



INDIA

Indian government bond yields ended lower in the second week of the New Year, after starting 2024 higher, as news on index inclusion aided, while strong upside resistance in U.S. yields also helped sentiment.

Bond yields, however, rose for the first time in five sessions on Friday, after weaker-than-expected demand at the weekly bond auction.

The 10-year benchmark bond yield ended at 7.1795%, following its previous close at 7.1619%. The yield ended five basis points (bps) lower this week, after rising six bps last week.

Traders did not react much to the slight uptick in U.S. consumer prices that rose 0.3% last month after nudging up 0.1% in November. In the 12-month period, inflation rose 3.4% after increasing 3.1% in November, against expectations of a gain of 0.2% and 3.2%, respectively.

The 10-year U.S. yield eased below 4%, while the odds of a rate cut by the Fed in March rose slightly to 73% from below 70% earlier this week.

India's retail inflation reading came in at 5.69% which is a bit lower than market expectations. India's industrial production came in lower than expected at 2.40% against market expectations of 4.00%.

Oil prices jumped 4% on Friday as conflicts in the Middle East and Red Sea continued.

The Indian rupee strengthened 0.12% versus the U.S. dollar, and quoted at 82.94 per dollar on dollar inflows.

Repo: The weighted average call rates in the interbank segment increased to 6.78% vs 6.76% as on the previous day while that the TREP segment decreased to 6.72% vs 6.76% as on the previous day.

GOI Yield	12-Jan	11-Jan	3-Jan	13-Dec
1 Year	7.140	7.130	7.100	7.185
5 Year	7.057	7.057	7.097	7.218
10 Year	7.180	7.162	7.216	7.258

AAA Bmk	12-Jan	11-Jan	3-Jan	13-Dec
1 Year	7.88	7.90	7.83	7.86
5 Year	7.73	7.75	7.76	7.80
10 Year	7.68	7.66	7.68	7.78

CD	12-Jan	11-Jan	3-Jan	13-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	12-Jan	11-Jan	3-Jan	13-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	12-Jan	11-Jan	3-Jan	13-Dec
1 Year	6.63	6.64	6.66	6.85
2 Year	6.29	6.31	6.33	6.53
3 Year	6.24	6.25	6.30	6.48
5 Year	6.20	6.21	6.25	6.44

	12-Jan	11-Jan	3-Jan	13-Dec
Sensex	72,568	71,721	71,357	69,585
Nifty	21,895	21,647	21,517	20,926
USD/INR	82.92	83.03	83.28	83.40
Gold (USD)	2,046	2,028	2,041	2,026
Oil (USD)	80.57	77.41	78.25	74.26

NDF	12-Jan	11-Jan	3-Jan	13-Dec
3 Month	83.13	83.37	83.61	83.50
1 Year	84.51	84.60	84.76	84.70
2 Year	86.87	87.04	87.30	87.00
3 Year	90.32	89.94	90.30	89.80

**Market Observations**

**G-sec**

- Cut off was in line with market expectations. Selling was seen in G-sec post cut off.
- Selling was seen in 5 to 10-year SDL @7.60 to 7.70 levels but very timid demand was witnessed in market.

**Corporate Bonds**

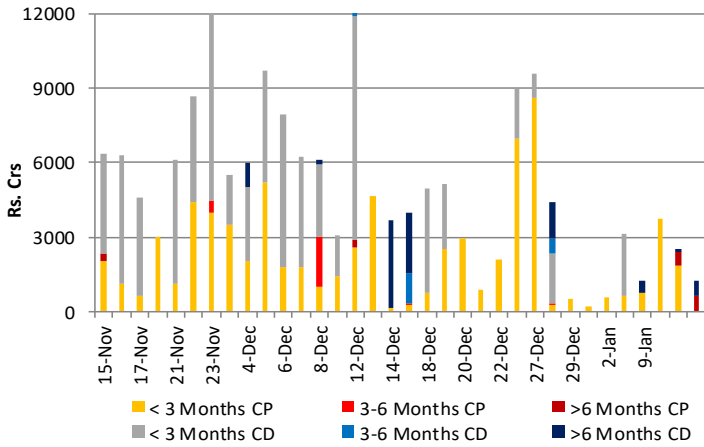
- Major activity was seen in the 2025-2028 segment with Mutual funds and banks being active.
- Banks and insurance companies were active in the longer segment.

