



INDIA

Indian government bond yields ended higher on Wednesday as bets of aggressive rate cuts by the U.S. Federal Reserve eased following cautious comments from a central bank official, while higher inflation data in the UK also weighed.

India's benchmark 10-year yield ended at 7.1642%, after its previous close at 7.1460%.

The United States is "within striking distance" of the Federal Reserve's 2% inflation goal, but the central bank should not rush towards cuts in interest rates until it is clear lower inflation will be sustained, Fed Governor Christopher Waller said on Tuesday.

The 10-year U.S. yield surged to 4.08% on Tuesday and stayed around the 4.05% mark in Asian hours on Wednesday, while the odds of a Fed rate cut in March eased to nearly 63% from 81% on Friday.

Meanwhile, Britain's annual rate of consumer price inflation sped up for the first time in 10 months in December, increasing to 4% from a more-than-two-year low of 3.9% recorded in November.

Oil fell more than \$1 on Wednesday as economic growth in China, the world's second-largest crude user, slightly missed expectations, raising concerns about future demand.

The Indian rupee weakened 0.08% versus the U.S. dollar, and quoted at 83.14 per dollar, pressured by likely equity outflows and as the U.S. dollar rose to a more than one-month high on the back of moderation in rate cut expectations.

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

GOI Yield	17-Jan	16-Jan	11-Jan	19-Dec
1 Year	7.150	7.115	7.130	7.100
5 Year	7.044	7.022	7.057	7.094
10 Year	7.164	7.146	7.162	7.174

AAA Bmk	17-Jan	16-Jan	11-Jan	19-Dec
1 Year	7.90	7.83	7.90	7.80
5 Year	7.70	7.70	7.75	7.75
10 Year	7.70	7.65	7.66	7.70

CD	17-Jan	16-Jan	11-Jan	19-Dec
3 Month	7.60	7.60	7.55	7.45
6 Month	7.75	7.75	7.70	7.75
1 Year	7.90	7.90	7.90	7.90

CP	17-Jan	16-Jan	11-Jan	19-Dec
3 Month	7.75	7.75	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	17-Jan	16-Jan	11-Jan	19-Dec
1 Year	6.62	6.60	6.64	6.64
2 Year	6.28	6.25	6.31	6.28
3 Year	6.23	6.19	6.25	6.23
5 Year	6.19	6.16	6.21	6.20

	17-Jan	16-Jan	11-Jan	19-Dec
Sensex	71,501	73,129	71,721	71,437
Nifty	21,572	22,032	21,647	21,453
USD/INR	83.14	83.07	83.03	83.18
Gold (USD)	2,025	2,028	2,028	2,040
Oil (USD)	76.67	78.29	77.41	79.23

NDF	17-Jan	16-Jan	11-Jan	19-Dec
3 Month	83.45	83.40	83.37	83.32
1 Year	84.74	84.66	84.60	84.61
2 Year	87.27	87.22	87.04	86.96
3 Year	90.05	90.12	89.94	89.86

Market Observations

G-sec

- T-bill cut off came against market expectations where yields came slightly higher than expected.
- Good demand was visible in 3-month t-bill by Mutual funds at 6.98 levels.
- 2025/2026 SDLs were visibly traded in the range of 7.3650-7.38 levels.

Corporate Bonds

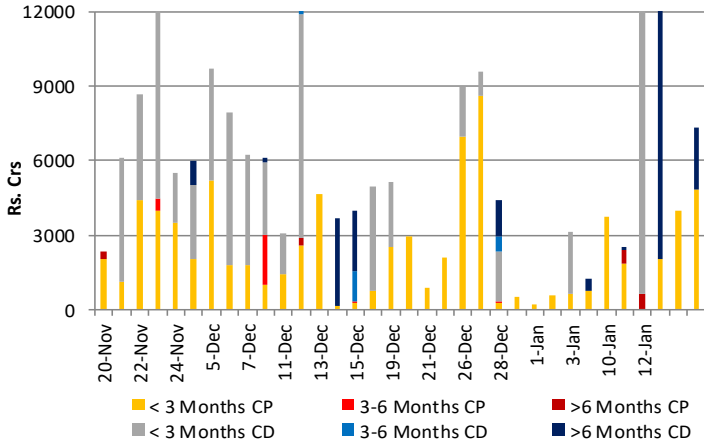
- Major activity was seen in the MMY segment and in the 2025-2026 segment.
- Mutual funds, banks and insurance companies were active throughout.

