



Indian government bond yields ended largely unchanged on Thursday as traders await fresh supply through the weekly debt sale on Friday, while the overall trading volume remained shallow heading into the end of the quarter and the year.

The 10-year benchmark bond yield ended at 7.2111% after closing at 7.2074% in the previous session.

U.S. yields declined on Wednesday as investors anticipate a mild economic recession heading into 2024, which could push the central bank to cut rates more aggressively than expected.

The odds of a rate cut in March are now around 88%, while the probability of a total of over 150 basis points (bps) of rate cuts in 2024 has risen to 81%, from 76% last week. The U.S. central bank had hinted at 75 bps worth of rate cuts in 2024 in its December meeting.

India's central bank, however, kept the repo rate unchanged at 6.50% earlier this month, with the status quo on stance for the fifth consecutive time. India's monetary policy committee will remain vigilant of inflation risks, with the overall outlook remaining clouded by volatile and uncertain food prices.

Market participants also await Indian states' borrowing calendar for Jan-Mar and anticipate borrowing of around 3.5 trillion rupees.

Oil prices fell roughly 1% on Thursday, as concerns eased about shipping disruptions along the Red Sea route, even as tensions in the Middle East continue to fester.

The Indian rupee strengthened 0.22% to 83.1650 per U.S. dollar on back of expectations around the U.S. Federal Reserve's monetary policy easing cycle.

Repo: The weighted average call rates in the interbank segment decreased to 6.80% vs 6.81% as on the previous day while that the TREP segment decreased to 6.77% vs 6.78% as on the previous day.

Market Observations

G-sec

- Selling was seen in 2025 maturity G-sec and SDLs @7.10 and 7.40 centric levels respectively. Major sellers were banks and Mutual funds.
- Demand was seen in 3-month t-bill by Mutual funds and 1-year t-bill by Life insurance companies.

Corporate Bonds

- Banks selling size in the 2026-2028 segment.
- Mutual funds were active throughout all segments and insurance companies were active in the longer segment.

CP/CD

- Demand was seen in the 3-month segment.

GOI Yield	28-Dec	27-Dec	21-Dec	24-Nov
1 Year	7.100	7.130	7.170	7.130
5 Year	7.116	7.100	7.104	7.254
10 Year	7.211	7.207	7.190	7.270

AAA Bmk	28-Dec	27-Dec	21-Dec	24-Nov
1 Year	7.82	7.82	7.80	7.82
5 Year	7.75	7.75	7.75	7.84
10 Year	7.70	7.70	7.70	7.77

CD	28-Dec	27-Dec	21-Dec	24-Nov
3 Month	7.42	7.45	7.45	7.30
6 Month	7.80	7.80	7.75	7.60
1 Year	7.90	7.90	7.90	7.75

CP	28-Dec	27-Dec	21-Dec	24-Nov
3 Month	7.55	7.70	7.70	7.45
6 Month	7.90	8.00	8.00	7.70
1 Year	8.00	8.05	8.05	7.95

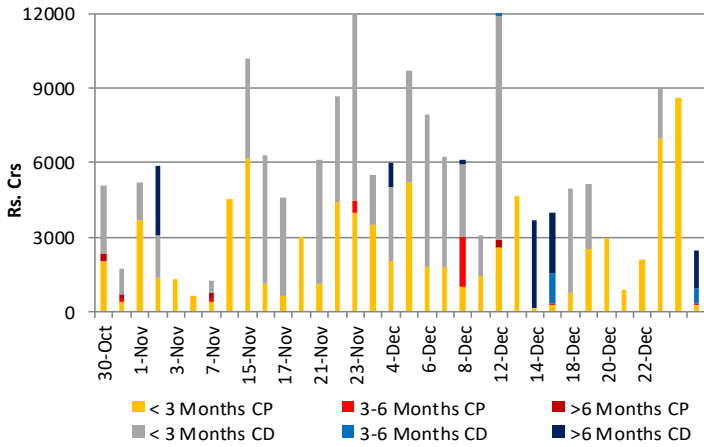
OIS Rate	28-Dec	27-Dec	21-Dec	24-Nov
1 Year	6.64	6.64	6.63	6.92
2 Year	6.30	6.29	6.26	6.65
3 Year	6.25	6.24	6.21	6.63
5 Year	6.20	6.20	6.17	6.60

	28-Dec	27-Dec	21-Dec	24-Nov
Sensex	72,410	72,038	70,865	65,970
Nifty	21,779	21,655	21,255	19,795
USD/INR	83.17	83.35	83.28	83.37
Gold (USD)	2,077	2,077	2,045	2,002
Oil (USD)	78.69	79.65	79.39	80.58