**CP/CD**

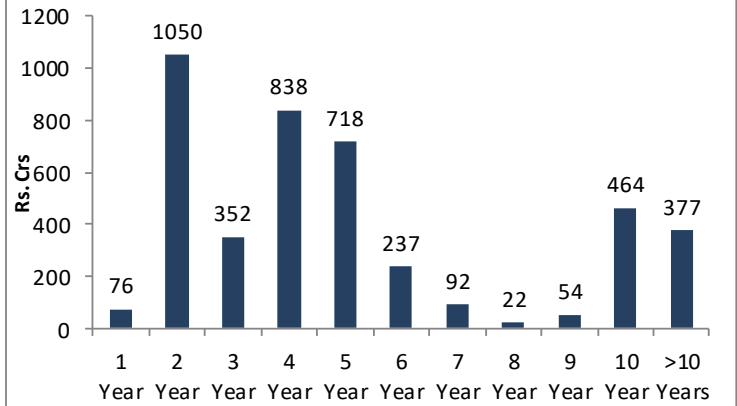
- Demand was seen in the 6-month to 1-year segment.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	12-Jan	11-Jan	3-Jan	13-Dec
India	7.18	7.17	7.22	7.26
US	3.99	3.98	3.91	4.03
South Korea	3.31	3.30	3.34	3.52
Russia	12.68	12.60	12.34	12.65
Brazil	10.61	10.61	10.47	10.89
Germany	2.17	2.21	2.02	2.17
China	2.52	2.50	2.58	2.66

Top Traded Securities	Volume	10-Jan	9-Jan	3-Jan	12-Dec
7.26 2033	685	7.21	7.22	7.24	7.32
7.06 2028	1,720	7.32	7.36	7.37	7.44
7.62 2039	-	7.22	7.22	7.25	7.32
7.30 2053	2,620	7.40	7.42	7.45	7.48
6.64 2035	-	7.33	7.28	7.33	7.37
7.40 2035	225	7.27	7.32	7.35	7.36

