



BONDWATCH

Daily

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INDIA

Indian government bond yields ended lower on Thursday with U.S. yields unable to rise much amid the anticipation of a favorable inflation print in the world's largest economy.

The 10-year benchmark bond yield ended at 7.1619%, following its previous close at 7.1808%. The yield has eased an aggregate of seven bps so far this week.

U.S. bond yields eased marginally, with the 10-year yield dipping below the critical 4% mark convincingly, and not able to breach the level over the past few sessions.

Inflation reading would provide investors an idea about the outlook for interest rate trajectory in the world's largest economy, even as bets of aggressive rate cuts by the Federal Reserve have eased. The U.S. consumer inflation reading is seen at 0.2% on-month in December, while inflation for 12 months to December is seen rising at a pace of 3.2%.

The odds for a Fed rate cut in March stand at 68%, against around 90% towards the end of December.

Meanwhile, India's retail inflation print is due after bond market hours on Friday. The key price gauge is expected to rise but stay within the Reserve Bank of India's target range for a fourth straight month. Inflation is seen at 5.87% on-year due to elevated food prices against 5.55% in November.

Oil prices rose on Thursday on account of the escalating conflict in the Middle East.

The Indian rupee strengthened 0.01% versus the U.S. dollar, and quoted at 83.03 per dollar, ahead of the key inflation print in the U.S. that could potentially help investors decide the outlook for interest rates in the world's largest economy.

Repo: The weighted average call rates in the interbank segment increased to 6.76% vs 6.75% 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

- Size demand was seen in 12 to 15-year G-sec by ALM and foreign banks.
- Demand was seen in 2029 to 2031 SDLs @7.60 centric levels. Major buyers were PD's and Mutual Funds.

Corporate Bonds

- Mutual funds and banks were active in the 2025-2028 segment.

CP/CD

- Demand was seen in the 6-month to 1-year segment.

GOI Yield	11-Jan	10-Jan	3-Jan	12-Dec
1 Year	7.130	7.135	7.100	7.140
5 Year	7.057	7.059	7.097	7.239
10 Year	7.162	7.181	7.216	7.275

AAA Bmk	11-Jan	10-Jan	3-Jan	12-Dec
1 Year	7.90	7.87	7.83	7.86
5 Year	7.75	7.75	7.76	7.80
10 Year	7.66	7.70	7.68	7.78

CD	11-Jan	10-Jan	3-Jan	12-Dec
3 Month	7.55	7.55	7.60	7.45
6 Month	7.70	7.70	7.70	7.75
1 Year	7.90	7.90	7.90	7.90

CP	11-Jan	10-Jan	3-Jan	12-Dec
3 Month	7.80	7.80	7.70	7.65
6 Month	7.85	7.85	7.80	8.00
1 Year	8.00	8.00	8.00	8.05

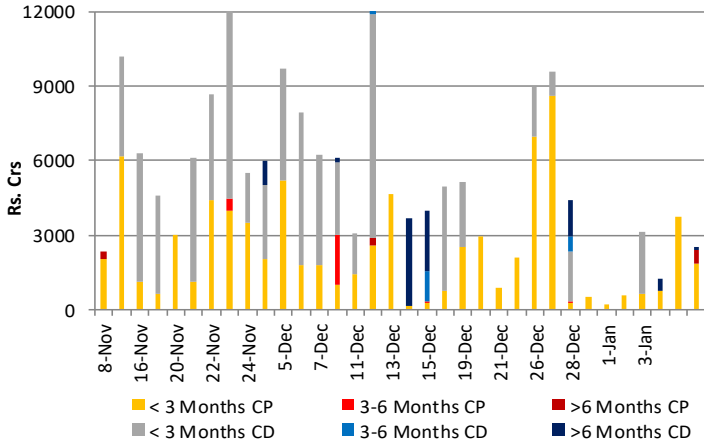
OIS Rate	11-Jan	10-Jan	3-Jan	12-Dec
1 Year	6.64	6.66	6.66	6.87
2 Year	6.31	6.32	6.33	6.57
3 Year	6.25	6.27	6.30	6.51
5 Year	6.21	6.22	6.25	6.48

	11-Jan	10-Jan	3-Jan	12-Dec
Sensex	71,721	71,658	71,357	69,551
Nifty	21,647	21,619	21,517	20,906
USD/INR	83.03	83.04	83.28	83.39
Gold (USD)	2,033	2,023	2,041	1,979
Oil (USD)	78.02	76.80	78.25	73.24