CP/CD

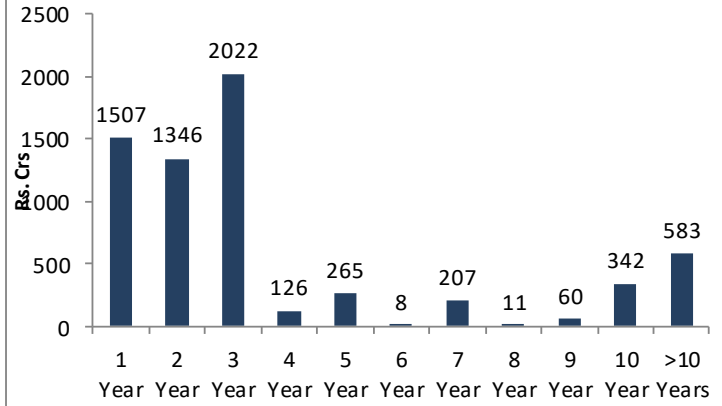
- Demand was seen in the 1 to 3-month segment.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	17-Jan	16-Jan	11-Jan	19-Dec
India	7.17	7.15	7.17	7.17
US	4.06	4.07	3.98	3.92
South Korea	3.37	3.32	3.30	3.32
Russia	12.34	12.35	12.60	12.36
Brazil	10.76	10.70	10.61	10.61
Germany	2.25	2.21	2.21	2.02
China	2.51	2.53	2.50	2.64

Top Traded Securities	Volume	17-Jan	16-Jan	10-Jan	19-Dec
7.26 2033	150	7.20	7.18	7.21	7.21
7.06 2028	810	#N/A	7.26	7.32	7.34
7.62 2039	-	7.19	7.18	7.22	7.21
7.30 2053	1,365	7.37	7.36	7.40	7.37
6.64 2035	380	7.27	7.28	7.28	7.29
7.40 2035	5	7.26	7.24	7.30	7.25