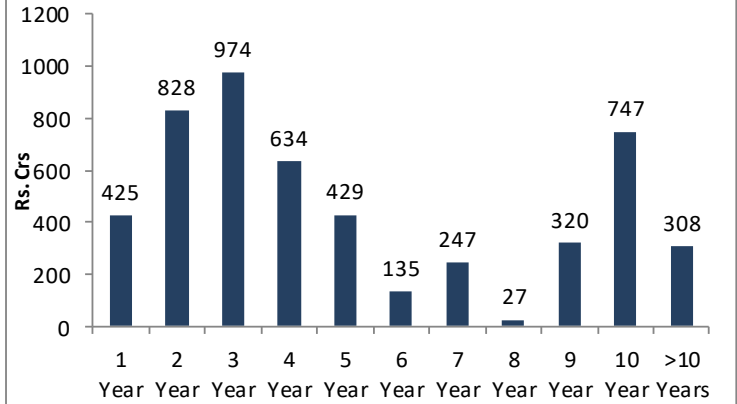
NDF	28-Dec	27-Dec	21-Dec	24-Nov
3 Month	83.38	83.48	83.44	83.55
1 Year	84.69	84.77	84.74	84.66
2 Year	87.35	87.30	87.15	86.81
3 Year	90.34	90.20	90.05	89.21



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	28-Dec	27-Dec	21-Dec	24-Nov
India	7.21	7.21	7.18	7.27
US	3.82	3.79	3.89	4.48
South Korea	3.20	3.26	3.30	3.78
Russia	12.28	12.34	12.18	12.03
Brazil	10.28	10.28	10.44	11.12
Germany	1.92	1.90	1.95	2.65
China	2.59	2.59	2.62	2.71

Top Traded Securities	Volume	20-Dec	19-Dec	13-Dec	21-Nov
7.26 2033	510	7.21	7.21	7.31	7.32
7.06 2028	805	7.34	7.34	7.41	7.39
7.62 2039	-	7.22	7.21	7.31	7.34
7.30 2053	375	7.37	7.37	7.47	7.44
6.64 2035	120	7.31	7.29	7.36	7.37
7.40 2035	175	7.27	7.25	7.35	7.37

