



INDIA

Indian government bond yields rose this week, partially reversing the fall triggered by a fiscally-prudent federal budget, as the central bank did little to boost hopes of early rate cuts.

The benchmark 10-year yield ended at 7.1067%, the highest level since Jan. 31, following its previous close of 7.0789%. The yield rose 5 basis points this week, the most since week ended Jan. 5.

The benchmark yield broke a key resistance level of 7.10% on Friday after weaker-than-expected demand a weekly debt sale. The Reserve Bank of India (RBI), in its last monetary policy decision for this fiscal year, kept key rates and policy stance unchanged, while reiterating its commitment to lower inflation to target.

RBI Governor Shaktikanta Das said on Thursday that "the last mile of disinflation is always the most challenging". The central bank pegs retail inflation at 5.4% in 2023-24, and expects it to ease to 4.5% in the next financial year.

Traders now await January retail inflation print, due on Monday, which will be followed by U.S. inflation on Tuesday, for further triggers.

The U.S. 10-year bond yield stayed elevated around the 4.15% mark as the odds of a rate cut from Federal Reserve in May declined to around 62% from 94% last week.

The Indian rupee weakened 0.09% versus the U.S. dollar, and quoted at 83.02, pressured by greenback demand from importers, including local oil companies.

Repo: The weighted average call rates in the interbank segment increased to 6.73% vs 6.65% as on the previous day while that the TREP segment increased to 6.73% vs 6.63% as on the previous day.

GOI Yield	9-Feb	8-Feb	2-Feb	10-Jan
1 Year	7.125	7.095	7.100	7.135
5 Year	7.084	7.045	6.984	7.059
10 Year	7.107	7.079	7.056	7.181

AAA Bmk	9-Feb	8-Feb	2-Feb	10-Jan
1 Year	7.90	7.90	7.90	7.87
5 Year	7.62	7.62	7.62	7.75
10 Year	7.60	7.60	7.60	7.70

CD	9-Feb	8-Feb	2-Feb	10-Jan
3 Month	7.85	7.80	7.80	7.55
6 Month	7.90	7.85	7.85	7.70
1 Year	7.85	7.85	7.88	7.90

CP	9-Feb	8-Feb	2-Feb	10-Jan
3 Month	7.95	7.95	7.90	7.80
6 Month	8.00	7.95	7.95	7.85
1 Year	8.00	8.00	8.00	8.00

OIS Rate	9-Feb	8-Feb	2-Feb	10-Jan
1 Year	6.68	6.63	6.57	6.66
2 Year	6.38	6.31	6.21	6.32
3 Year	6.34	6.27	6.17	6.27
5 Year	6.29	6.23	6.11	6.22

	9-Feb	8-Feb	2-Feb	10-Jan
Sensex	71,595	71,428	72,086	71,658
Nifty	21,783	21,718	21,854	21,619
USD/INR	83.04	82.96	82.92	83.04
Gold (USD)	2,033	2,033	2,039	2,023
Oil (USD)	81.62	81.63	77.33	76.80

NDF	9-Feb	8-Feb	2-Feb	10-Jan
3 Month	83.34	83.28	83.30	83.35
1 Year	84.55	84.46	84.50	84.53
2 Year	86.74	86.74	86.91	86.99
3 Year	89.73	89.39	89.66	89.89

Market Observations

G-sec

- G-sec cut off was few bps higher than market expectations. 10-year benchmark got given by 2 to 3 bps post cut off.
- Selling was seen in 7 to 10-year illiquid G-sec by insurance and pension companies. Major buying was seen by private banks in illiquid bonds.
- Demand was seen in 30-year G-sec before auction at 7.13 centric levels.

Corporate Bonds

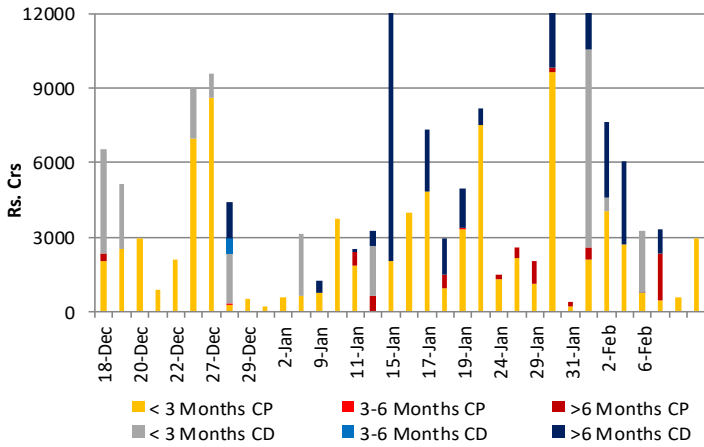
- Major activity was seen up to the 2028 segment.
- Mutual funds and banks were active on both sides and insurance companies were active in the 2027 segment.

