



INDIA

Indian government bond yields ended largely unchanged on Wednesday as traders refrained from placing big bets ahead of crucial domestic and U.S. inflation data, which will give more clarity on the interest rate path in both countries.

The 10-year benchmark bond yield ended at 7.1808% after closing at 7.1884% in the previous session. Underlying sentiment remained positive after a proposal to include bonds on the Bloomberg Emerging Market Local Currency index from September. Market participants expect inflows of around \$3 billion.

U.S. yields remained elevated on Tuesday, with the 10-year yield staying around the critical 4% mark, as the odds of aggressive rate cuts by the Fed in 2024 have reduced since the start of the New Year.

The probability of a rate action in March has eased to 66% from around 90% towards December-end.

December U.S. retail inflation data is due after Indian market hours on Thursday. The consumer inflation reading is seen rising by 0.2% on-month, while the reading for 12 months to December is expected to increase to 3.2%, according to a Reuters poll.

Back home, the December consumer price print is expected after market hours on Friday. Retail inflation likely edged up in December on elevated food prices but is expected to stay within the Reserve Bank of India's target range for a fourth consecutive month.

According to market expectations, India's December inflation rose to 5.87% from 5.55% in November.

The Indian rupee strengthened 0.10% versus the U.S. dollar, and quoted at 83.04 per dollar on likely foreign dollar inflows.

Repo: The weighted average call rates in the interbank segment increased to 6.75% vs 6.74% as on the previous day while that the TREP segment remained the same at 6.76% vs 6.76% as on the previous day.

Market Observations

G-sec

- T-bill cut off was in line with market expectations.
- Selling was seen in 2029 G-sec @7.12 centric level, major buyers were foreign banks.

Corporate Bonds

- Mutual funds were actively buying and selling up to the 3-year segment.
- Banks were seen buying and insurance companies were buying as well as selling in the longer segment.

CP/CD

- Demand was seen in the 3-month segment.

GOI Yield	10-Jan	9-Jan	3-Jan	11-Dec
1 Year	7.135	7.105	7.100	7.150
5 Year	7.059	7.079	7.097	7.251
10 Year	7.181	7.188	7.216	7.283

AAA Bmk	10-Jan	9-Jan	3-Jan	11-Dec
1 Year	7.87	7.87	7.83	7.86
5 Year	7.75	7.75	7.76	7.80
10 Year	7.70	7.70	7.68	7.78

CD	10-Jan	9-Jan	3-Jan	11-Dec
3 Month	7.55	7.55	7.60	7.40
6 Month	7.70	7.70	7.70	7.75
1 Year	7.90	7.90	7.90	7.90

CP	10-Jan	9-Jan	3-Jan	11-Dec
3 Month	7.80	7.80	7.70	7.60
6 Month	7.85	7.85	7.80	8.00
1 Year	8.00	8.00	8.00	8.05

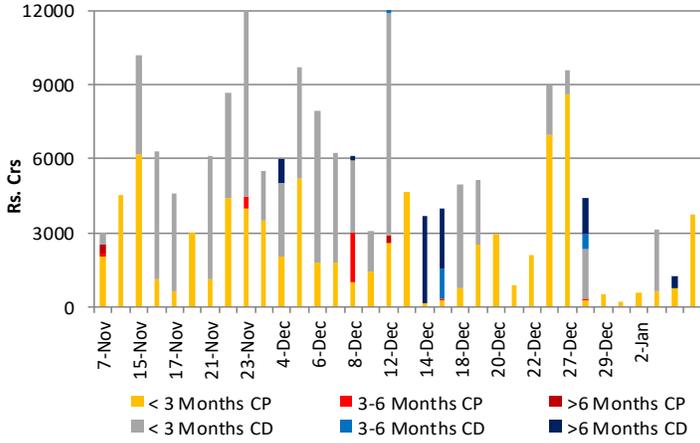
OIS Rate	10-Jan	9-Jan	3-Jan	11-Dec
1 Year	6.66	6.65	6.66	6.87
2 Year	6.32	6.33	6.33	6.58
3 Year	6.27	6.27	6.30	6.53
5 Year	6.22	6.23	6.25	6.50

	10-Jan	9-Jan	3-Jan	11-Dec
Sensex	71,658	71,386	71,357	69,929
Nifty	21,619	21,545	21,517	20,997
USD/INR	83.04	83.12	83.28	83.39
Gold (USD)	2,033	2,030	2,041	1,981
Oil (USD)	77.57	77.59	78.25	76.03

