



INDIA

Indian government bond yields started the last week of 2023 on a flattish note, with the minutes of the central bank's latest meeting failing to provide any major directional triggers.

The 10-year benchmark bond yield ended at 7.1819% on Tuesday after closing at 7.1862% in the previous session.

The yield rose last week as traders booked profit after a sharp drop in the preceding week and as they moved towards the end of the quarter and calendar year.

India's monetary policy committee (MPC) will remain vigilant of inflation risks, with the overall outlook remaining clouded by volatile and uncertain food prices, the committee members said in the minutes of the December policy meeting.

Earlier this month, the MPC kept the repo rate unchanged at 6.50%, with the status quo on stance for the fifth consecutive time.

Indian states raised 207.59 billion rupees (\$2.50 billion) through the sale of bonds and ended up overshooting the planned calendar for the first time in 13 quarters.

Meanwhile, U.S. yields remained lower, with the 10-year yield near the 3.90% mark in Asian hours, after data showed inflation as measured by the PCE price index for the 12 months through November, rose 2.6% after rising 2.9% in October.

Markets are now pricing in 88% probability of a rate cut from the Federal Reserve in March.

The Indian rupee weakened 0.06% versus the U.S. dollar, and quoted at 83.19 per dollar as dollar demand from importers, including local oil companies, eroded the impact of positive global cues.

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

Market Observations

G-sec

- Demand was seen in Feb/March t-bills by Mutual Funds.
- SDL Auction cut-off came slightly better as per market expectations even though there was good supply.
- Good buying demand was seen in 10-year illiquid G-sec papers by private banks.

Corporate Bonds

- Mutual funds were active in the 2024-236 segment.
- Banks and life insurance companies were on the demand side in the longer segment.

CP/CD

- Demand was seen in the 3-month segment.

GOI Yield	26-Dec	22-Dec	19-Dec	24-Nov
1 Year	7.090	7.100	7.100	7.130
5 Year	7.100	7.096	7.094	7.254
10 Year	7.182	7.186	7.174	7.270

AAA Bmk	26-Dec	22-Dec	19-Dec	24-Nov
1 Year	7.80	7.80	7.80	7.82
5 Year	7.72	7.75	7.75	7.84
10 Year	7.73	7.70	7.70	7.77

CD	26-Dec	22-Dec	19-Dec	24-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	26-Dec	22-Dec	19-Dec	24-Nov
3 Month	7.70	7.70	7.70	7.45
6 Month	8.00	8.00	8.00	7.70
1 Year	8.05	8.05	8.05	7.95

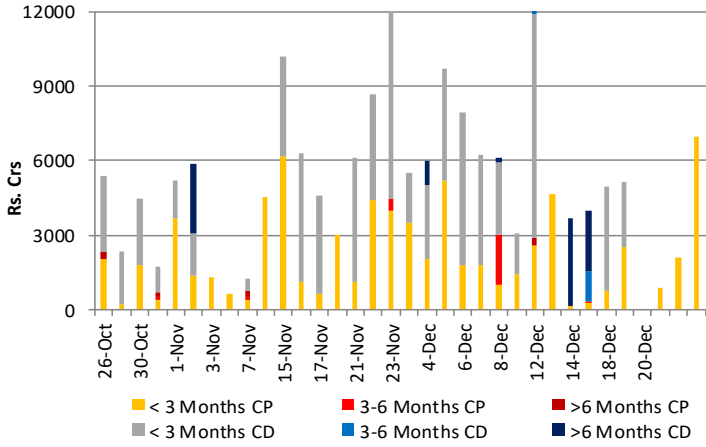
OIS Rate	26-Dec	22-Dec	19-Dec	24-Nov
1 Year	6.64	6.65	6.64	6.92
2 Year	6.30	6.29	6.28	6.65
3 Year	6.24	6.24	6.23	6.63
5 Year	6.21	6.21	6.20	6.60

	26-Dec	22-Dec	19-Dec	24-Nov
Sensex	71,337	71,107	71,437	65,970
Nifty	21,441	21,349	21,453	19,795
USD/INR	83.19	83.14	83.18	83.37
Gold (USD)	2,064	2,053	2,040	2,002
Oil (USD)	79.05	79.07	79.23	80.58

