



INDIA

Indian government bond yields ended largely steady on Tuesday as traders refrained from placing large bets in the absence of any fresh triggers.

The benchmark 10-year yield closed at 7.1460%, versus its previous close of 7.1518%. The underlying sentiment, however, remained positive as the latest softer core inflation reading led to bets of easing price pressures in the coming months.

While India's headline retail inflation rose to a four-month-high of 5.69% in December, core inflation slowed to 3.8%-3.89%, from 4.05%-4.2% in November.

Market participants are of the opinion that a sustained fall in core inflation could prompt the Reserve Bank of India ease its policy stance to 'neutral' as early as next month.

Indian States raised 192 billion rupees (\$2.31 billion) through bond sales on Tuesday. The auction cutoffs were in line with market expectations.

Traders also await comments from Federal Reserve Board Governor Christopher Waller later in the day. Waller's comments in November had led to rising bets of a Fed pivot to rate cuts.

Oil prices were mixed on Tuesday as broad economic concerns outweighed continued tensions in the Middle East that led to more tanker diversions.

The Indian rupee weakened 0.22% to 83.12 U.S. dollar, ending a nine-day winning streak, pressured by a strong dollar across the board.

Repo: The weighted average call rates in the interbank segment decreased to 6.76% vs 6.78% as on the previous day while that the TREP segment increased to 6.76% vs 6.75% as on the previous day.

GOI Yield	16-Jan	15-Jan	10-Jan	18-Dec
1 Year	7.115	7.120	7.135	7.070
5 Year	7.022	7.034	7.059	7.080
10 Year	7.146	7.144	7.181	7.158

AAA Bmk	16-Jan	15-Jan	10-Jan	18-Dec
1 Year	7.83	7.85	7.87	7.80
5 Year	7.70	7.70	7.75	7.75
10 Year	7.65	7.65	7.70	7.70

CD	16-Jan	15-Jan	10-Jan	18-Dec
3 Month	7.60	7.55	7.55	7.45
6 Month	7.75	7.70	7.70	7.75
1 Year	7.90	7.85	7.90	7.90

CP	16-Jan	15-Jan	10-Jan	18-Dec
3 Month	7.75	7.70	7.80	7.70
6 Month	7.85	7.85	7.85	8.00
1 Year	8.00	8.00	8.00	8.05

OIS Rate	16-Jan	15-Jan	10-Jan	18-Dec
1 Year	6.60	6.59	6.66	6.64
2 Year	6.25	6.23	6.32	6.28
3 Year	6.19	6.18	6.27	6.24
5 Year	6.16	6.14	6.22	6.21

	16-Jan	15-Jan	10-Jan	18-Dec
Sensex	73,129	73,328	71,658	71,315
Nifty	22,032	22,097	21,619	21,419
USD/INR	83.07	82.88	83.04	83.06
Gold (USD)	2,039	2,054	2,023	2,027
Oil (USD)	78.92	78.15	76.80	77.95

NDF	16-Jan	15-Jan	10-Jan	18-Dec
3 Month	83.48	83.17	83.35	83.32
1 Year	84.73	84.43	84.53	84.59
2 Year	87.37	86.98	86.99	86.95
3 Year	89.91	89.88	89.89	89.85

Market Observations

G-sec

- 20-year illiquid G-sec was heavily traded at 7.33 levels and further demand was seen by foreign banks and pension funds.
- Longer end switch (2053 vs 2063) was traded between insurance companies and PD's.
- Good buying demand was visible in 2027 illiquid G-sec by Foreign banks at 7.04 centric levels.

Corporate Bonds

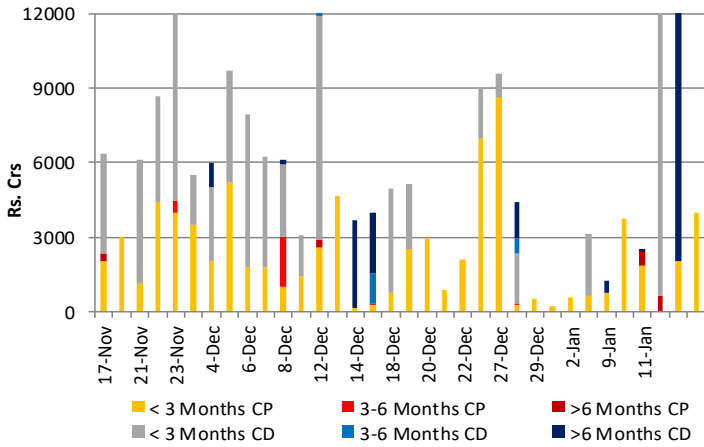
- Mutual funds were active on the buying as well as selling side in the 2025-2028 segment.
- Insurance companies were buying in the longer segment.