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
15-Jan-24	8620	9220	-600

EQUITY		
Gross Purchase	Gross Sales	Net Investment
9170	12505	-3335

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
17790	21725	-3935

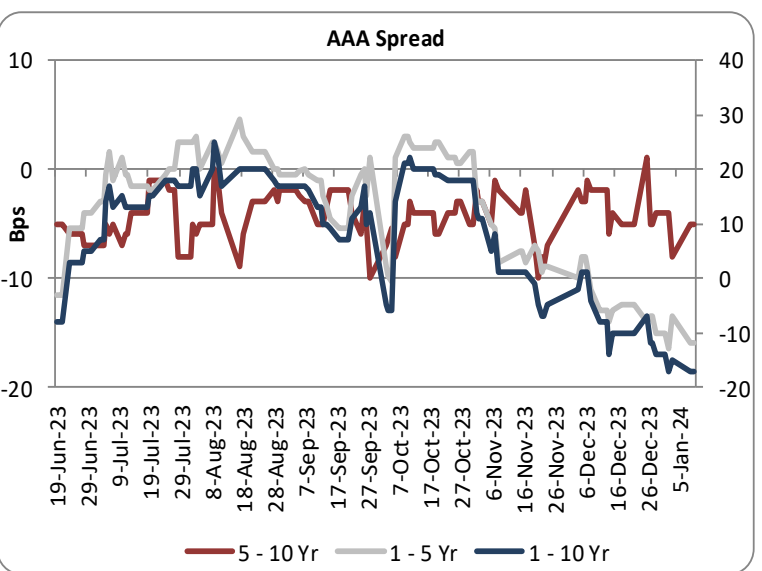
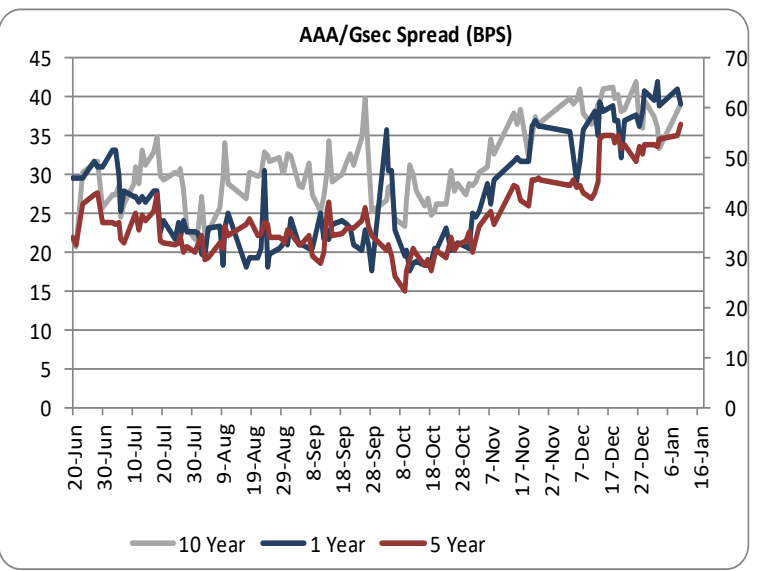
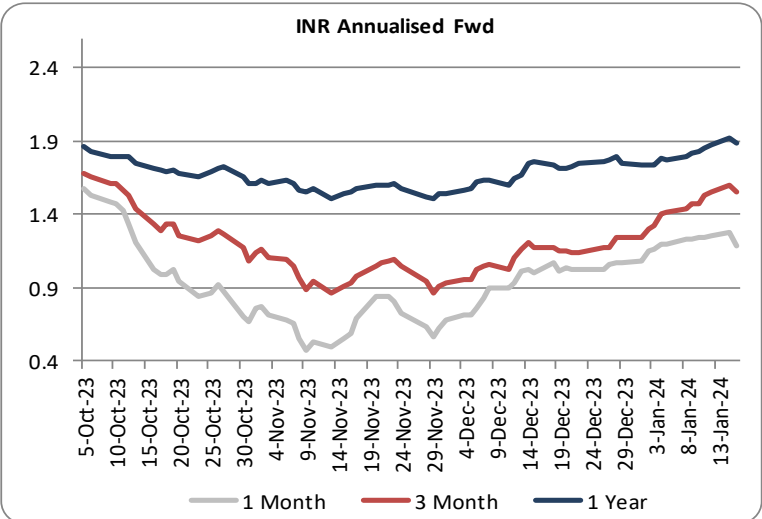
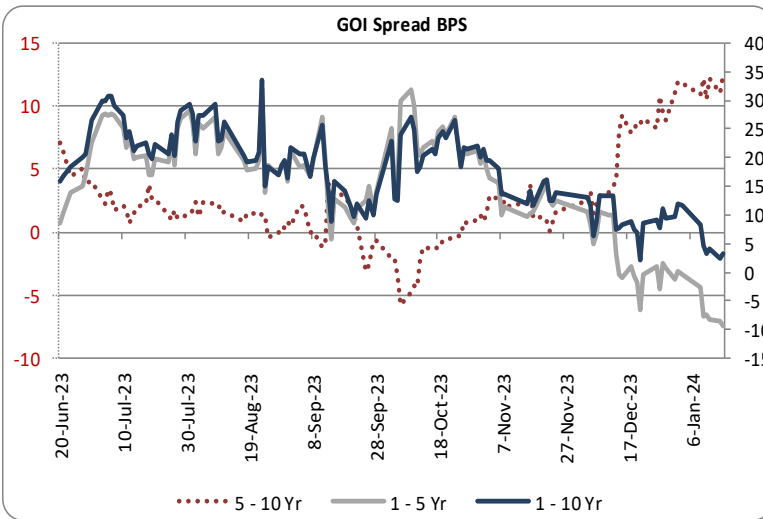
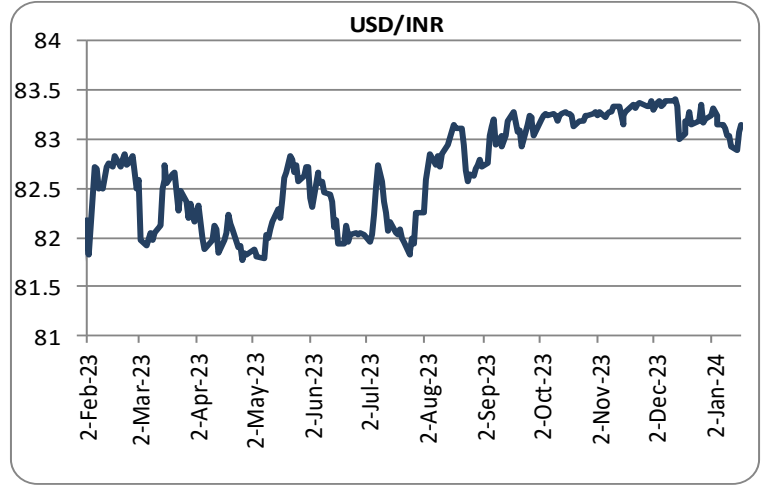
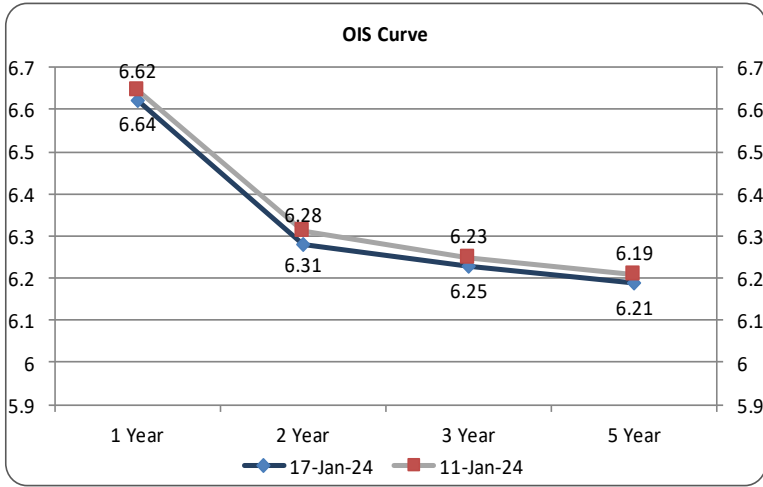
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
17-Jan-24	2783	418	2366