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
11-Jan-24	378	422	-45

EQUITY		
Gross Purchase	Gross Sales	Net Investment
1185	1243	-58

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
1563	1666	-103

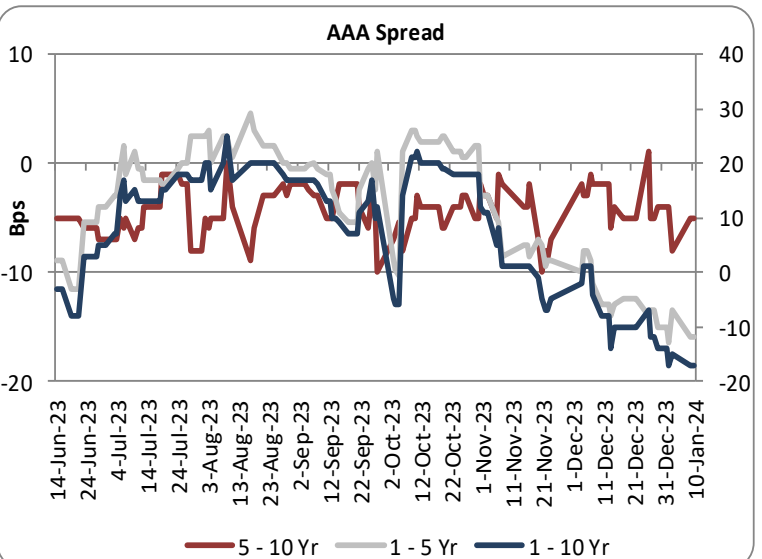
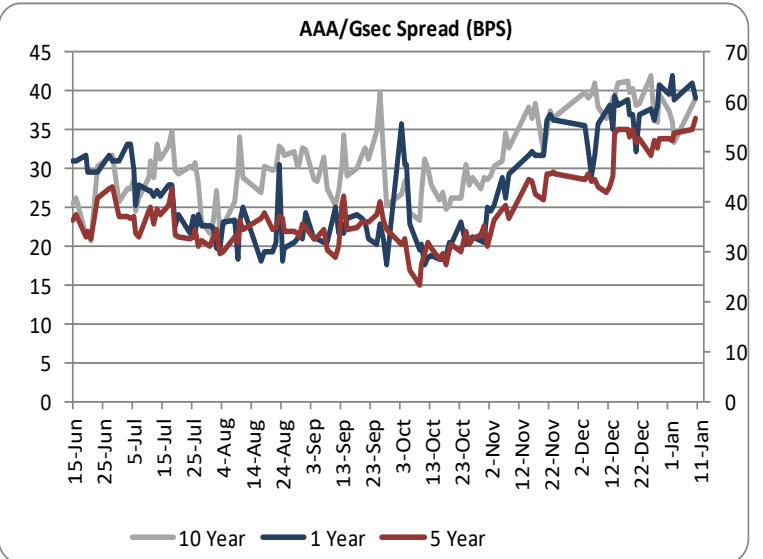
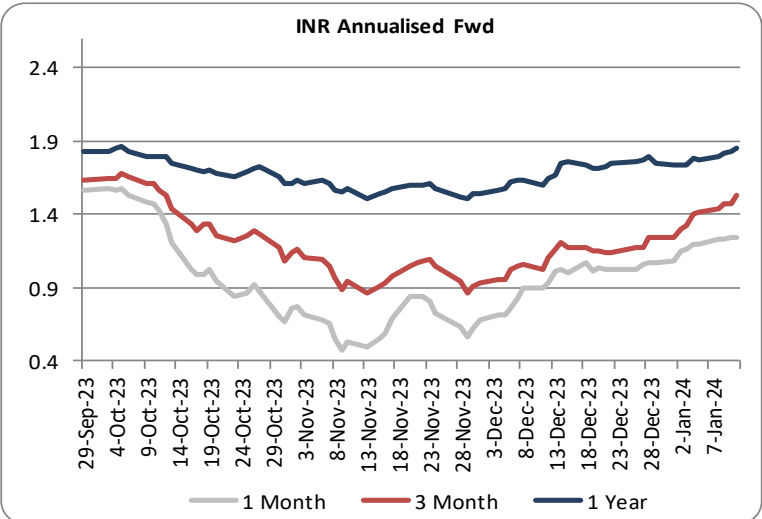
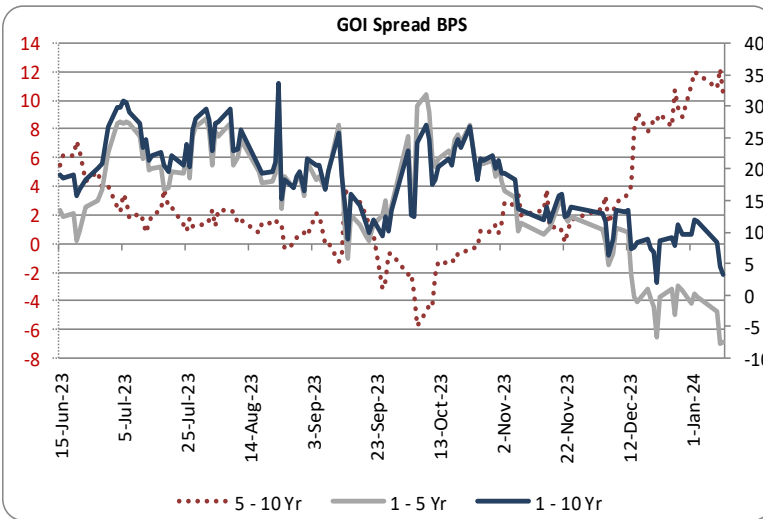
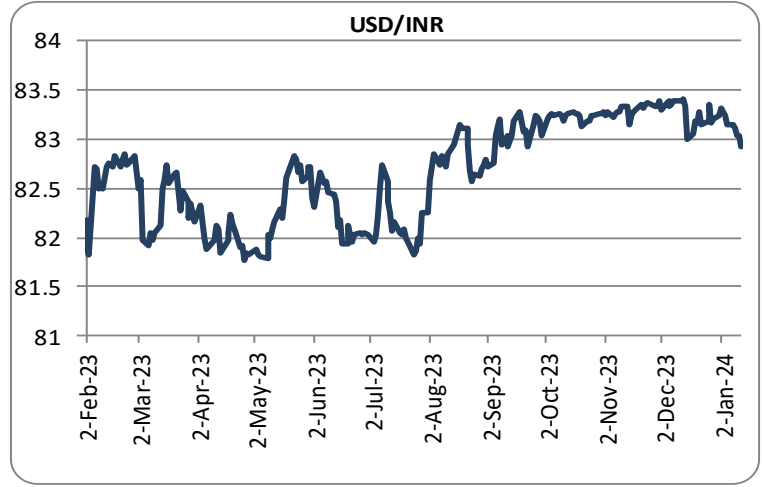
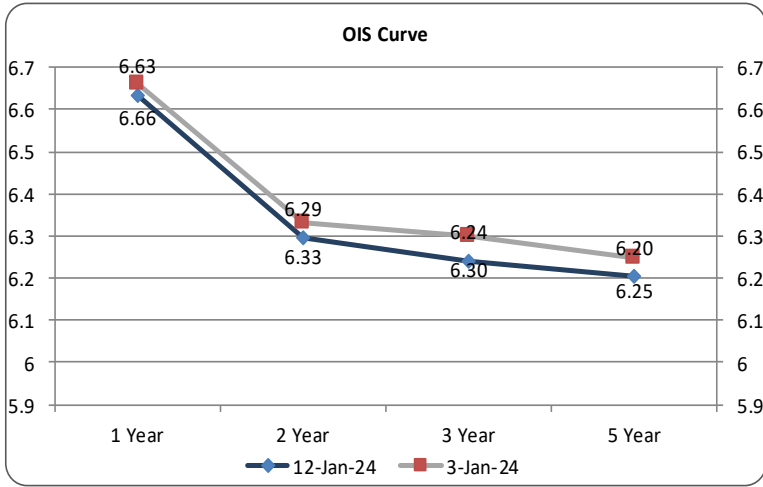
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
12-Jan-24	1622	718	903