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
26-Dec-23	7299	6076	1223

EQUITY	Gross Purchase	Gross Sales	Net Investment
	5703	7402	-1699

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
13002	13478	-476

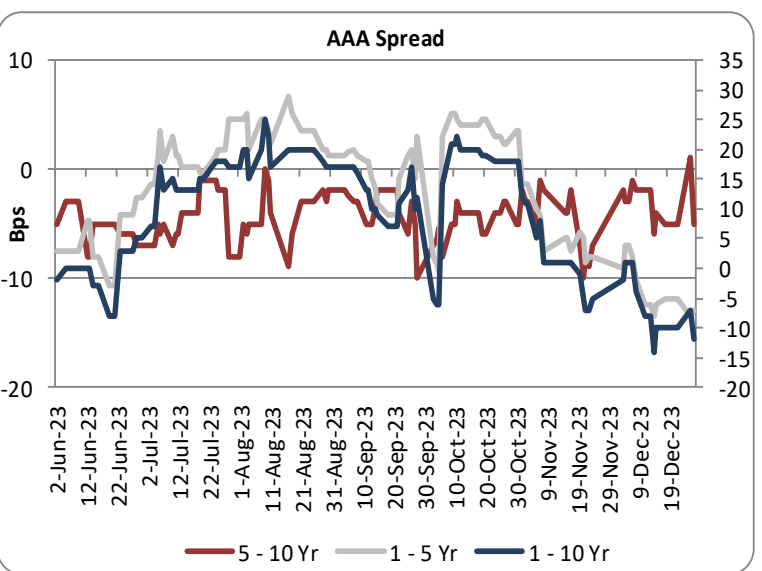
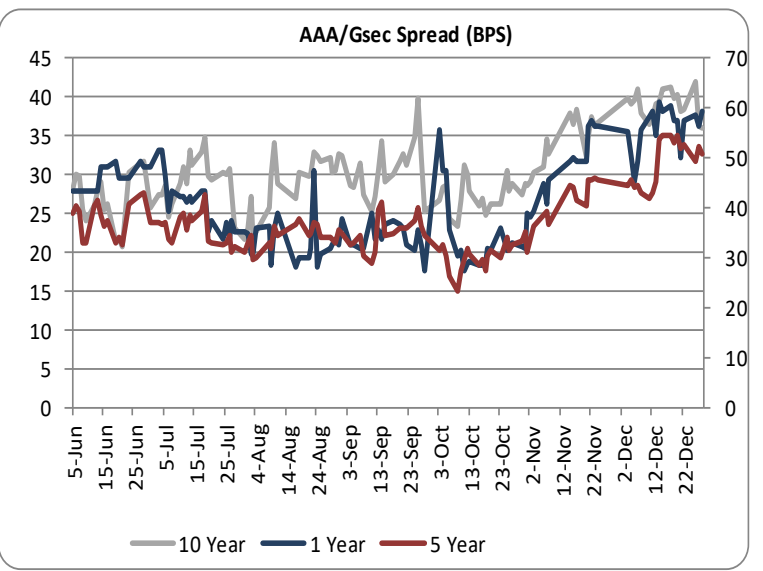
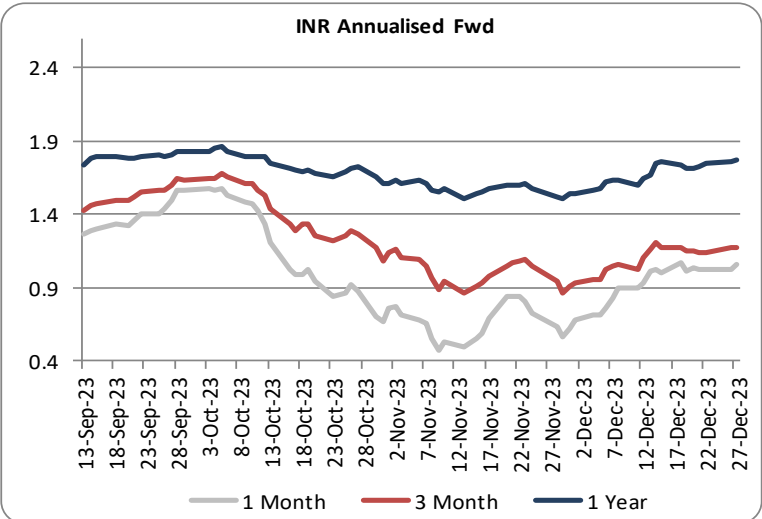
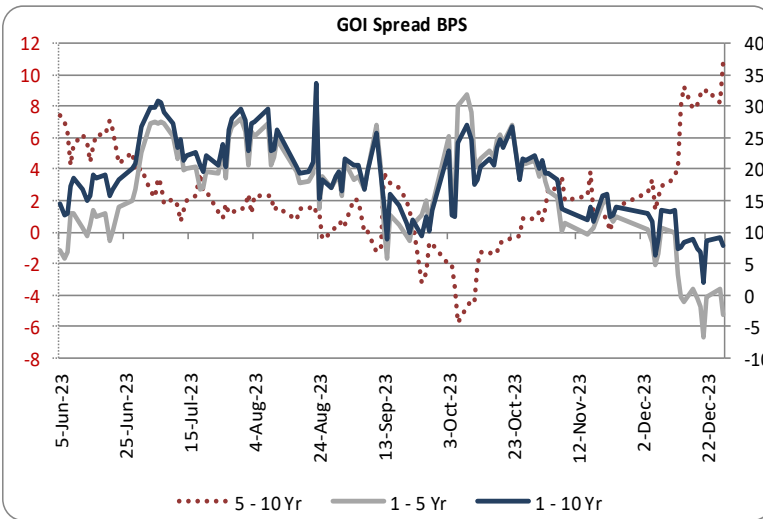
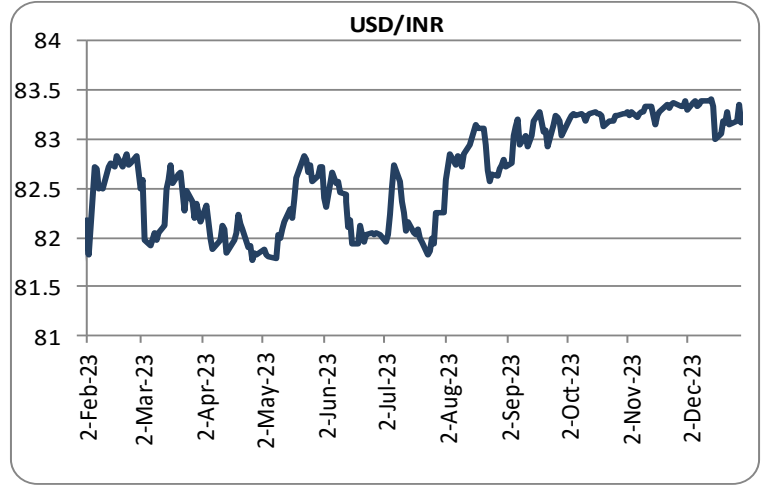
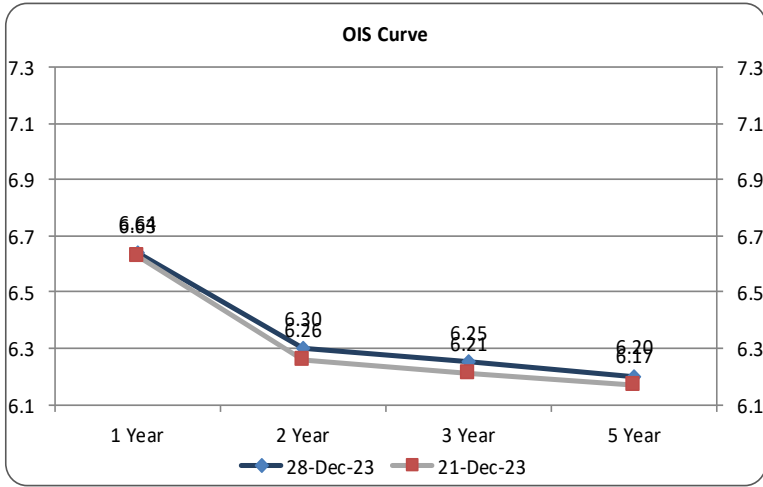
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
28-Dec-23	748	131	616