CP/CD

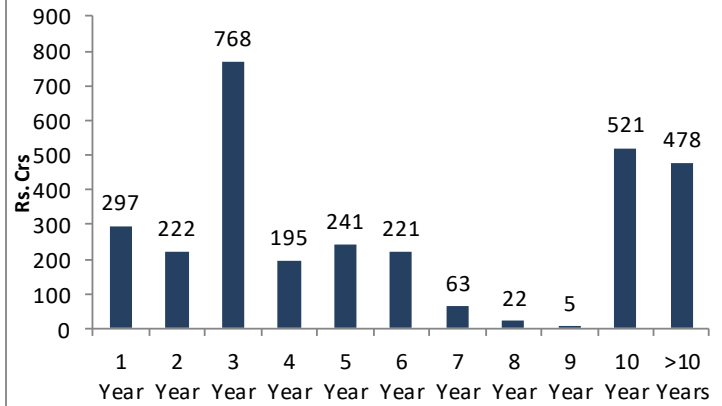
- Demand was seen in the 0 to 3-month segment.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	9-Feb	8-Feb	2-Feb	10-Jan
India	7.11	7.08	7.05	7.18
US	4.16	4.17	4.03	4.03
South Korea	3.41	3.40	3.29	3.35
Russia	12.53	12.48	12.35	12.55
Brazil	10.68	10.68	10.66	10.65
Germany	2.35	2.36	2.23	2.21
China	2.46	2.45	2.44	2.54

Top Traded Securities	Volume	7-Feb	6-Feb	31-Jan	9-Jan
7.26 2033	655	7.10	7.12	7.18	7.22
7.06 2028	1,165	7.03	7.04	7.04	7.08
7.62 2039	-	7.10	7.12	7.18	7.22
7.30 2053	1,915	7.13	7.15	7.27	7.42
6.64 2035	550	7.10	7.12	7.22	7.28
7.40 2035	-	7.11	7.12	7.22	7.32