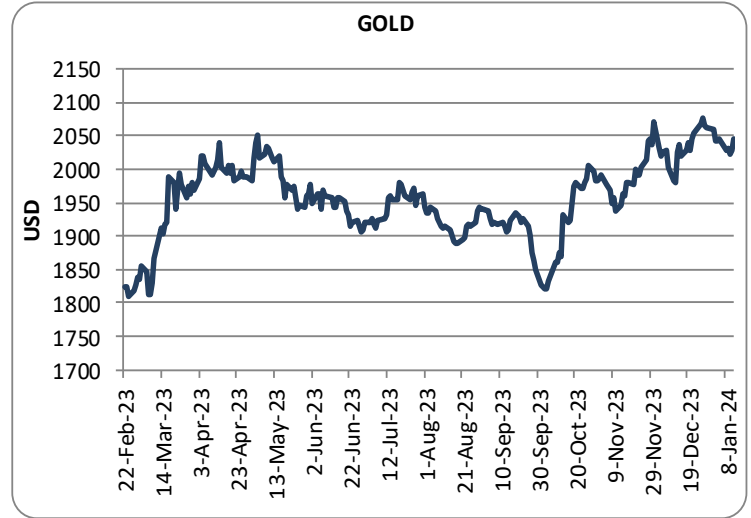
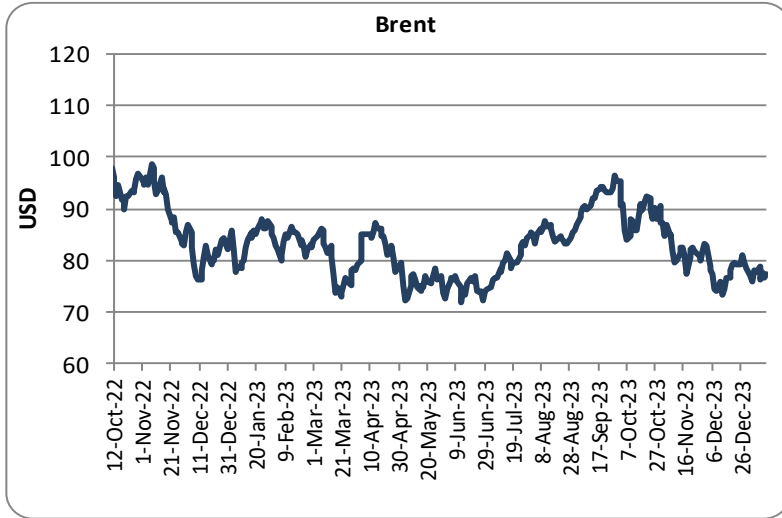
EQUITY		
Gross Purchase	Gross Sales	Net Investment
11673	12449	-775

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
13295	13167	128

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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