



Indian government bond yields ended flattish on Friday to close a relatively quiet week that had yields inching higher from the previous, as traders booked profits ahead of the quarter-end and the calendar year-end.

The 10-year benchmark bond yield ended at 7.1862% on Friday after closing at 7.1624% in the previous session. The yield rose two basis points (bps) for the week, after dropping 11 bps in the last week.

Bond yields ended steady as the debt auction added to supply, after sales of bonds worth 300 billion rupees (\$3.61 billion) happened earlier in the day.

Traders are also awaiting the minutes of the Reserve Bank of India's (RBI) December meeting, due later today, that will act as the last major trigger for bonds in 2023.

The central bank maintained interest rates and its stance for the fifth consecutive time at the December meeting and also adopted a cautious tone on inflation. Markets will now look for clues from RBI members on the rate trajectory in 2024.

U.S. yields plunged in the last few weeks on rising bets that the Federal Reserve will deliver rate cuts from as early as March, with an 83% probability of such an action.

The 10-year was unable to break the technically important 3.85% mark during the week.

The Indian rupee strengthened 0.16% versus the U.S. dollar, and quoted at 83.14 per dollar, aided by dollar sales from two large foreign banks, likely on behalf of custodian clients.

Repo: The weighted average call rates in the interbank segment decreased to 6.79% vs 6.81% as on the previous day while that the TREP segment decreased to 6.77% vs 6.79% as on the previous day.

GOI Yield	22-Dec	21-Dec	15-Dec	23-Nov
1 Year	7.100	7.170	7.080	7.130
5 Year	7.096	7.104	7.070	7.248
10 Year	7.186	7.190	7.162	7.256

AAA Bmk	22-Dec	21-Dec	15-Dec	23-Nov
1 Year	7.80	7.80	7.80	7.82
5 Year	7.75	7.75	7.74	7.84
10 Year	7.70	7.70	7.70	7.75

CD	22-Dec	21-Dec	15-Dec	23-Nov
3 Month	7.45	7.45	7.45	7.30
6 Month	7.75	7.75	7.75	7.60
1 Year	7.90	7.90	7.90	7.75

CP	22-Dec	21-Dec	15-Dec	23-Nov
3 Month	7.70	7.70	7.65	7.45
6 Month	8.00	8.00	8.00	7.70
1 Year	8.05	8.05	8.05	7.95

OIS Rate	22-Dec	21-Dec	15-Dec	23-Nov
1 Year	6.65	6.63	6.64	6.90
2 Year	6.29	6.26	6.29	6.63
3 Year	6.24	6.21	6.23	6.59
5 Year	6.21	6.17	6.20	6.56

	22-Dec	21-Dec	15-Dec	23-Nov
Sensex	71,107	70,865	71,484	66,018
Nifty	21,349	21,255	21,457	19,802
USD/INR	83.14	83.28	83.00	83.34
Gold (USD)	2,061	2,045	2,018	1,992
Oil (USD)	80.08	79.39	76.55	81.42

NDF	22-Dec	21-Dec	15-Dec	23-Nov
3 Month	83.37	83.44	83.27	83.55
1 Year	84.66	84.74	84.48	84.69
2 Year	87.32	87.15	86.84	86.83
3 Year	90.36	90.05	89.74	89.23

Market Observations

G-sec

- G-sec cut off was in line with market expectation.
- Selling was seen in 10 and 11 year SDLs @7.61 and 7.62 levels.
- Demand was seen in 2028 and early 2029 maturity SDL @7.47-7.49 levels.

Corporate Bonds

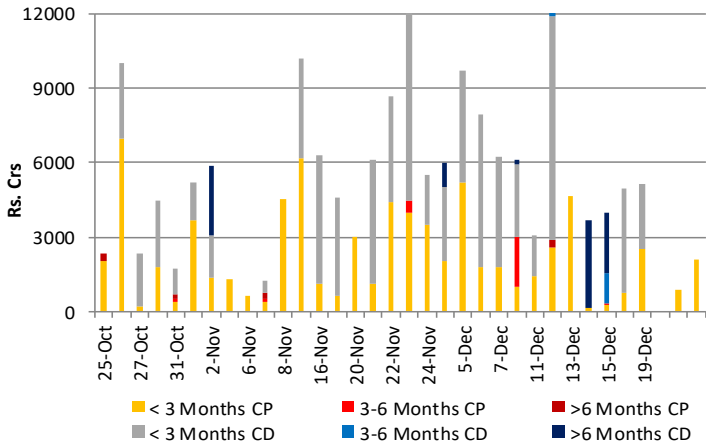
- Mutual funds were active on both selling as well buying side.
- Activity was seen in the 2025-2026 segment.

