



INDIA

Indian government bond yields plummeted this week, with the benchmark yield posting its biggest drop in 15 months, as investors cheered a fiscally-prudent federal budget and as U.S. Treasury yields nosedived.

India's benchmark 10-year yield ended at a 7-month low of 7.0555%, against the previous close of 7.0583%. The yield fell 12 basis points this week, the sharpest decline since Nov. 11, 2022.

India's government, in its interim budget for the next fiscal year, said that it aims to reduce the fiscal deficit to 5.1% of gross domestic product, from a downwardly revised 5.8% for this financial year.

It will aim to gross borrow 14.13 trillion rupees (\$170.50 billion) via bonds in the next fiscal that starts April 1, sharply below expectations and also lower than current year's planned borrowing.

Market participants now await the Indian central bank's decision, due on Thursday, with most expecting no change in rates.

Meanwhile, U.S. Treasury yields dropped this week amid rising safe-haven demand, with the 10-year yield falling over 25 basis points to trade below 3.90%.

OPEC+ group decided to keep its production policy unchanged but benchmarks saw weekly losses as demand from China is still lower.

The Indian rupee strengthened 0.06% versus the U.S. dollar, and quoted at 82.91 per dollar on likely dollar demand from state-run banks.

Repo: The weighted average call rates in the interbank segment decreased to 6.56% vs 6.74% as on the previous day while that the TREP segment decreased to 6.32% vs 6.58% as on the previous day.

Market Observations

G-sec

- G-sec cut off was in line with market expectations.
- Selling was seen in 2026 and 2027 Maturity illiquid G-sec by insurance companies and mutual funds.

Corporate Bonds

- Mutual funds and banks were active on the buying as well as selling side in mid and longer segment.

CP/CD

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

GOI Yield	2-Feb	1-Feb	25-Jan	3-Jan
1 Year	7.100	7.130	7.150	7.100
5 Year	6.984	6.990	7.043	7.097
10 Year	7.056	7.058	7.176	7.216

AAA Bmk	2-Feb	1-Feb	25-Jan	3-Jan
1 Year	7.90	7.90	7.90	7.83
5 Year	7.62	7.62	7.67	7.76
10 Year	7.60	7.60	7.70	7.68

CD	2-Feb	1-Feb	25-Jan	3-Jan
3 Month	7.80	7.80	7.80	7.60
6 Month	7.85	7.85	7.85	7.70
1 Year	7.88	7.88	7.90	7.90

CP	2-Feb	1-Feb	25-Jan	3-Jan
3 Month	7.90	7.90	7.90	7.70
6 Month	7.95	7.95	7.95	7.80
1 Year	8.00	8.00	8.00	8.00

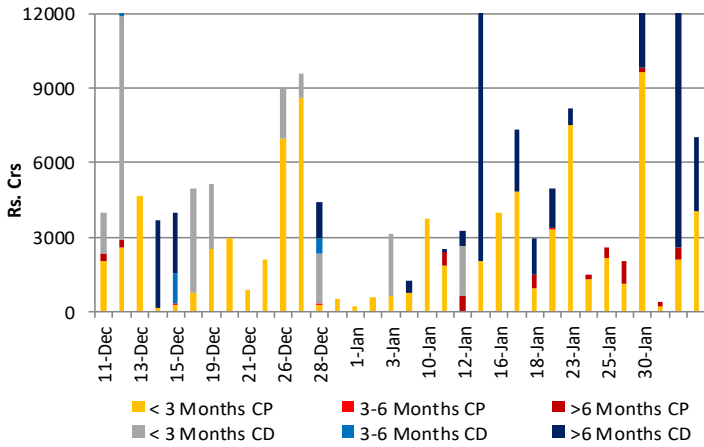
OIS Rate	2-Feb	1-Feb	25-Jan	3-Jan
1 Year	6.57	6.58	6.60	6.66
2 Year	6.21	6.23	6.26	6.33
3 Year	6.17	6.17	6.22	6.30
5 Year	6.11	6.13	6.19	6.25

	2-Feb	1-Feb	25-Jan	3-Jan
Sensex	72,086	71,645	70,701	71,357
Nifty	21,854	21,697	21,353	21,517
USD/INR	82.92	82.97	83.12	83.28
Gold (USD)	2,055	2,055	2,020	2,041
Oil (USD)	79.14	78.70	82.43	78.25