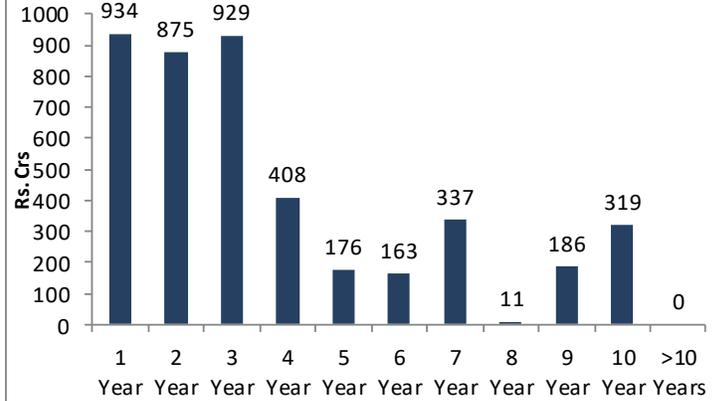
NDF	10-Jan	9-Jan	3-Jan	11-Dec
3 Month	83.33	83.43	83.61	83.56
1 Year	84.49	84.63	84.76	84.72
2 Year	87.07	87.09	87.30	86.99
3 Year	89.89	89.99	90.30	89.79



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	10-Jan	9-Jan	3-Jan	11-Dec
India	7.18	7.19	7.22	7.28
US	3.99	4.02	3.91	4.24
South Korea	3.35	3.32	3.34	3.57
Russia	12.48	12.50	12.34	12.58
Brazil	10.66	10.66	10.47	10.93
Germany	2.18	2.19	2.02	2.26
China	2.54	2.54	2.58	2.67

Top Traded Securities	Volume	10-Jan	9-Jan	3-Jan	12-Dec
7.26 2033	350	7.21	7.22	7.24	7.32
7.06 2028	1,355	7.34	7.36	7.37	7.44
7.62 2039	-	7.22	7.22	7.25	7.32
7.30 2053	985	7.40	7.42	7.45	7.48
6.64 2035	125	7.33	7.28	7.33	7.37
7.40 2035	-	7.27	7.32	7.35	7.36