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
7-Feb-24	9042	9513	-472

EQUITY	Gross Purchase	Gross Sales	Net Investment
	11086	17070	-5984

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
20128	26583	-6456

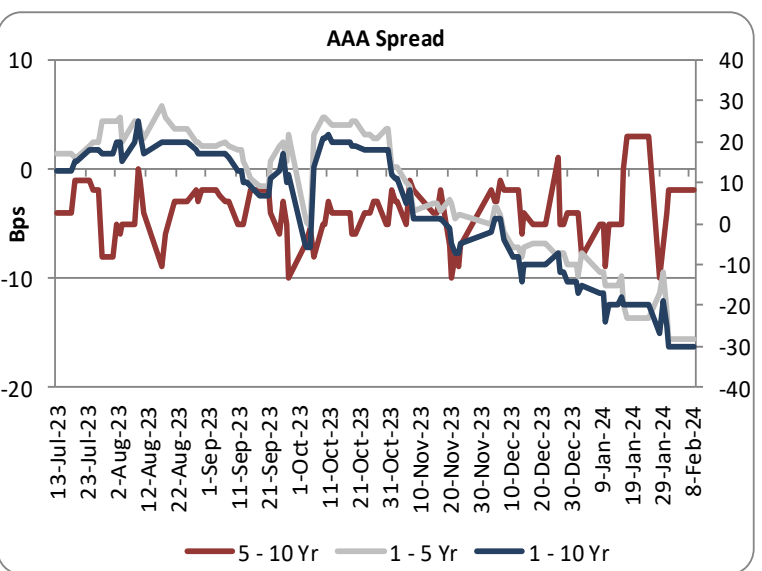
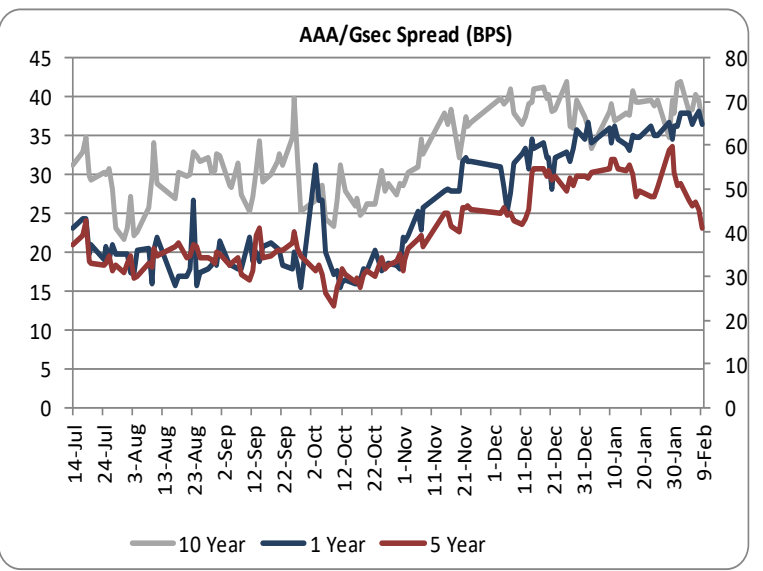
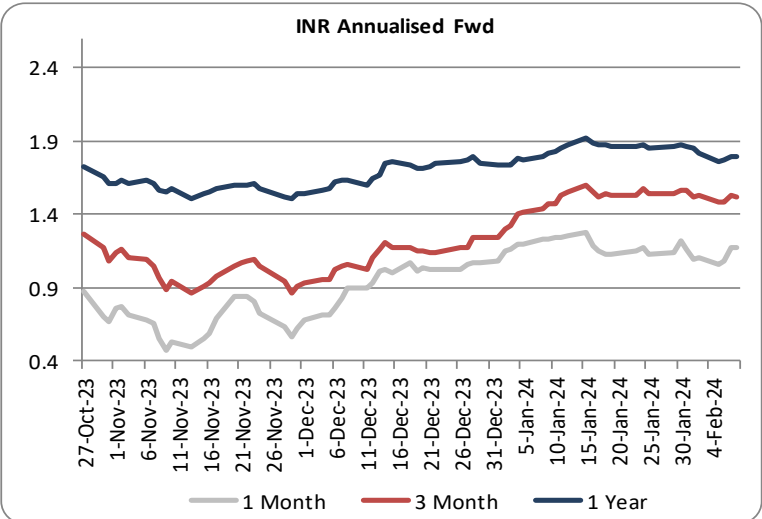
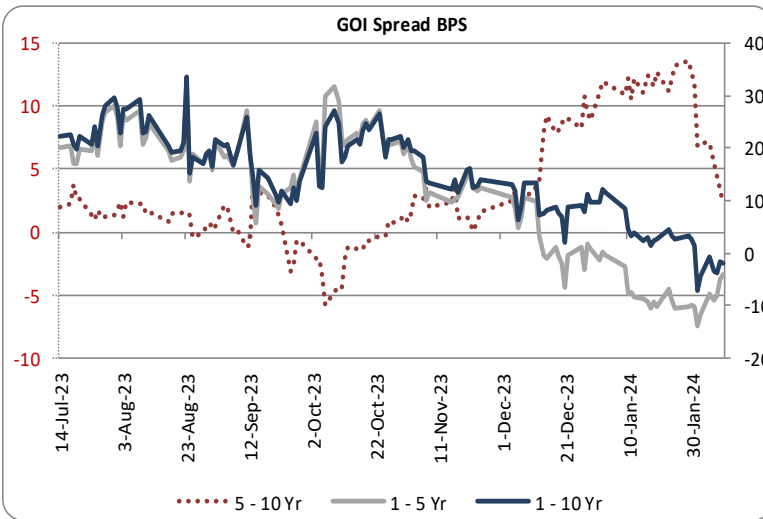
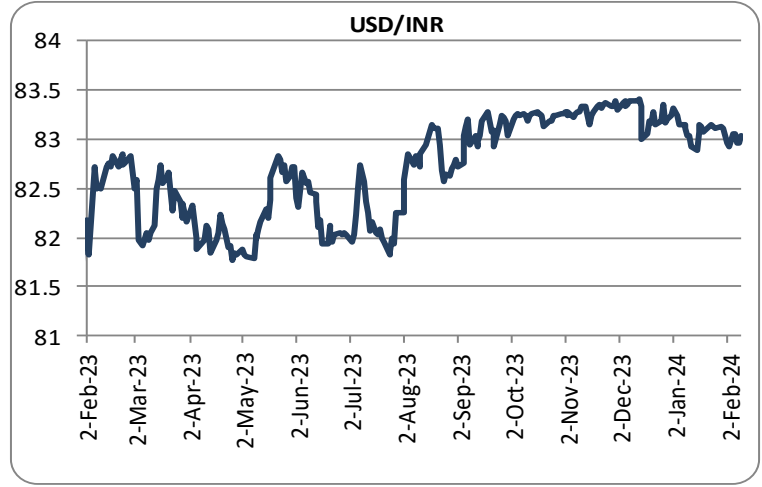
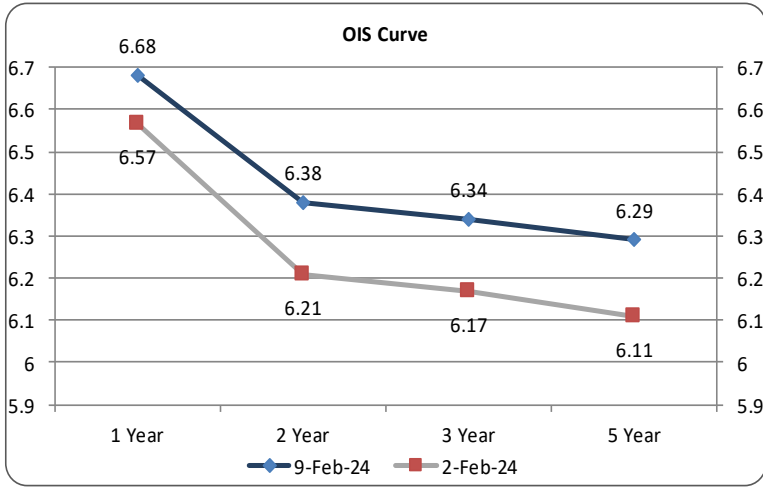
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
9-Feb-24	2783	129	2654

