



# BONDWATCH

Daily

INDIA

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Indian government bond yields ended the first trading session of the New Year with a marginal uptick after a higher-than-expected borrowing plan by states hurt demand, while traders await a pickup in volumes.

The 10-year benchmark bond yield closed at 7.1969% on Monday, after ending at 7.1754% in the last session of 2023.

The benchmark bond yield ended lower for the second consecutive month in December and closed the year with a drop of 15 basis points (bps).

Indian states aim to raise a record 4.13 trillion rupees (\$49.62 billion) through the sale of bonds in the January-March quarter. The quantum is higher than almost every market estimate. Traders had expected a borrowing of around 3.50 trillion rupees in the last quarter of the fiscal year, ending March 31.

Last week, state-run banks posted their biggest weekly government bond purchases to wrap up 2023 and treasury officials anticipate banks will be large buyers this month as well.

Foreign investment saw a remarkable jump in the last three months of 2023 as the inclusion of Indian bonds in JPMorgan's indexes boosted inflows to a six-year high.

Market participants also anticipate the bond yield curve to "bull steepen" in 2024, on expected interest rate cuts by the U.S. Federal Reserve and the Reserve Bank of India.

The Indian rupee weakened 0.04% versus the U.S. dollar, and quoted at 83.24 per dollar, amid a lack of fresh triggers at the start of the year.

Repo: The weighted average call rates in the interbank segment increased to 6.78% vs 6.43% as on the previous day while that the TREP segment increased to 6.76% vs 6.61% as on the previous day.

GOI Yield	1-Jan	29-Dec	26-Dec	4-Dec
1 Year	7.100	7.080	7.090	7.140
5 Year	7.086	7.087	7.100	7.245
10 Year	7.197	7.175	7.182	7.270

AAA Bmk	1-Jan	29-Dec	26-Dec	4-Dec
1 Year	7.84	7.84	7.80	7.82
5 Year	7.74	7.74	7.72	7.82
10 Year	7.70	7.70	7.73	7.80

CD	1-Jan	29-Dec	26-Dec	4-Dec
3 Month	7.45	7.42	7.45	7.35
6 Month	7.60	7.75	7.75	7.60
1 Year	7.90	7.90	7.90	7.75

CP	1-Jan	29-Dec	26-Dec	4-Dec
3 Month	7.50	7.55	7.70	7.80
6 Month	7.70	7.90	8.00	8.00
1 Year	8.00	8.00	8.05	8.15

OIS Rate	1-Jan	29-Dec	26-Dec	4-Dec
1 Year	6.63	6.62	6.64	6.86
2 Year	6.29	6.28	6.30	6.57
3 Year	6.24	6.22	6.24	6.53
5 Year	6.20	6.18	6.21	6.49

	1-Jan	29-Dec	26-Dec	4-Dec
Sensex	72,272	72,240	71,337	68,865
Nifty	21,742	21,731	21,441	20,687
USD/INR	83.24	83.21	83.19	83.37
Gold (USD)	-	2,063	2,067	2,030
Oil (USD)	77.04	77.04	81.07	78.03

NDF	1-Jan	29-Dec	26-Dec	4-Dec
3 Month	83.48	83.52	83.43	83.62
1 Year	84.64	84.66	84.74	84.81
2 Year	87.23	87.19	87.27	87.21
3 Year	90.16	90.09	90.17	90.06

## Market Observations

### G-sec

- SDL market got given as Q4 state loan borrowing clocked at 4.13L crore which is way above projected volume.

- 10 and 11-year SDL got traded @7.70 centric level. Major buyers were nationalized banks and insurance companies.

### Corporate Bonds

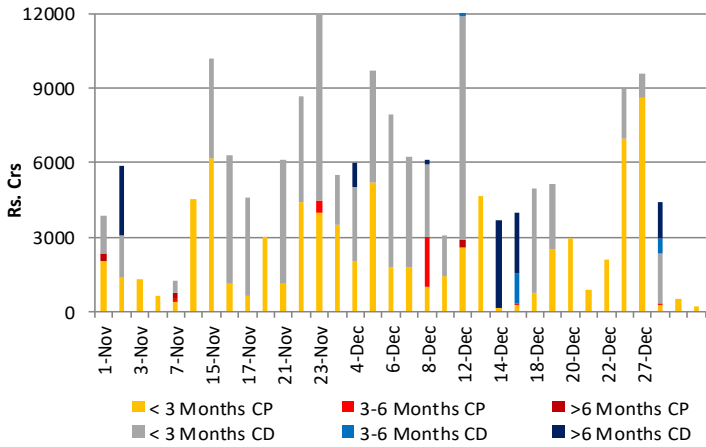
- Major activity was seen in the 2024-2026 segment.

