



INDIA

Indian government bond yields ended higher on Monday, reversing some declines from last week, tracking a surge in U.S. Treasury yields after strong economic data dampened aggressive Federal Reserve's rate-cut bets.

India's benchmark 10-year yield ended at 7.0937%, compared with the previous close of 7.0555%.

U.S. yields jumped, with the 10-year yield staying around the 4.10% handle, as non-farm payrolls increased by 353,000 jobs last month, nearly double the 180,000 that economists polled by Reuters had estimated.

Revised data for December showed 333,000 jobs were added instead of 216,000 as previously reported, which led investors to further trim bets over the timing and pace of Fed rate cuts in 2024.

The odds for a rate cut in March have now dropped to around 15% from 66% last month, while the odds for a 150-bps point rate cut in 2024 have also plummeted to just 25% from a near certainty earlier.

Domestic bond yields dropped last week after India said it will aim to reduce the fiscal deficit to 5.1% of gross domestic product, in the next financial year and will aim to gross borrow 14.13 trillion rupees (\$170.21 billion) via bonds, sharply below expectations.

The central bank's monetary policy outcome is due on Thursday, when it is expected to hold its key interest rate steady at 6.50% as per market expectations.

The Indian rupee weakened 0.17% to 83.05 per U.S. dollar, weighed down by greenback demand from local oil companies and a jump in U.S. Treasury yields which also hurt the rupee's Asian peers.

Repo: The weighted average call rates in the interbank segment increased to 6.47% vs 6.10% as on the previous day while that the TREP segment increased to 6.28% vs 6.09% as on the previous day.

Market Observations

G-sec

- Good buying demand was visible in 2025 / 2026 G-sec by banks between 7.01 to 7.04 levels.
- Longer end switch was in demand between foreign banks and insurance companies.

Corporate Bonds

- Major activity seen up to the 2027 segment.
- Mutual funds, banks as well as life insurance companies were active on the buying as well as selling side in the 2025-2027 segment.

CP/CD

- Demand was seen in the 3-month segment.

GOI Yield	5-Feb	2-Feb	29-Jan	9-Jan
1 Year	7.100	7.100	7.140	7.105
5 Year	7.022	6.984	7.037	7.079
10 Year	7.094	7.056	7.174	7.188

AAA Bmk	5-Feb	2-Feb	29-Jan	9-Jan
1 Year	7.90	7.90	7.92	7.87
5 Year	7.62	7.62	7.75	7.75
10 Year	7.60	7.60	7.65	7.70

CD	5-Feb	2-Feb	29-Jan	9-Jan
3 Month	7.80	7.80	7.80	7.55
6 Month	7.85	7.85	7.85	7.70
1 Year	7.85	7.88	7.90	7.90

CP	5-Feb	2-Feb	29-Jan	9-Jan
3 Month	7.95	7.90	7.90	7.80
6 Month	7.95	7.95	7.95	7.85
1 Year	8.00	8.00	8.00	8.00

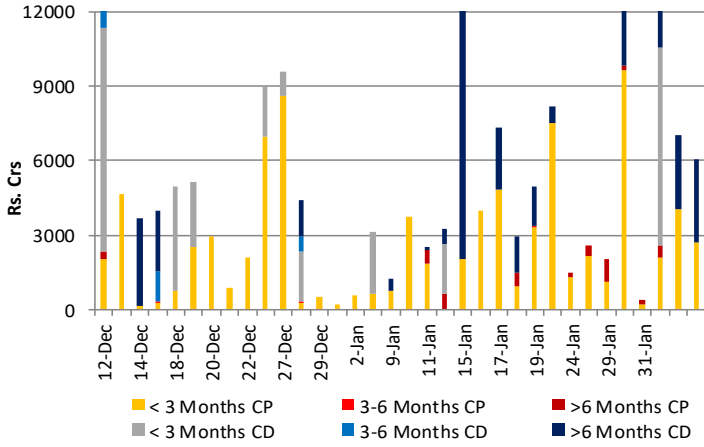
OIS Rate	5-Feb	2-Feb	29-Jan	9-Jan
1 Year	6.62	6.57	6.59	6.65
2 Year	6.28	6.21	6.25	6.33
3 Year	6.24	6.17	6.22	6.27
5 Year	6.21	6.11	6.19	6.23

	5-Feb	2-Feb	29-Jan	9-Jan
Sensex	71,731	72,086	71,942	71,386
Nifty	21,772	21,854	21,738	21,545
USD/INR	83.06	82.92	83.13	83.12
Gold (USD)	2,026	2,039	2,032	2,030
Oil (USD)	76.87	77.33	82.40	77.59

