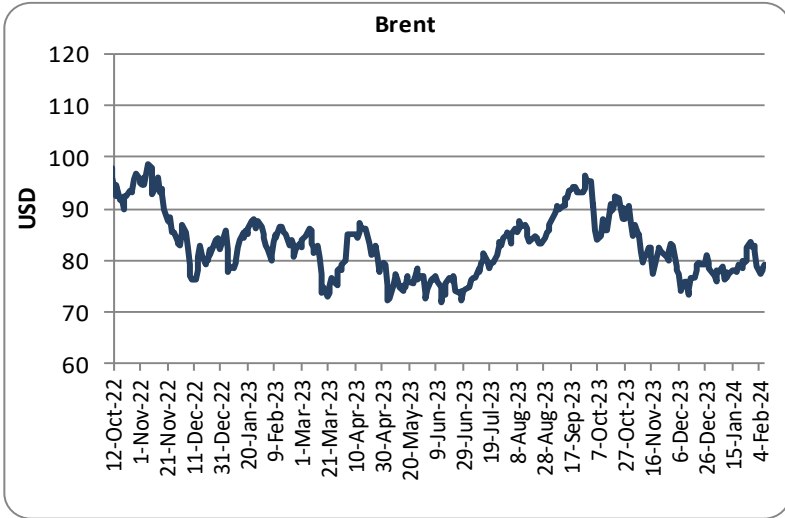
| EQUITY | Gross Purchase | Gross Sales | Net Investment |
|--------|----------------|-------------|----------------|
| | 14727 | 16329 | -1601 |

| TOTAL (Rs. Crs) | | |
|-----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 17886 | 18841 | -954 |

| 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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