### CP/CD

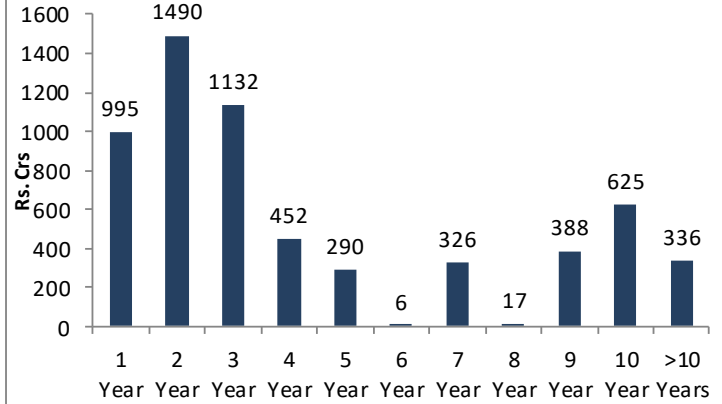
- Demand was seen in the 1 and 2-month segment.



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	1-Jan	29-Dec	26-Dec	4-Dec
India	7.20	7.18	7.18	7.27
US	3.86	3.86	3.89	4.29
South Korea	3.18	3.18	3.26	3.62
Russia	12.30	12.30	12.29	12.28
Brazil	10.36	10.36	10.45	10.91
Germany	2.02	2.03	1.97	2.35
China	2.58	2.58	2.60	2.69

Top Traded Securities	Volume	20-Dec	19-Dec	13-Dec	21-Nov
7.26 2033	355	7.21	7.21	7.31	7.32
7.06 2028	325	7.34	7.34	7.41	7.39
7.62 2039	-	7.22	7.21	7.31	7.34
7.30 2053	1,390	7.37	7.37	7.47	7.44
6.64 2035	-	7.31	7.29	7.36	7.37
7.40 2035	15	7.27	7.25	7.35	7.37

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
28-Dec-23	21389	23205	-1817