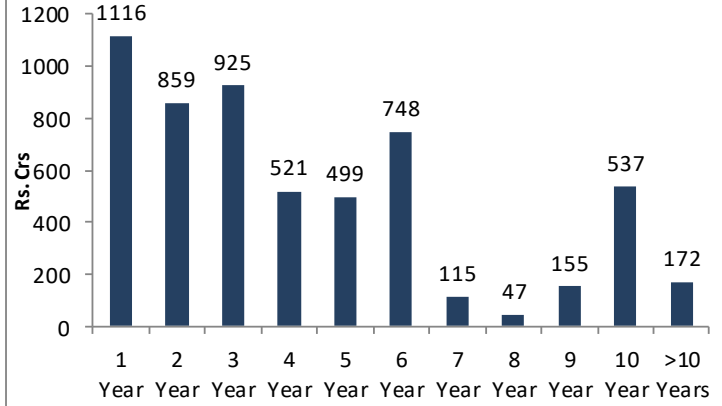
NDF	5-Feb	2-Feb	29-Jan	9-Jan
3 Month	83.20	83.30	83.44	83.43
1 Year	84.52	84.50	84.67	84.63
2 Year	86.84	86.91	87.03	87.09
3 Year	89.73	89.66	89.83	89.99



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	5-Feb	2-Feb	29-Jan	9-Jan
India	7.10	7.05	7.17	7.19
US	4.08	4.03	4.09	4.02
South Korea	3.37	3.29	3.44	3.32
Russia	12.35	12.35	12.27	12.50
Brazil	10.66	10.66	10.62	10.66
Germany	2.27	2.23	2.24	2.19
China	2.40	2.44	2.50	2.54

Top Traded Securities	Volume	24-Jan	23-Jan	17-Jan	26-Dec
7.26 2033	1,260	7.21	7.20	7.19	7.22
7.06 2028	195	7.26	7.28	7.28	7.36
7.62 2039	-	7.20	7.20	7.19	0.00
7.30 2053	460	7.36	7.36	7.37	7.41
6.64 2035	225	#N/A	7.26	7.25	7.27
7.40 2035	495	7.26	7.25	7.26	7.29

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
1-Feb-24	10095	10104	-9

	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
1-Feb-24	9227	10002	-775

	TOTAL (Rs.Crs)		
	Gross Purchase	Gross Sales	Net Investment
1-Feb-24	19322	20106	-784