CP/CD

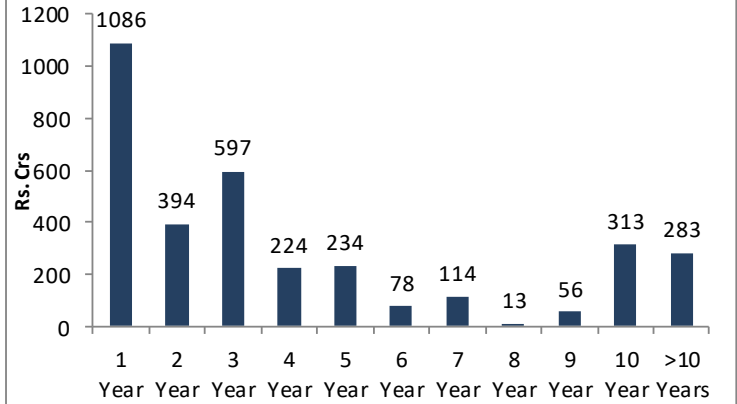
- Demand was seen in the 3-month segment.



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	16-Jan	15-Jan	10-Jan	18-Dec
India	7.15	7.15	7.18	7.15
US	4.01	3.95	4.03	3.96
South Korea	3.32	3.29	3.35	3.33
Russia	12.43	12.65	12.55	12.49
Brazil	10.58	10.56	10.65	10.66
Germany	2.21	2.20	2.21	2.07
China	2.53	2.53	2.54	2.63

Top Traded Securities	Volume	10-Jan	9-Jan	3-Jan	12-Dec
7.26 2033	705	7.21	7.22	7.24	7.32
7.06 2028	970	7.32	7.36	7.37	7.44
7.62 2039	-	7.22	7.22	7.25	7.32
7.30 2053	585	7.40	7.42	7.45	7.48
6.64 2035	425	7.33	7.28	7.33	7.37
7.40 2035	25	7.27	7.32	7.35	7.36