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
9-Jan-24	8104	7301	803

EQUITY		
Gross Purchase	Gross Sales	Net Investment
9117	8291	826

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
17220	15592	1628

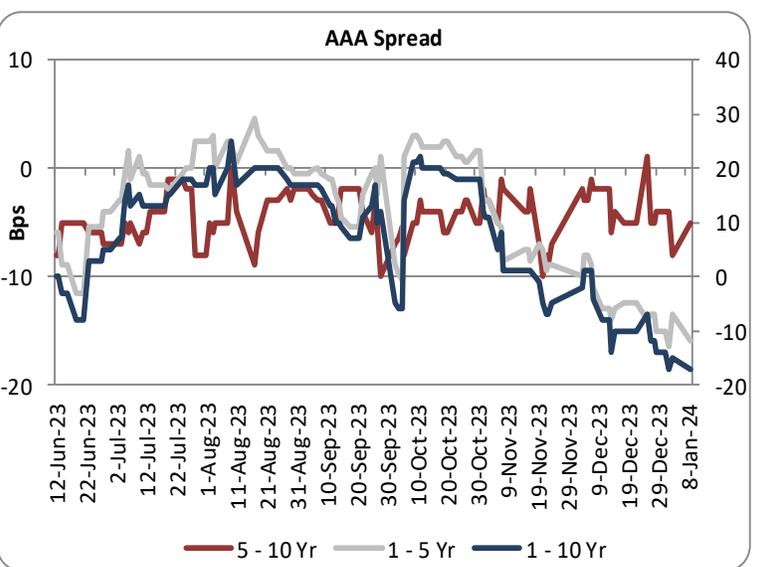
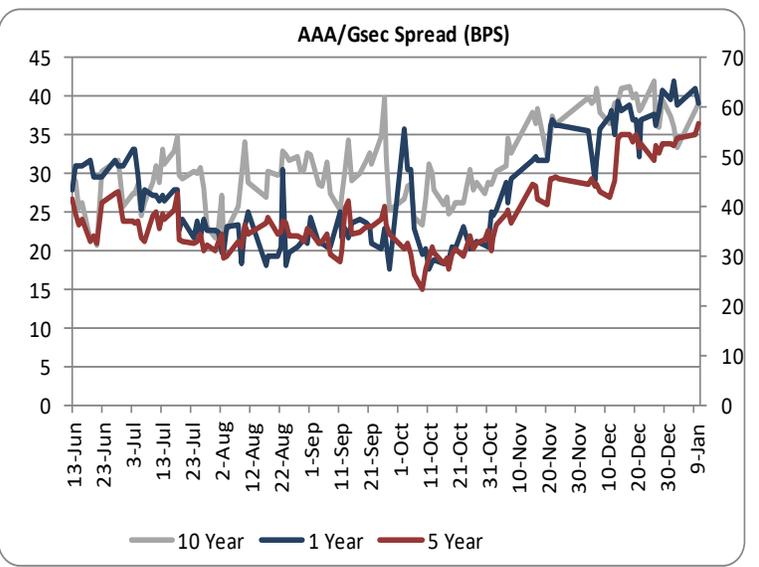
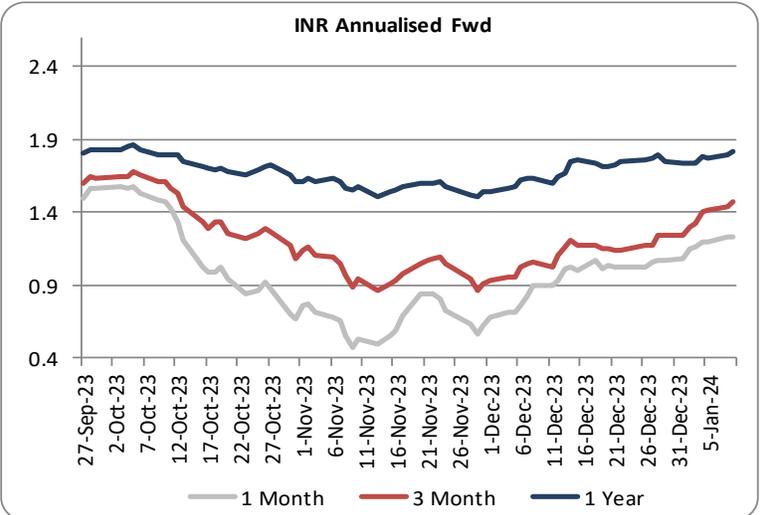
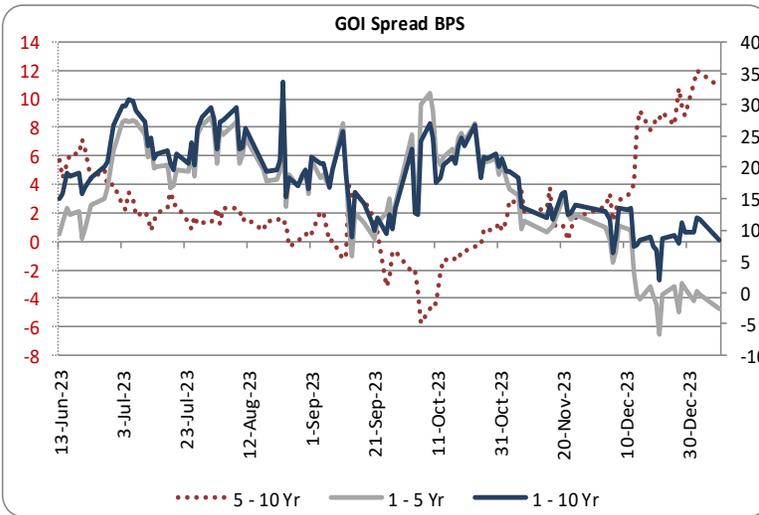
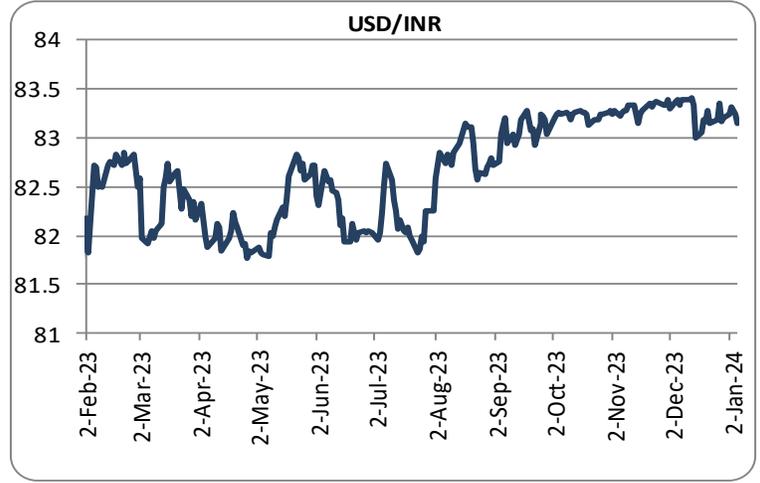
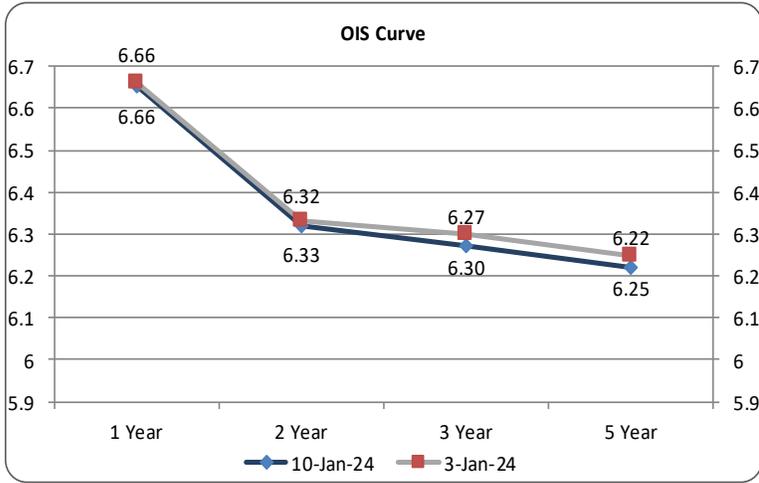
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
10-Jan-24	1872	431	1442