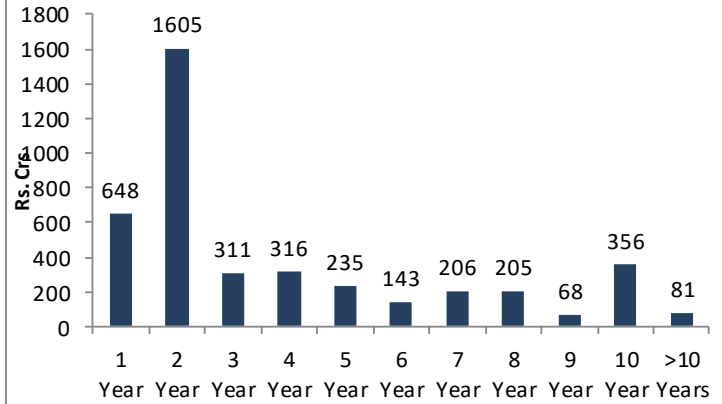
NDF	11-Jan	10-Jan	3-Jan	12-Dec
3 Month	83.22	83.35	83.61	83.62
1 Year	84.57	84.53	84.76	84.81
2 Year	87.06	86.99	87.30	87.09
3 Year	89.88	89.89	90.30	89.89



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	11-Jan	10-Jan	3-Jan	12-Dec
India	7.16	7.18	7.22	7.28
US	3.99	4.03	3.91	4.21
South Korea	3.30	3.35	3.34	3.53
Russia	12.59	12.55	12.34	12.63
Brazil	10.65	10.65	10.47	10.91
Germany	2.18	2.21	2.02	2.23
China	2.50	2.54	2.58	2.66

Top Traded Securities	Volume	10-Jan	9-Jan	3-Jan	12-Dec
7.26 2033	1,040	7.21	7.22	7.24	7.32
7.06 2028	1,425	7.32	7.36	7.37	7.44
7.62 2039	-	7.22	7.22	7.25	7.32
7.30 2053	2,335	7.40	7.42	7.45	7.48
6.64 2035	615	7.33	7.28	7.33	7.37
7.40 2035	45	7.27	7.32	7.35	7.36