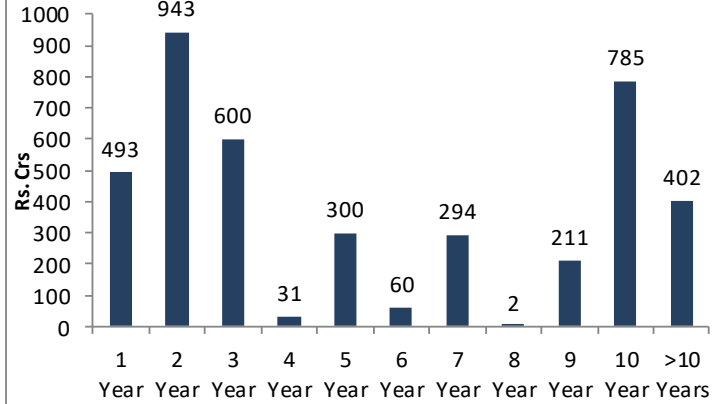
NDF	26-Dec	22-Dec	19-Dec	24-Nov
3 Month	83.38	83.40	83.32	83.55
1 Year	84.73	84.81	84.61	84.66
2 Year	87.35	87.32	86.96	86.81
3 Year	90.38	90.22	89.86	89.21



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	26-Dec	22-Dec	19-Dec	24-Nov
India	7.18	7.19	7.17	7.27
US	3.89	3.91	3.92	4.48
South Korea	3.26	3.31	3.32	3.78
Russia	12.24	12.15	12.36	12.03
Brazil	10.44	10.37	10.61	11.12
Germany	1.98	1.97	2.02	2.65
China	2.60	2.62	2.64	2.71

Top Traded Securities	Volume	20-Dec	19-Dec	13-Dec	21-Nov
7.26 2033	-	7.21	7.21	7.31	7.32
7.06 2028	280	7.34	7.34	7.41	7.39
7.62 2039	-	7.22	7.21	7.31	7.34
7.30 2053	245	7.37	7.37	7.47	7.44
6.64 2035	-	7.31	7.29	7.36	7.37
7.40 2035	350	7.27	7.25	7.35	7.37