CP/CD

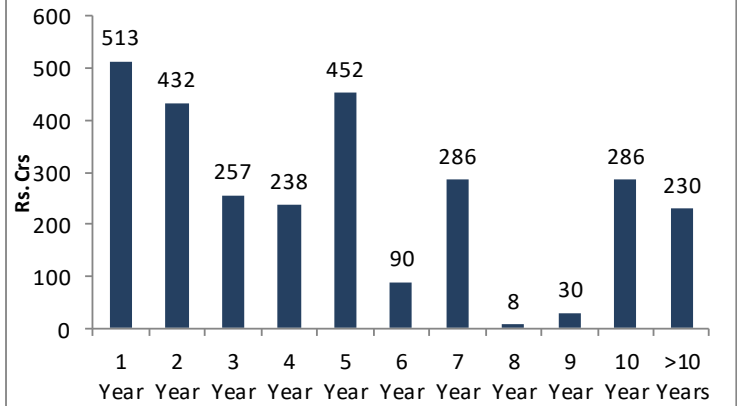
- Demand was seen in the 3-month segment.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	22-Dec	21-Dec	15-Dec	23-Nov
India	7.19	7.18	7.16	7.25
US	3.87	3.89	3.93	4.42
South Korea	3.31	3.30	3.36	3.71
Russia	12.12	12.18	12.65	11.97
Brazil	10.44	10.44	10.62	11.13
Germany	1.97	1.95	2.01	2.62
China	2.62	2.62	2.63	2.71

Top Traded Securities	Volume	20-Dec	19-Dec	13-Dec	21-Nov
7.26 2033	250	7.21	7.21	7.31	7.32
7.06 2028	410	7.34	7.34	7.41	7.39
7.62 2039	-	7.22	7.21	7.31	7.34
7.30 2053	330	7.37	7.37	7.47	7.44
6.64 2035	55	7.31	7.29	7.36	7.37
7.40 2035	-	7.27	7.25	7.35	7.37