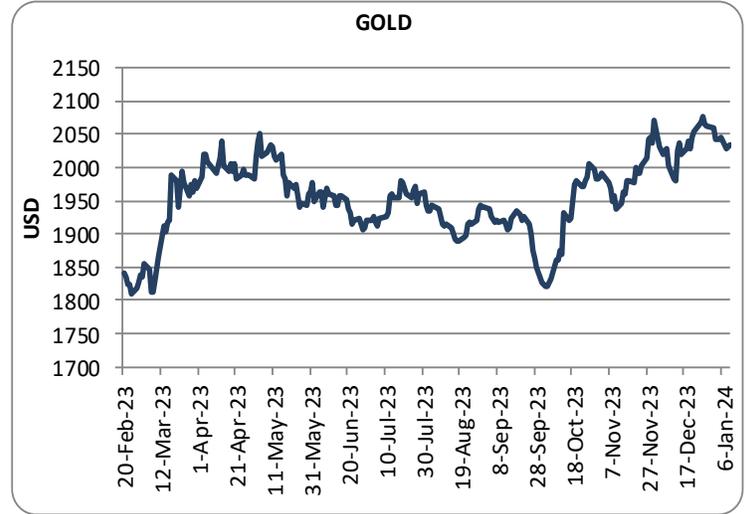
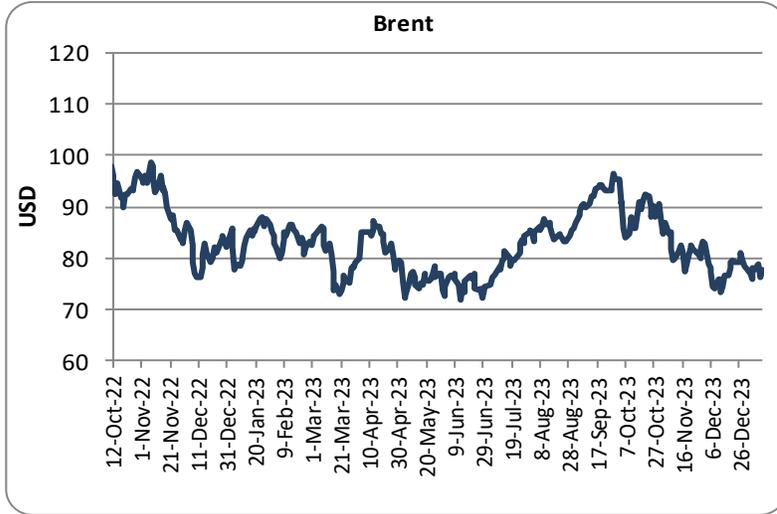
EQUITY		
Gross Purchase	Gross Sales	Net Investment
10257	10794	-537

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
12130	11225	905

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 (%)	Nov-23	0.3	-0.5
CPI (%)	Nov-23	5.6	4.9
IIP (%)	Oct-23	11.7	6.2
PMI Manufacturing	Dec-23	54.9	56
PMI Service	Dec-23	59	56.9

Economic Calender	Country	Date	Poll	Prior
CPI	USA	11-Jan-24	3.2	3.1
CPI	China	12-Jan-24	(0.40)	(0.50)
Industrial Output	UK	12-Jan-24	0.70	0.40
CPI	India	12-Jan-24	5.87	5.55
Q4 GDP	China	17-Jan-24	-	4.90
CPI	Euro Zone	17-Jan-24	2.90	2.90
Retail Sales	Brazil	17-Jan-24	-	0.20
CPI	Japan	19-Jan-24	-	2.80





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

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