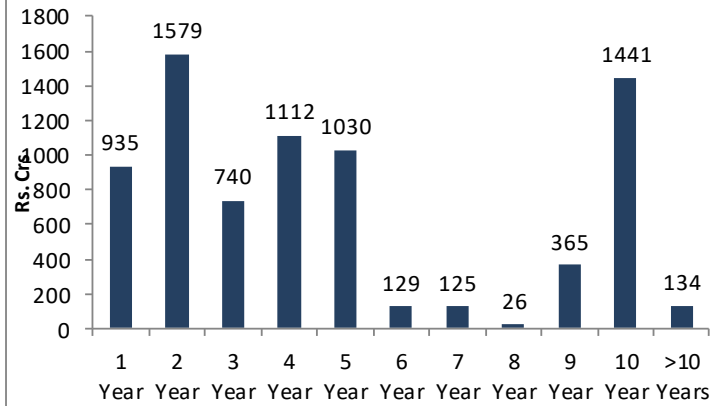
NDF	2-Feb	1-Feb	25-Jan	3-Jan
3 Month	83.07	83.24	83.45	83.61
1 Year	84.42	84.48	84.67	84.76
2 Year	86.85	86.89	87.02	87.30
3 Year	89.71	89.64	89.92	90.30



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	2-Feb	1-Feb	25-Jan	3-Jan
India	7.06	7.06	7.17	7.22
US	3.88	3.86	4.13	3.91
South Korea	3.29	3.34	3.42	3.34
Russia	12.37	12.30	12.21	12.34
Brazil	10.56	10.55	10.68	10.47
Germany	2.16	2.14	2.28	2.02
China	2.44	2.44	2.51	2.58

Top Traded Securities	Volume	24-Jan	23-Jan	17-Jan	26-Dec
7.26 2033	4,970	7.21	7.20	7.19	7.22
7.06 2028	3,155	7.26	7.28	7.28	7.36
7.62 2039	-	7.20	7.20	7.19	0.00
7.30 2053	1,305	7.36	7.36	7.37	7.41
6.64 2035	395	#N/A	7.26	7.25	7.27
7.40 2035	1,380	7.26	7.25	7.26	7.29