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
9-Jan-24	7023	7124	-101

	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
9-Jan-24	9036	8050	986

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
16058	15174	885

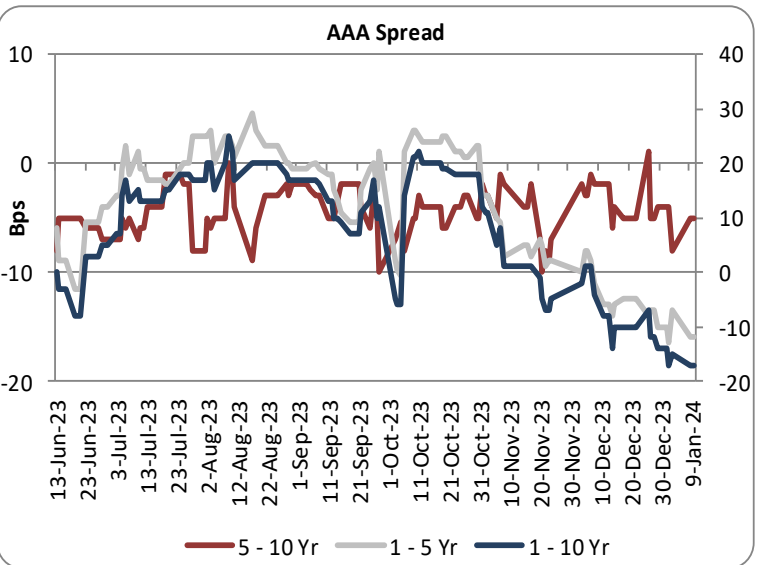
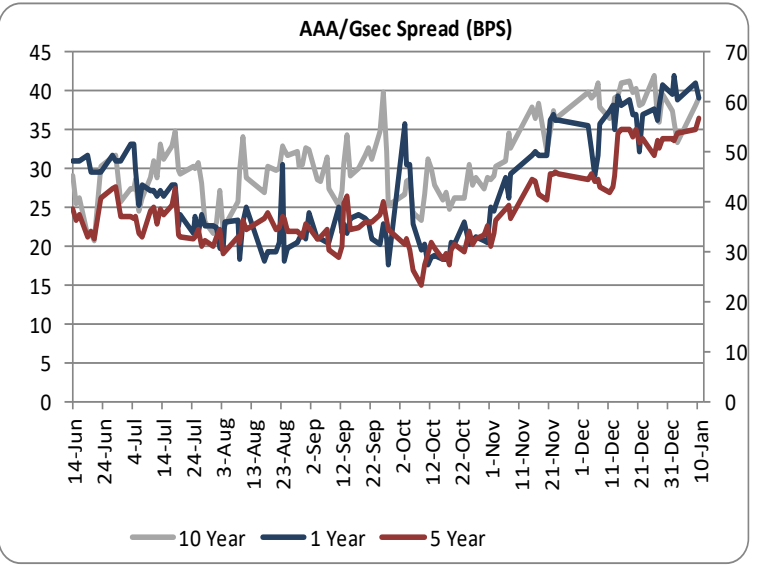
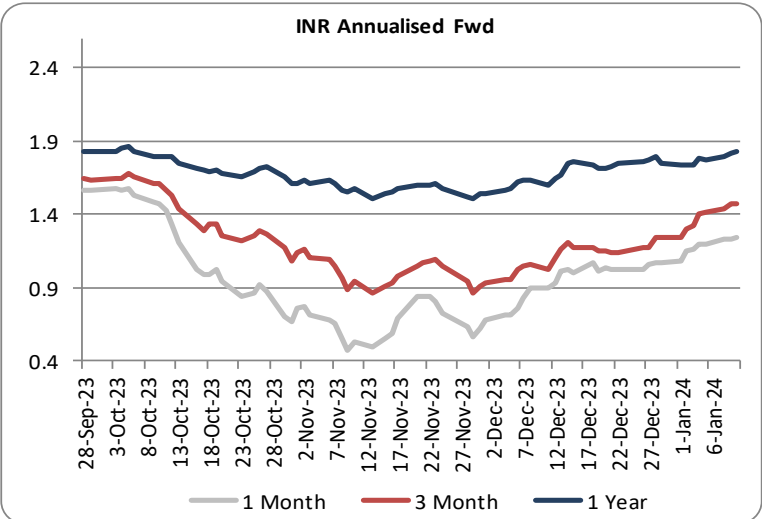
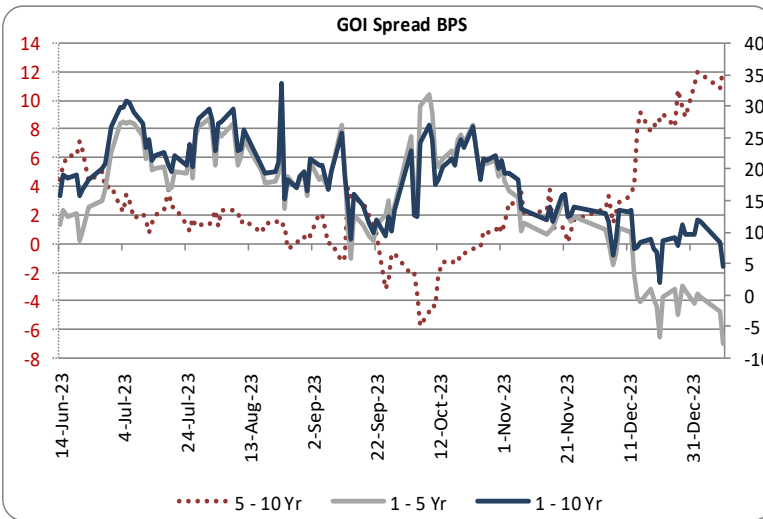
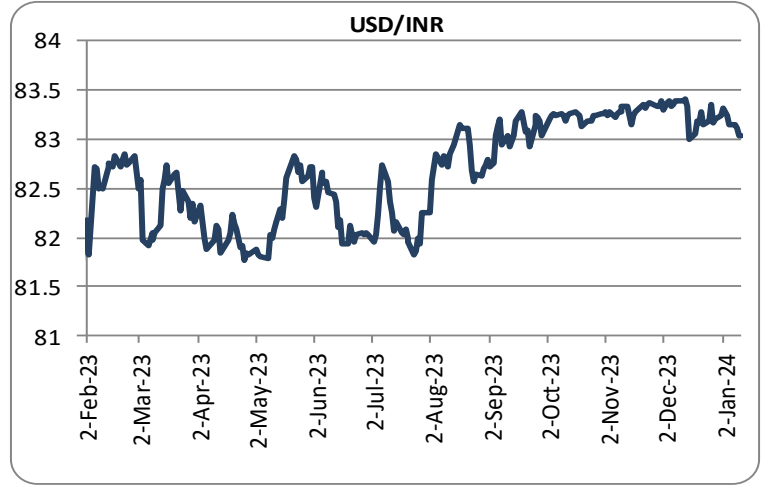
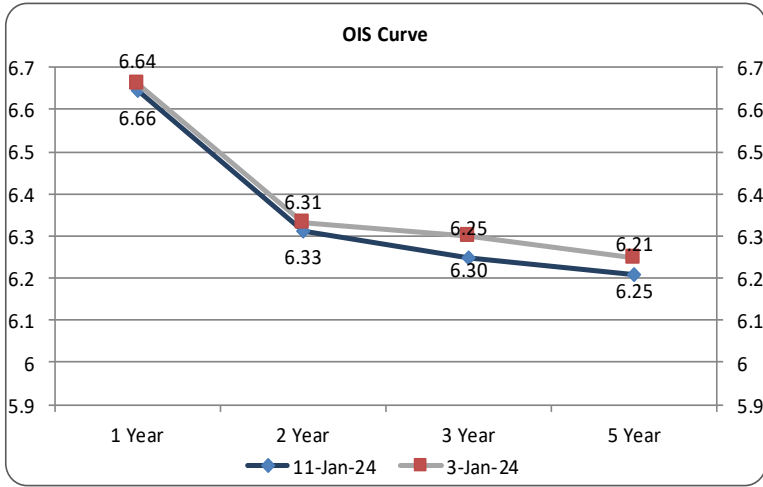
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
11-Jan-24	1036	1230	-194