EQUITY	Gross Purchase	Gross Sales	Net Investment
	7901	9098	-1197

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
29290	32303	-3013

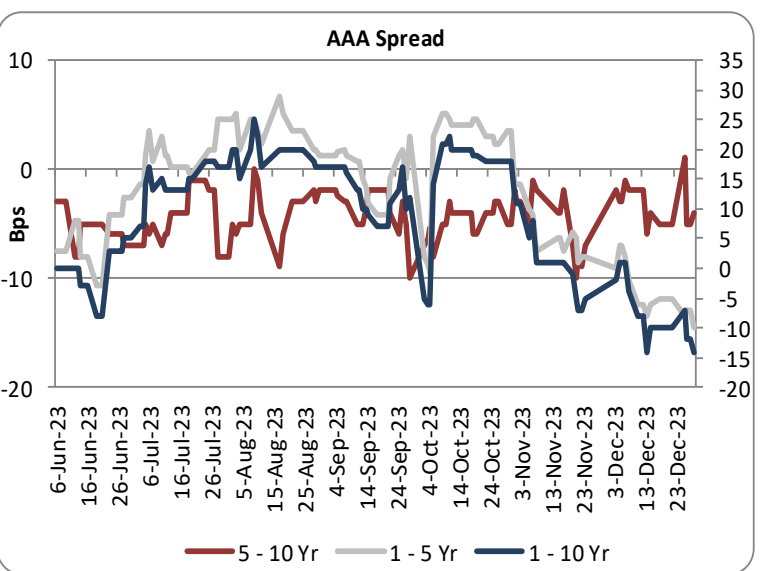
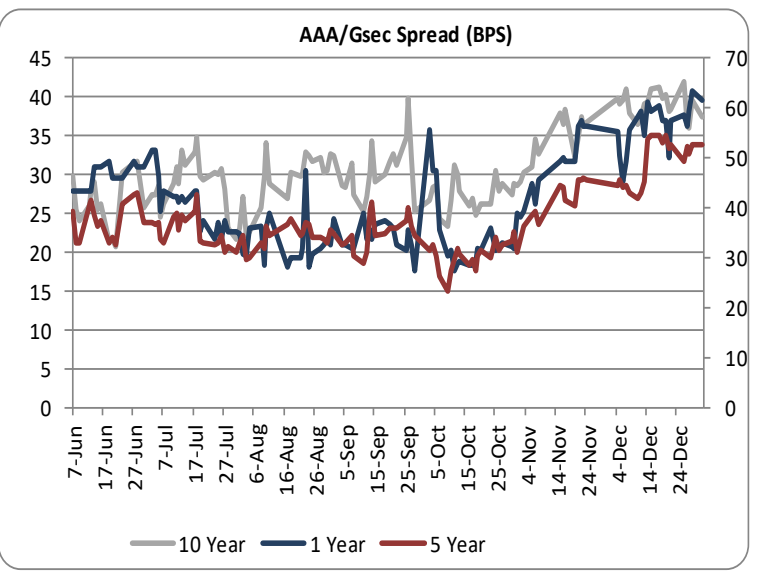
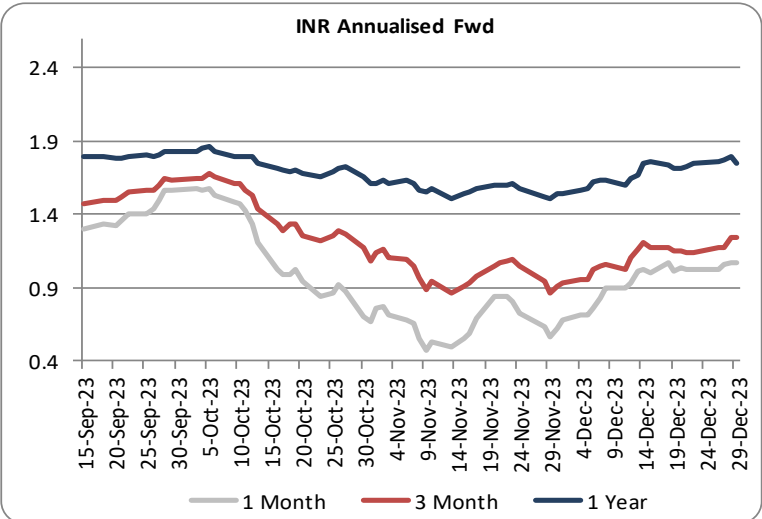
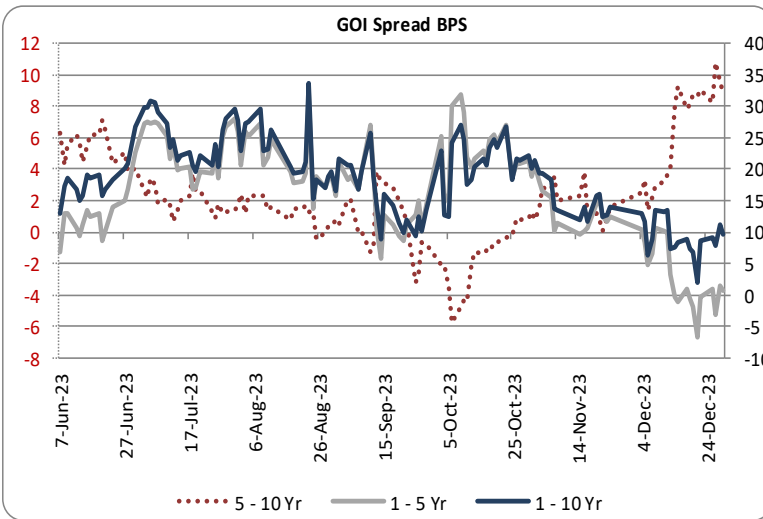
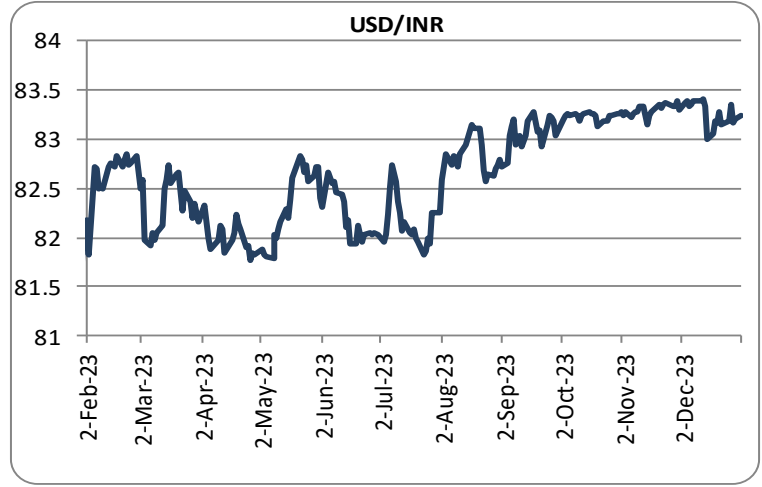
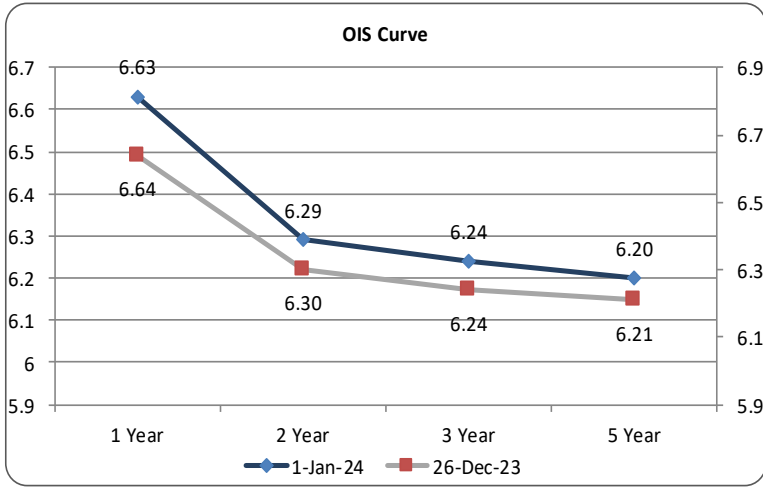
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
1-Jan-24	1757	391	1366