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
30-Jan-24	10234	9543	691

EQUITY		
Gross Purchase	Gross Sales	Net Investment
8447	10464	-2017

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
18681	20007	-1326

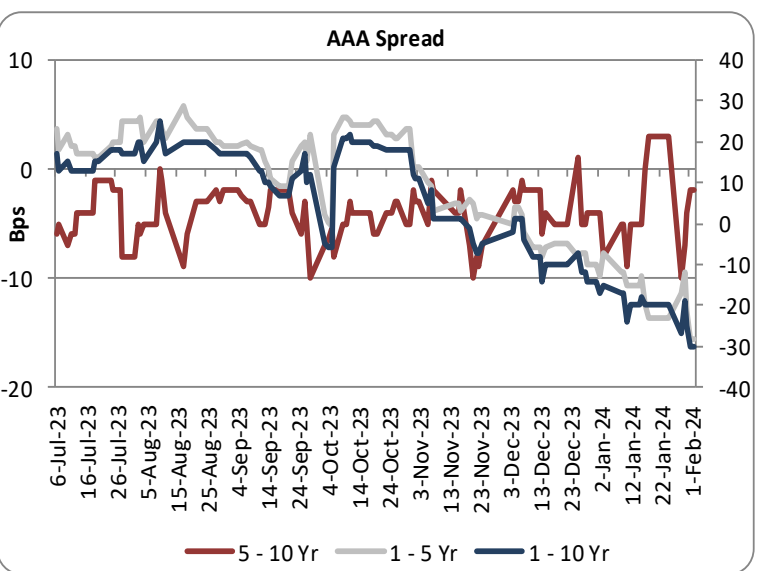
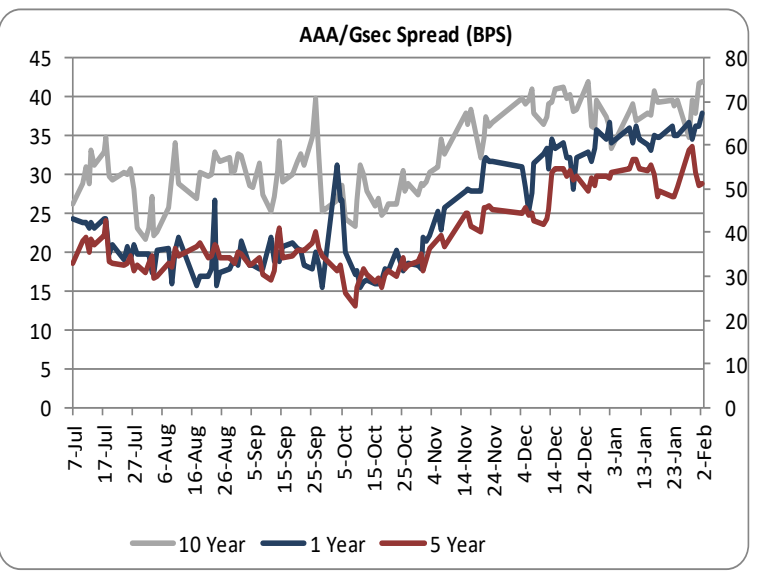
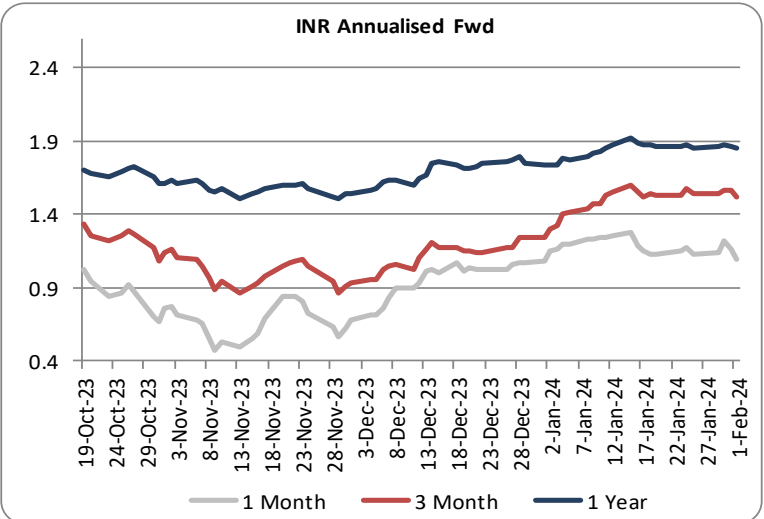
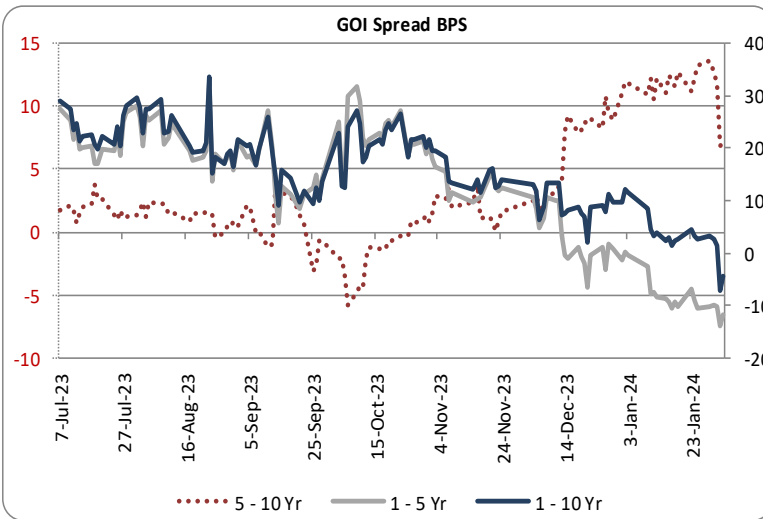
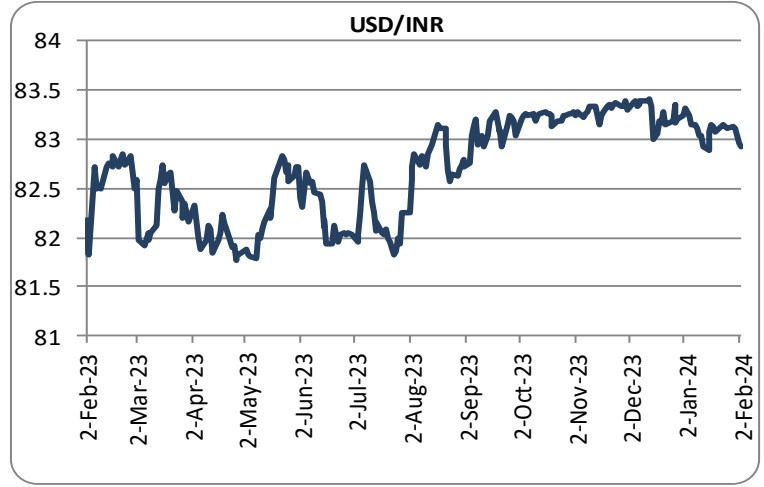
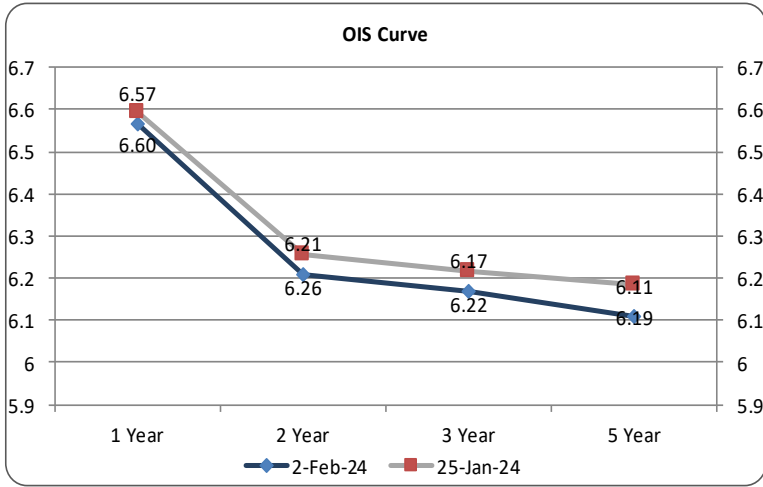
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
2-Feb-24	2951	684	2268