MF	DEBT		
	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

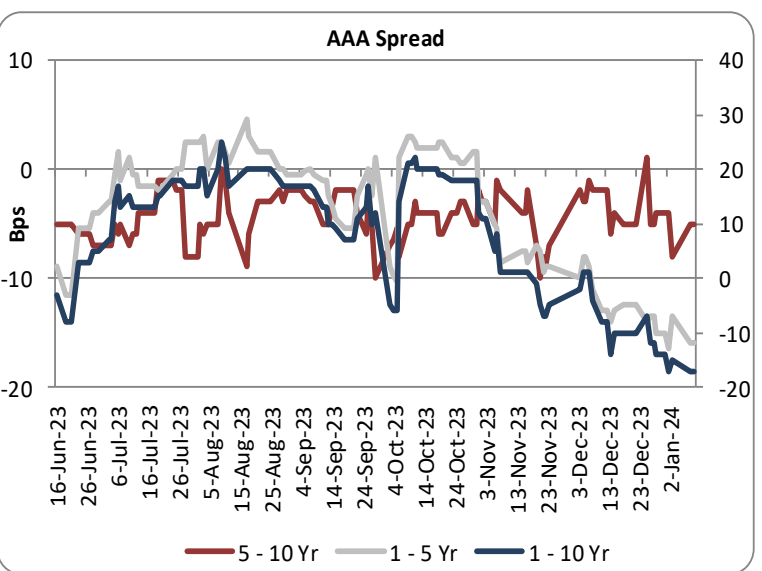
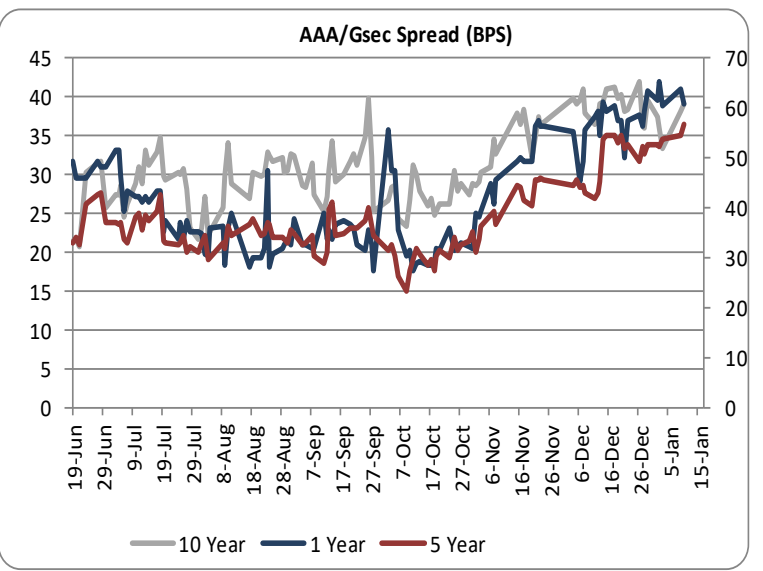
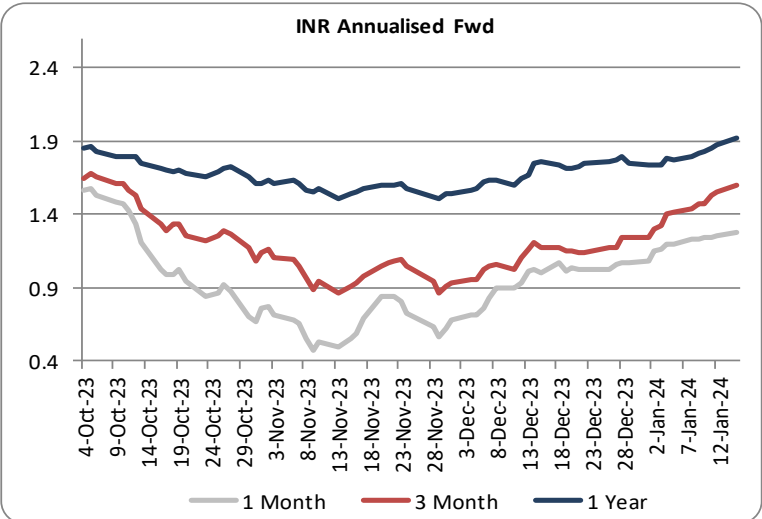
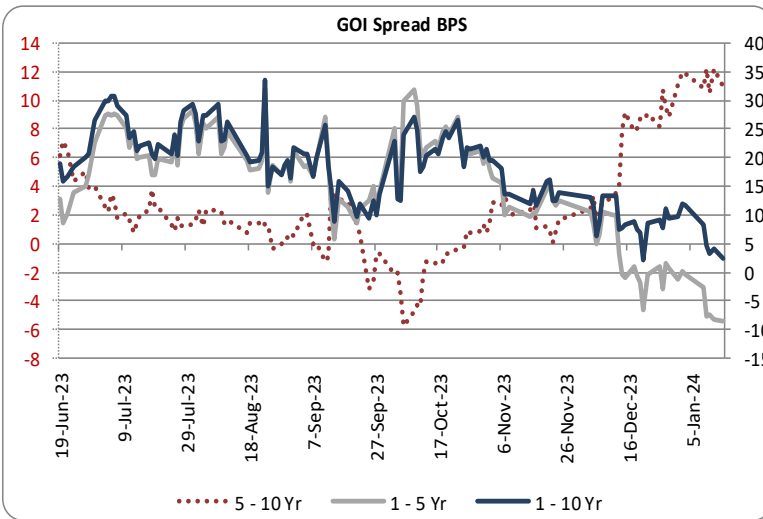
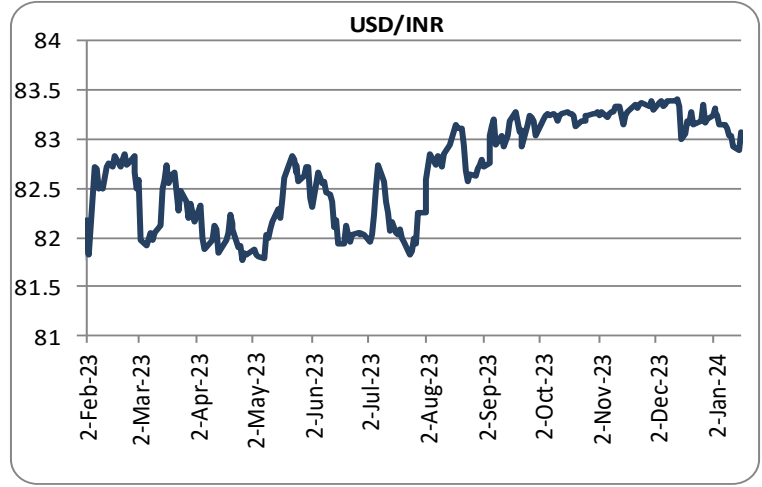
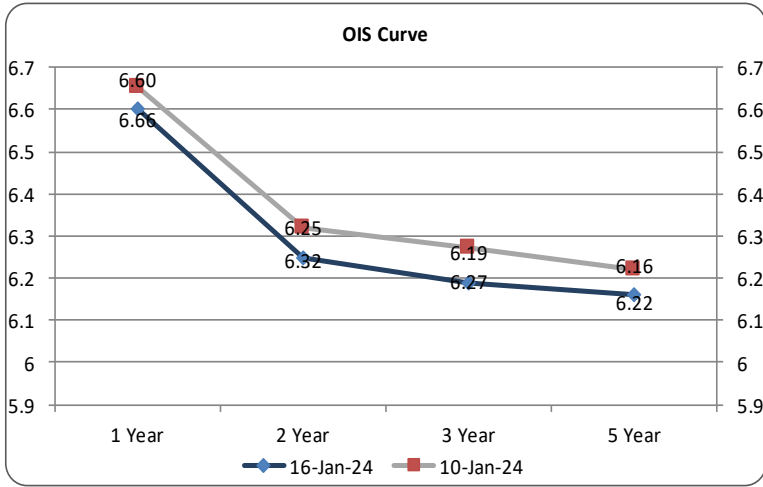
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
16-Jan-24	1530	887	644