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
20-Dec-23	0	0	0

EQUITY		
Gross Purchase	Gross Sales	Net Investment
0	0	0

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
0	0	0

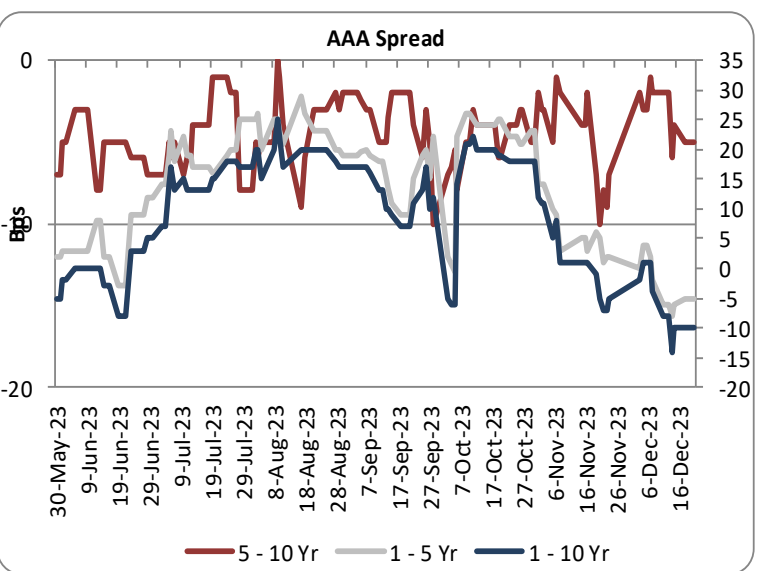
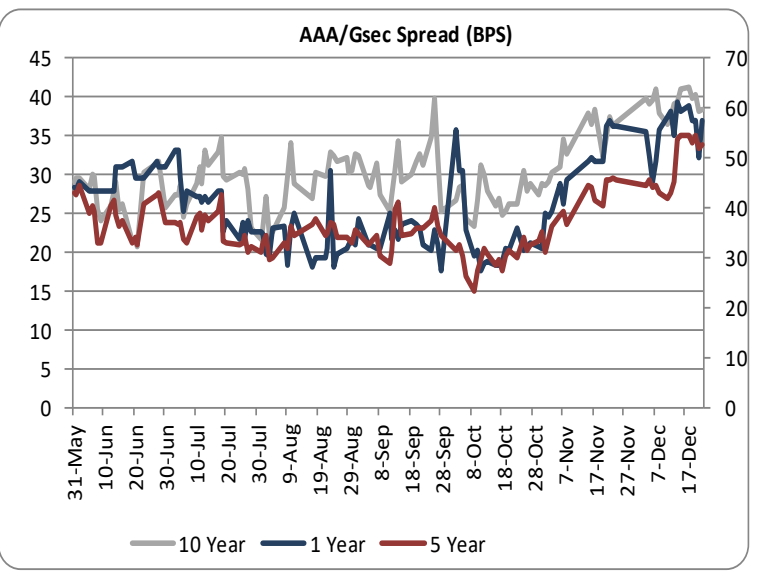
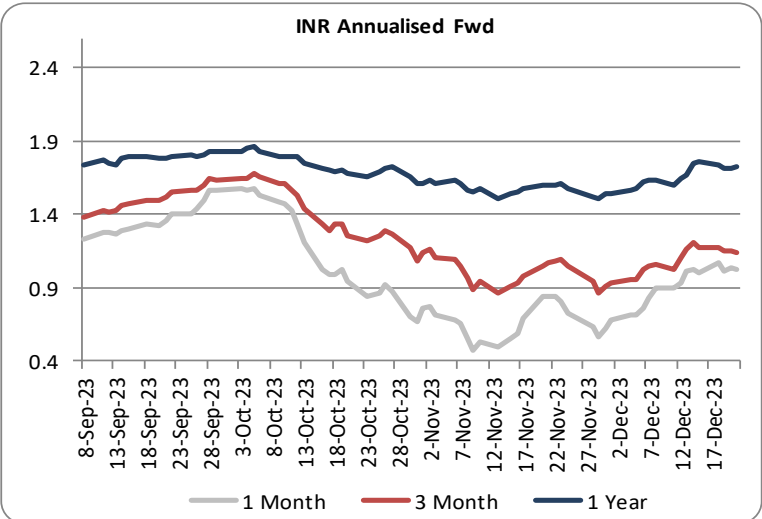
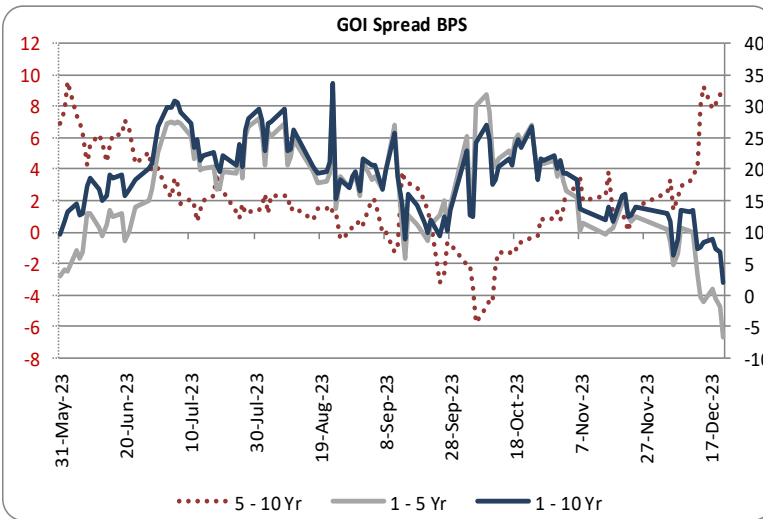
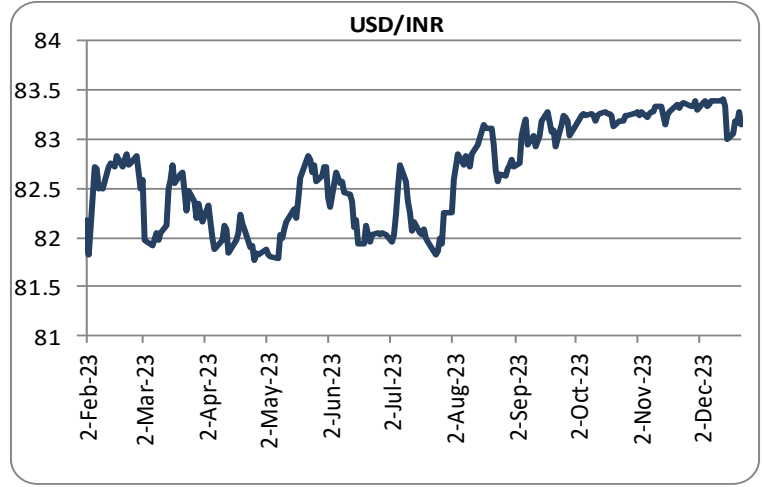
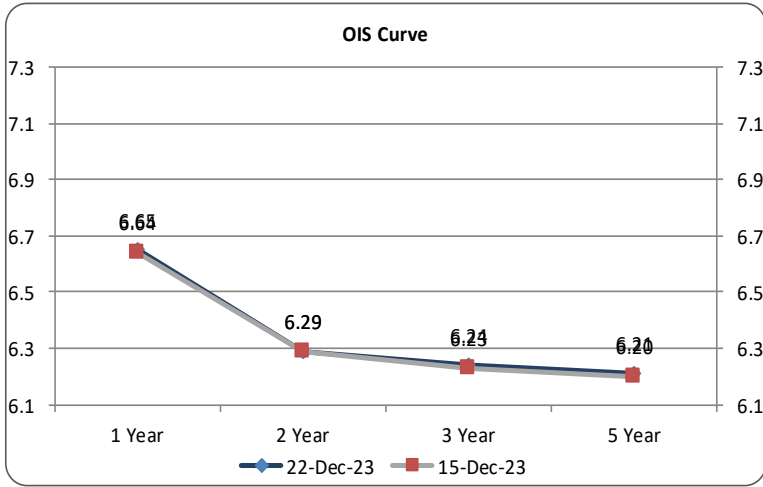
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
22-Dec-23	1939	1486	453