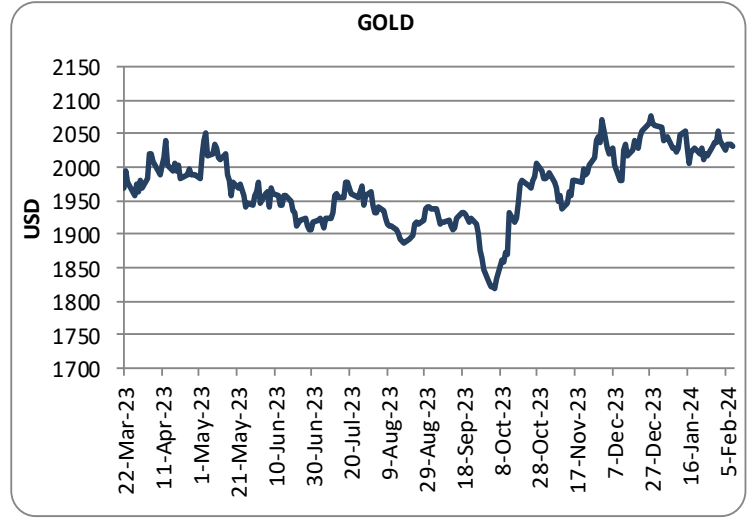
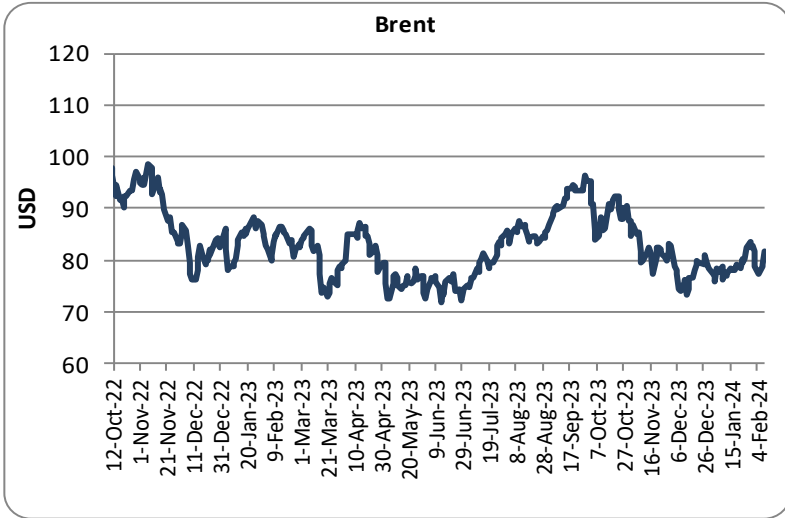
EQUITY	Gross Purchase	Gross Sales	Net Investment
	16242	20286	-4045

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
19025	20415	-1391

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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