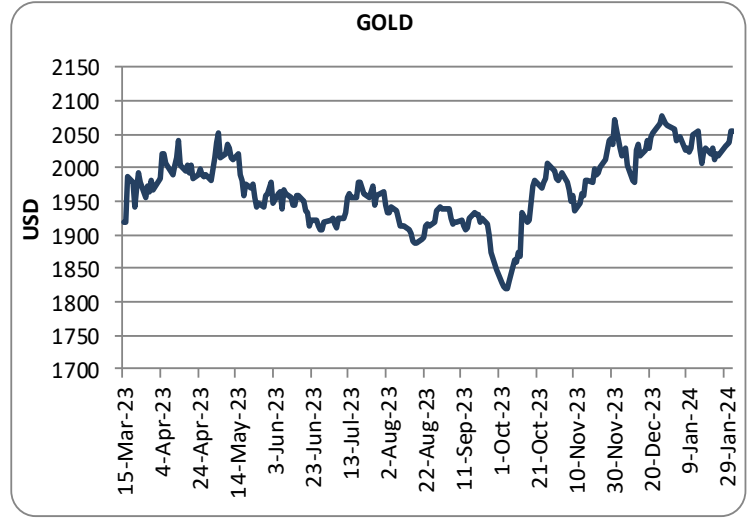
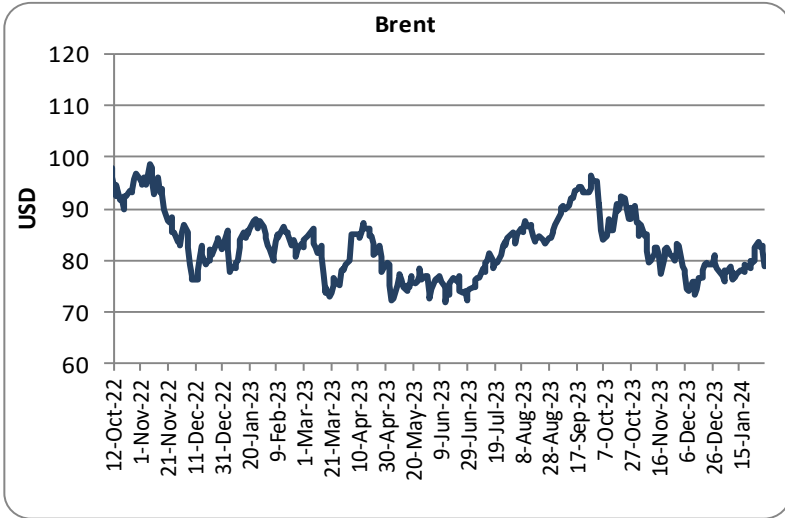
EQUITY		
Gross Purchase	Gross Sales	Net Investment
19034	18721	313

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
21985	19405	2580

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	Jan-24	56.5	54.9
PMI Service	Dec-23	59	56.9

Economic Calender	Country	Date	Poll	Prior
BOE Bank Rate	UK	1-Feb-24	5.25	5.25
CPI	Japan	02-Feb-24	2.90	3.20
Industrial Output	Brazil	02-Feb-24	0.10	1.30
Retail Sales	Euro Zone	06-Feb-24	-	(1.10)
CPI	China	08-Feb-24	-	(0.30)
CRR	India	08-Feb-24	-	4.50
CPI	India	12-Feb-24	-	5.69
Industrial Output	India	12-Feb-24	-	2.40





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

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