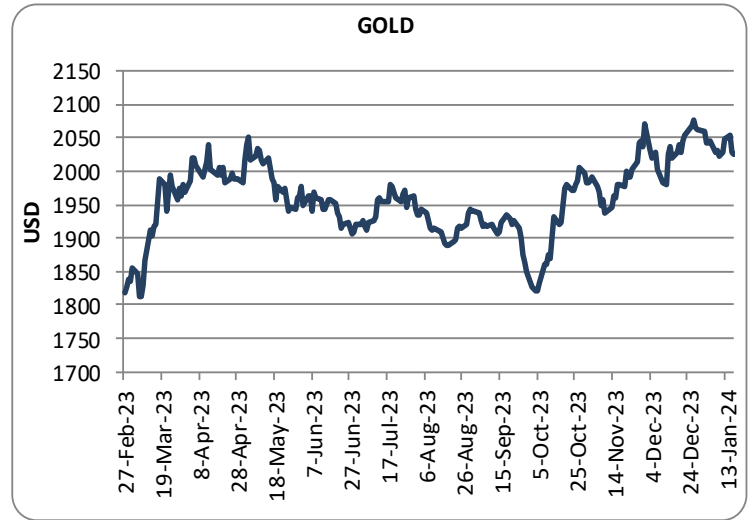
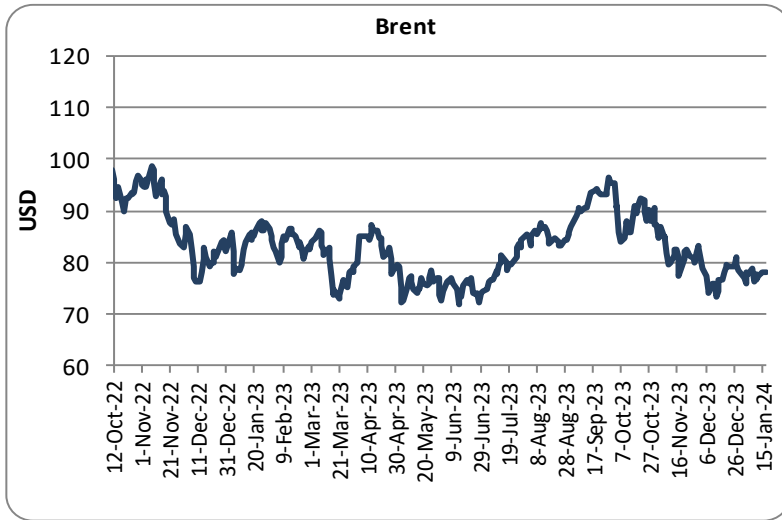
EQUITY		
Gross Purchase	Gross Sales	Net Investment
12670	11488	1182

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
15453	11906	3547

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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