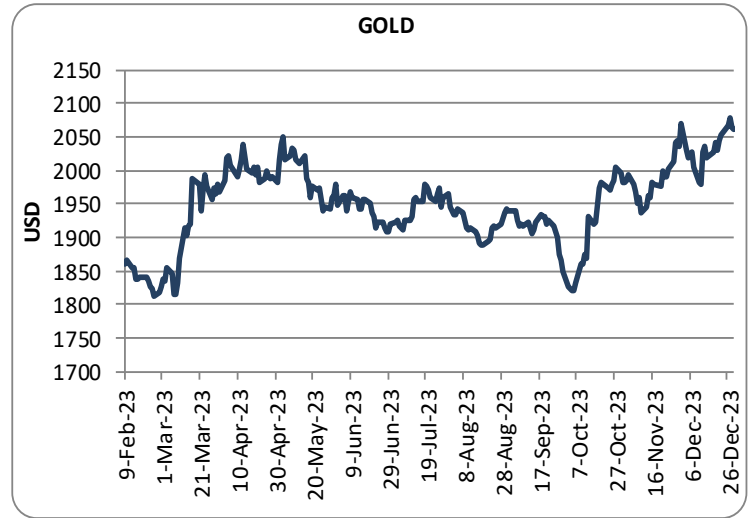
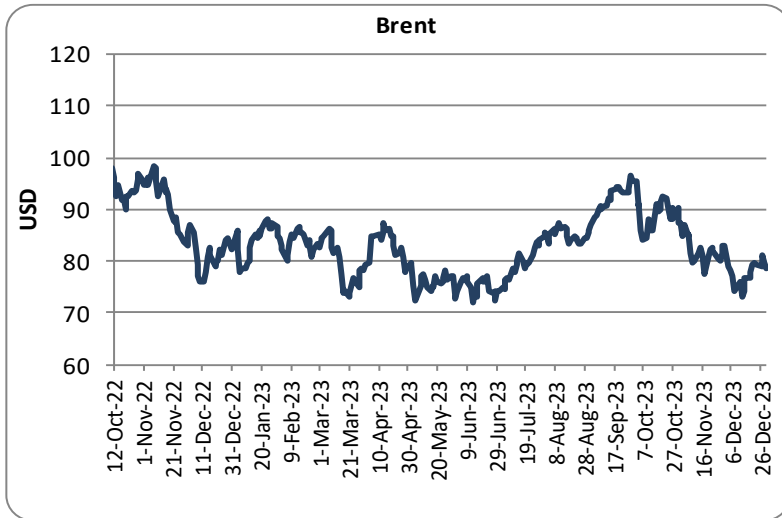
EQUITY	Gross Purchase	Gross Sales	Net Investment
	10643	8535	2108

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
12399	8926	3473

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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