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
21-Dec-23	8152	6105	2047

EQUITY	Gross Purchase	Gross Sales	Net Investment
	13555	15077	-1522

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
21707	21182	525

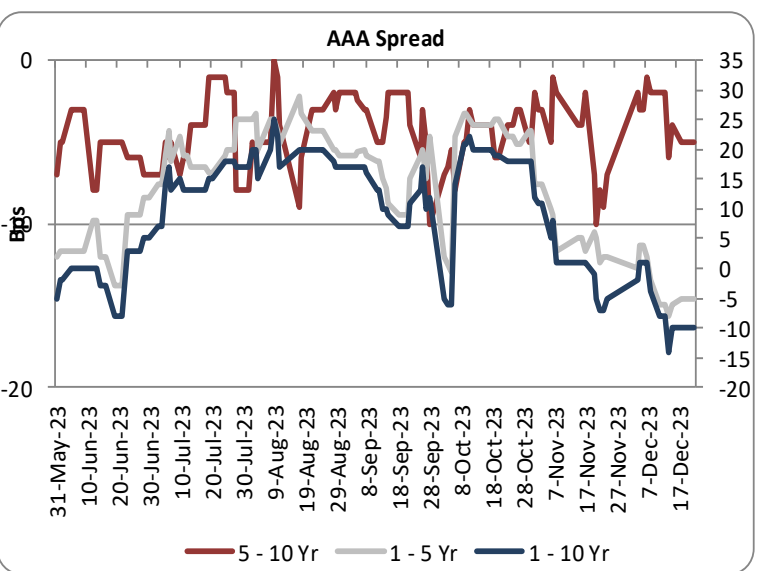
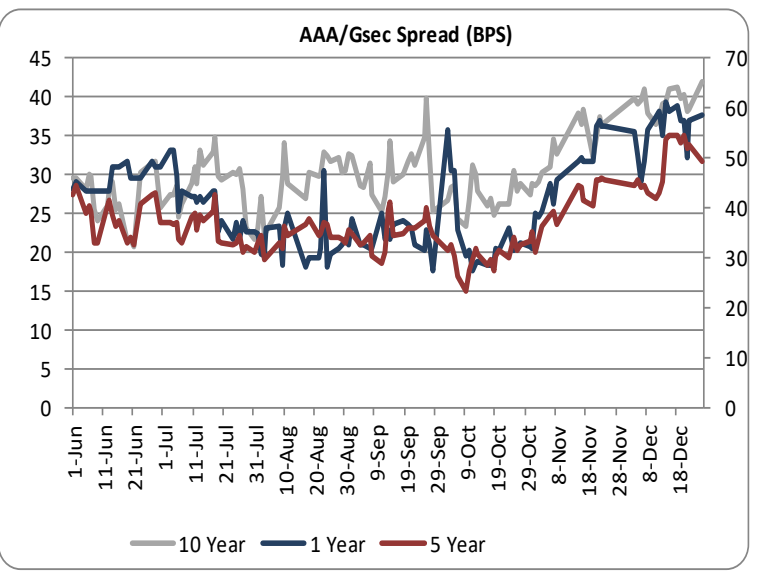
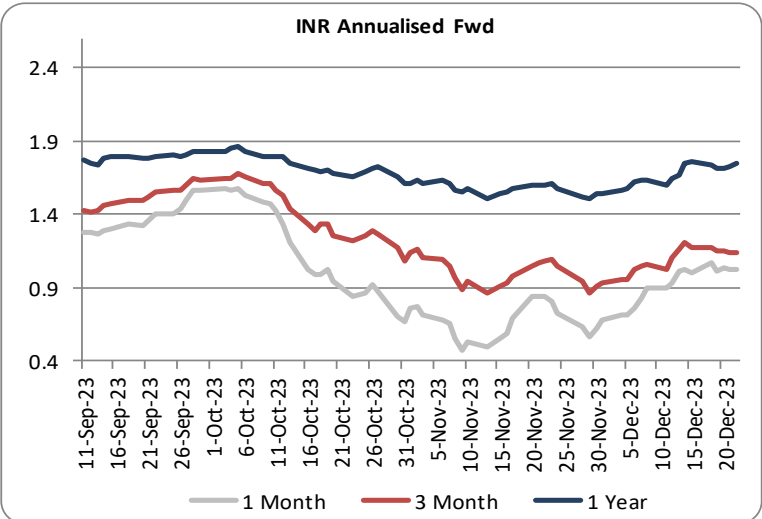
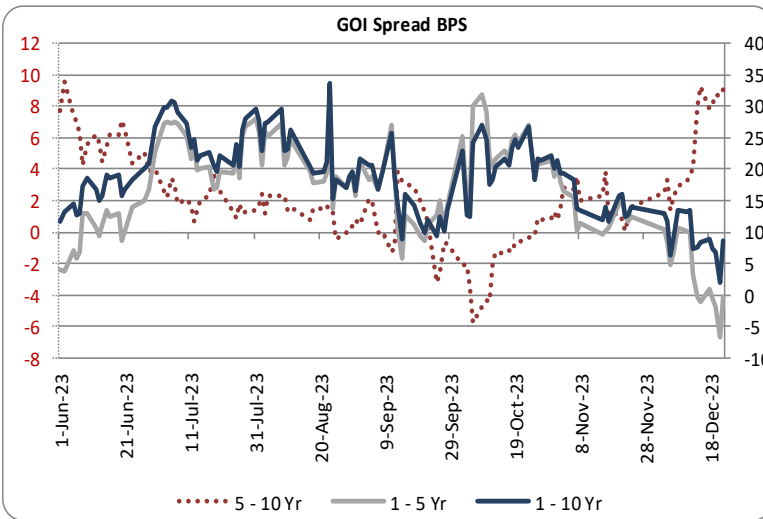
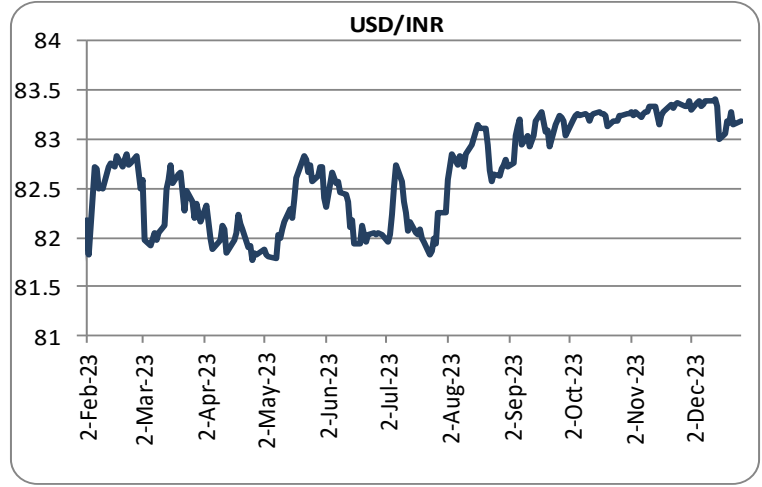
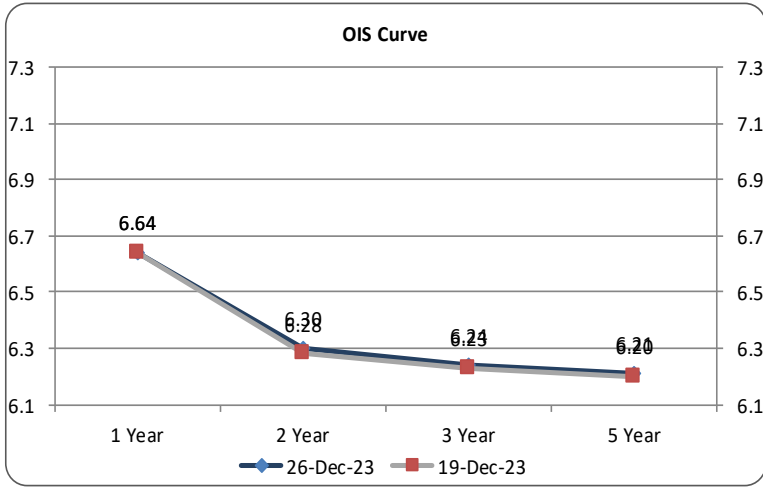
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
26-Dec-23	2499	259	2240