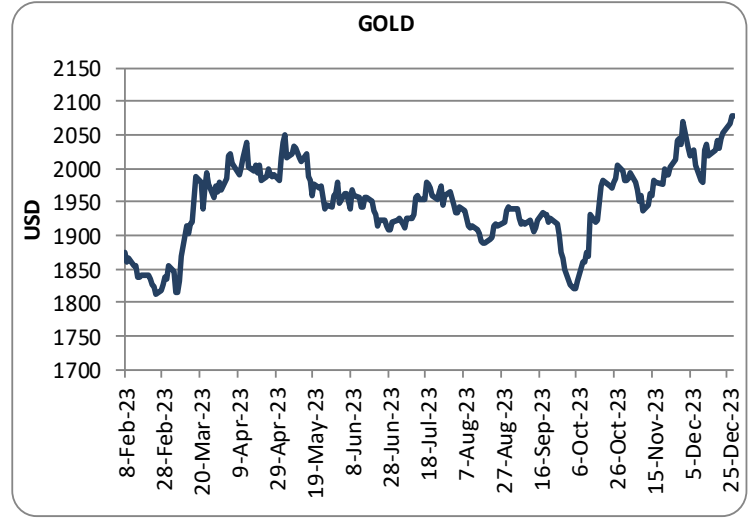
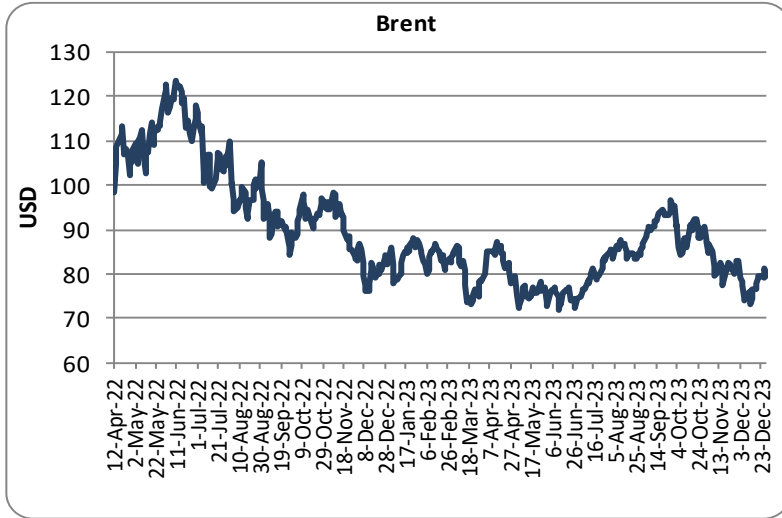
EQUITY	Gross Purchase	Gross Sales	Net Investment
	10904	7701	3203

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
11651	7832	3820

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	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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