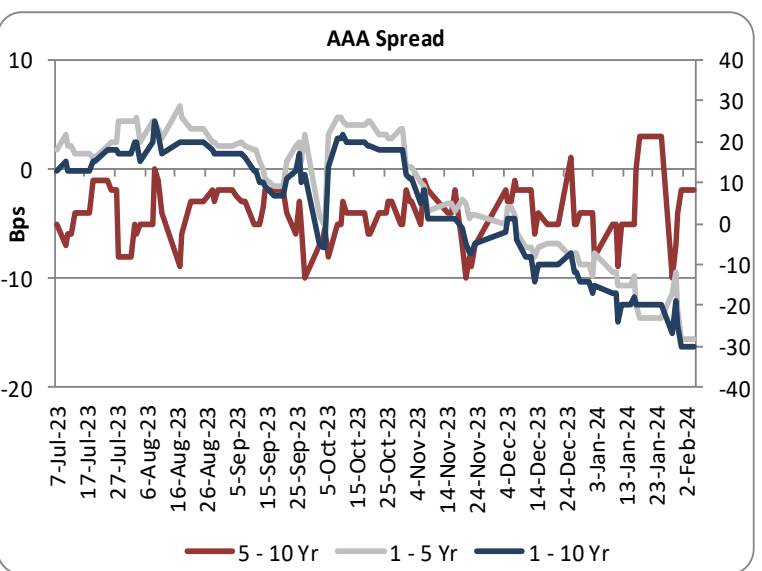
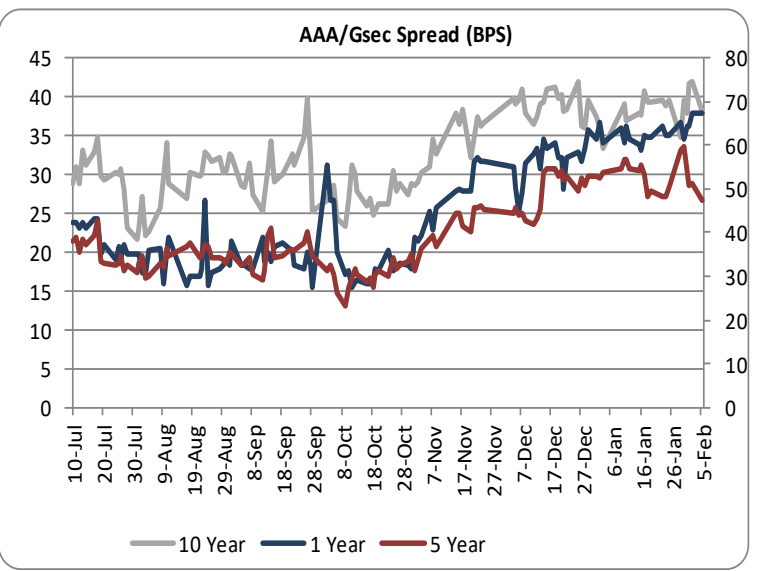
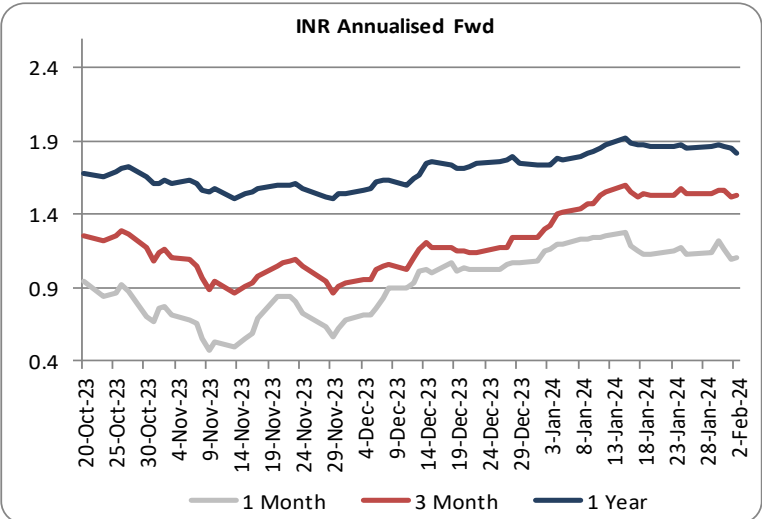
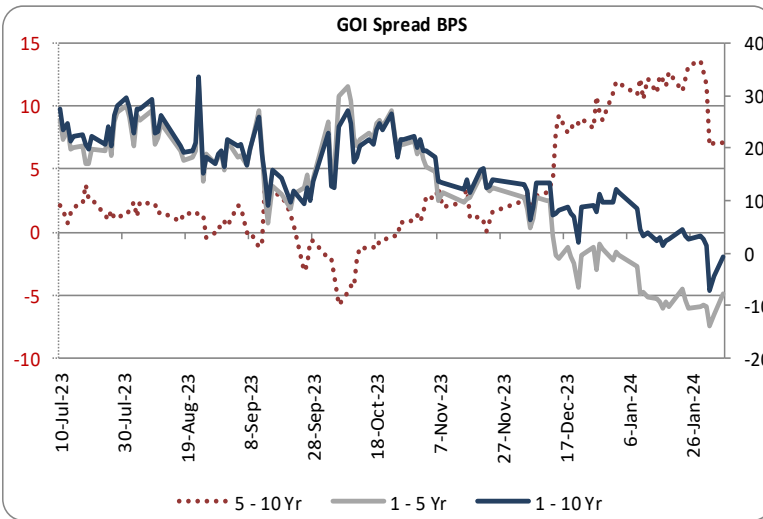
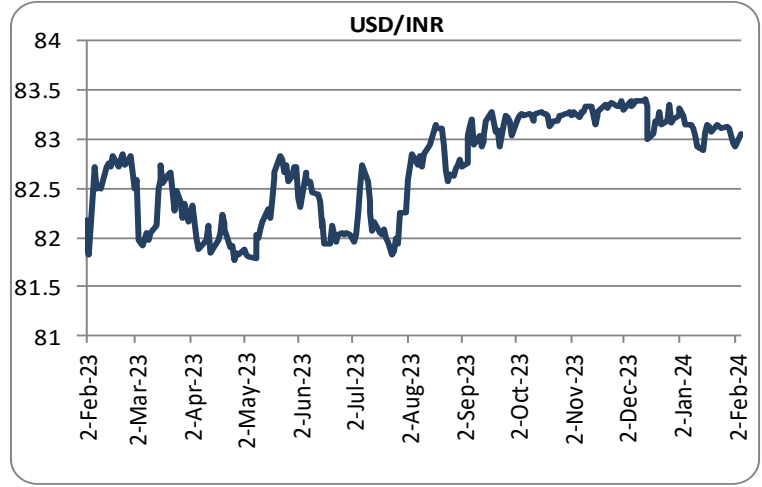
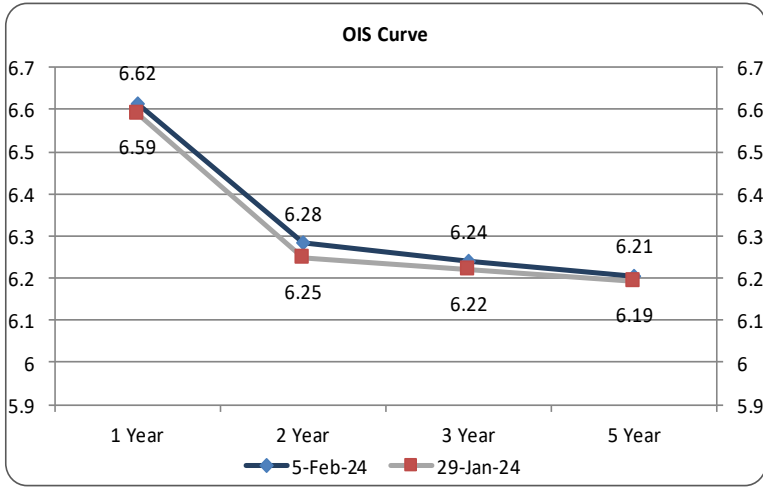
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
5-Feb-24	5307	2407	2900