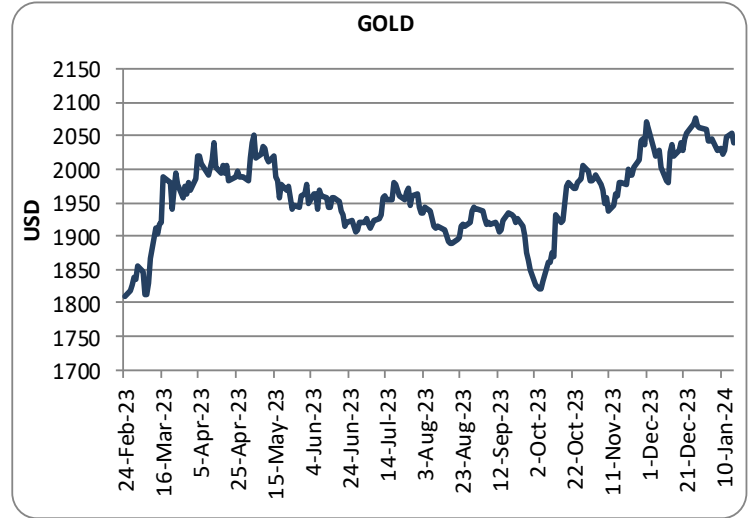
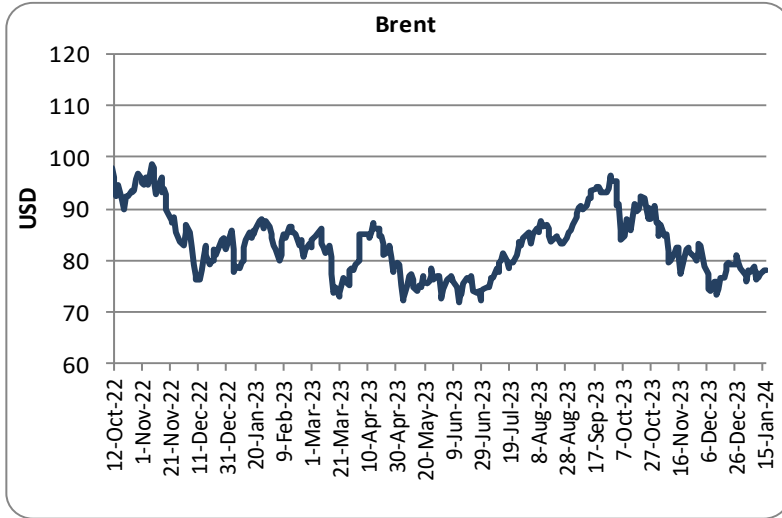
EQUITY	Gross Purchase	Gross Sales	Net Investment
	13055	11040	2015

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
14586	11927	2659

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	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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