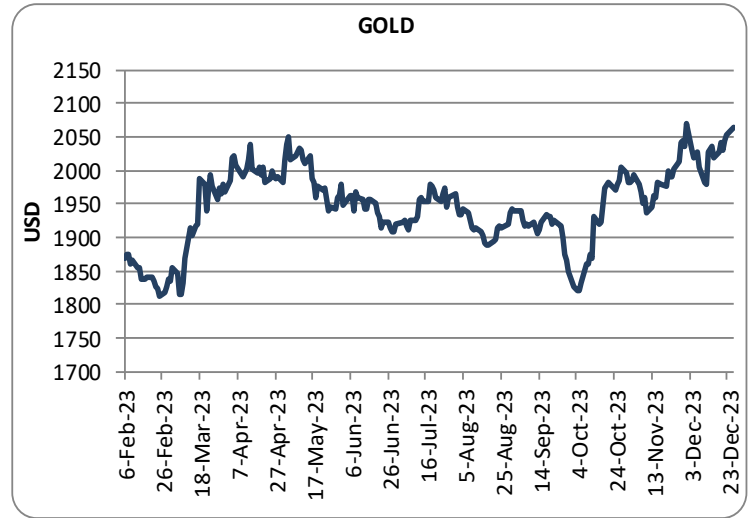
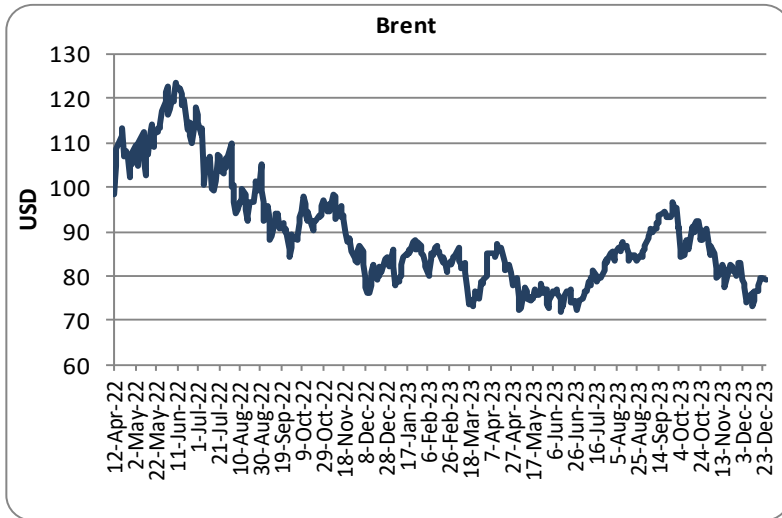
EQUITY	Gross Purchase	Gross Sales	Net Investment
	11728	12304	-576

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
14227	12563	1664

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
Unemployment Rate	Russia	27-Dec-23	2.9	2.9
Industrial Output	Japan	28-Dec-23	3.00	1.10
Retail Sales	Japan	28-Dec-23	5.00	4.20
CPI	Japan	29-Dec-23	3.26	3.30
CPI	Germany	04-Jan-24	3.70	3.20
Industrial Output	Brazil	05-Jan-24	0.20	1.20
Unemployment Rate	USA	05-Jan-24	3.80	3.70
Unemployment Rate	Canada	05-Jan-24	5.90	5.80





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

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