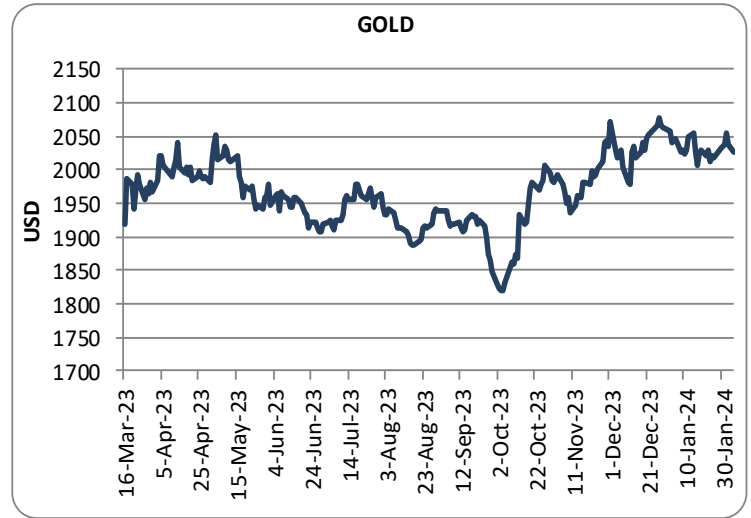
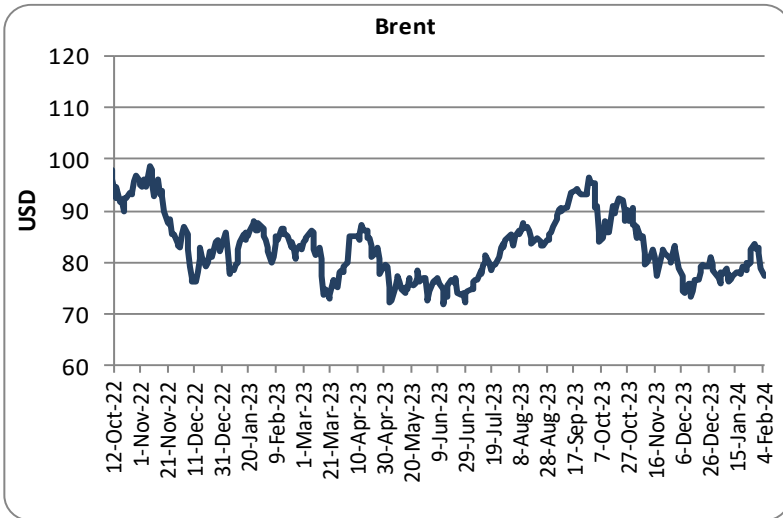
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
5-Feb-24	15614	15385	228

	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
5-Feb-24	20921	17792	3129

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	Jan-24	61.8	59

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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