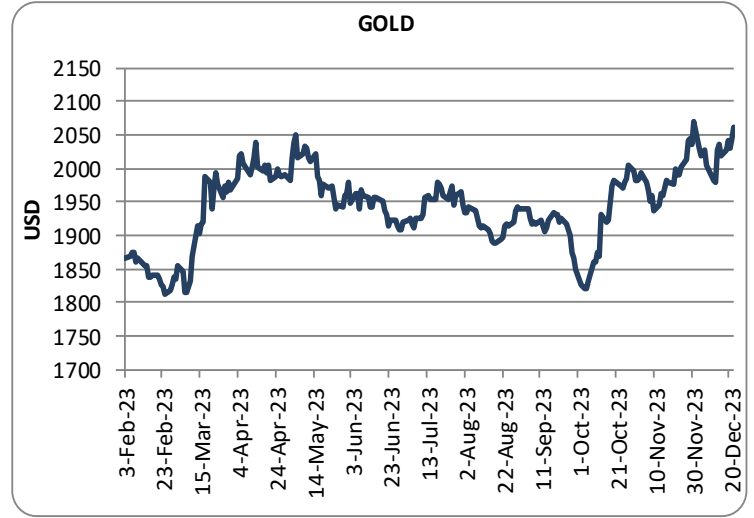
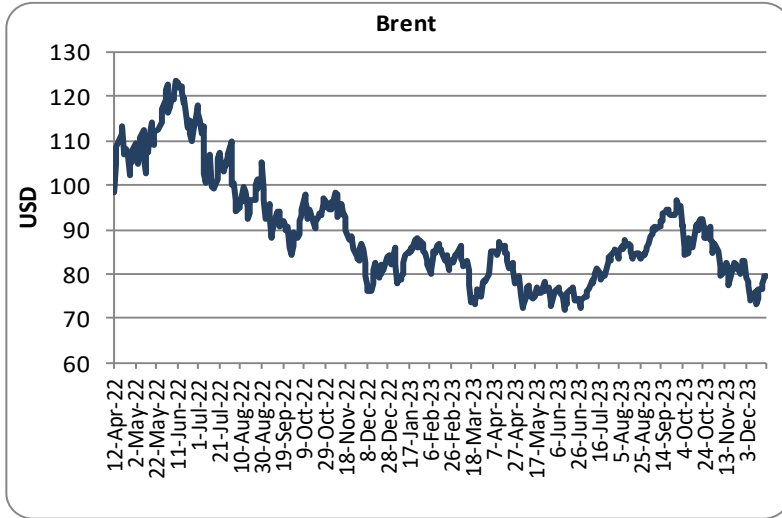
EQUITY		
Gross Purchase	Gross Sales	Net Investment
10105	11417	-1311

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
12045	12903	-858

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Sep-23	7.6	7.8
CAD (\$ Bn)	Jun-23	-9.2	-1.3
Trade Deficit (\$ Bn)	Jun-23	-56.6	-52.6
WPI (%)	Nov-23	0.3	-0.5
CPI (%)	Nov-23	5.6	4.9
IIP (%)	Oct-23	11.7	5.8
PMI Manufacturing	Nov-23	56	55.5
PMI Service	Nov-23	56.9	58.4

Economic Calender	Country	Date	Poll	Prior
BOE Bank Rate	UK	14-Dec-23	5.25	5.25
ECB Refinancing Rate	Euro Zone	14-Dec-23	4.50	4.50
Industrial Output	China	15-Dec-23	5.60	4.60
CPI	Euro Zone	19-Dec-23	-	2.40
BOJ Rate Decision	Japan	19-Dec-23	-	(0.10)
CPI	UK	20-Dec-23	-	4.60
Q3 GDP	USA	21-Dec-23	5.20	5.20
CPI	Japan	22-Dec-23	-	3.30





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

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