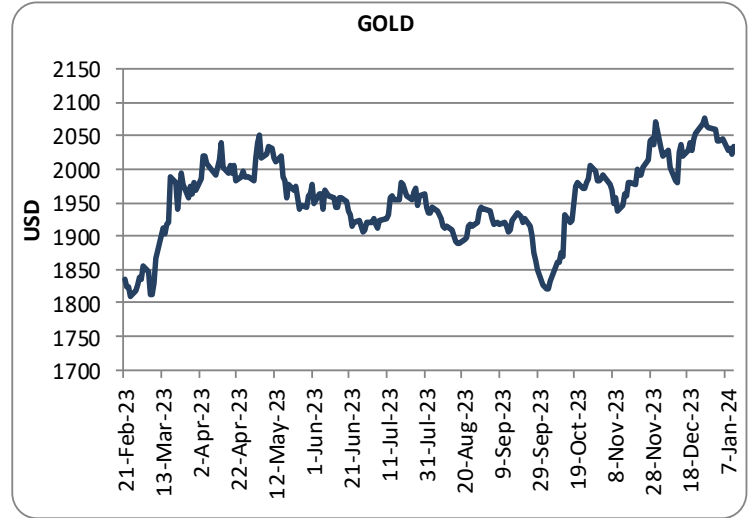
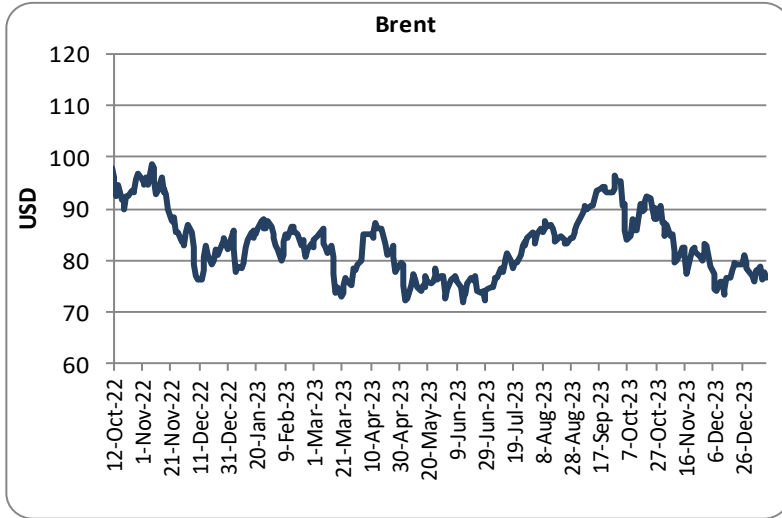
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
11-Jan-24	9654	11305	-1651

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
10690	12534	-1845

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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