



Indian government bond yields ended marginally lower on Wednesday, tracking another decline in U.S yields, but the fall remained capped as the major focus stayed on the local central bank's monetary policy decision.

The 10-year benchmark bond yield ended at 7.2528%, after closing the previous session at 7.2571%.

The Reserve Bank of India (RBI) is expected to hold rates at 6.50% for a fifth consecutive meeting at its monetary policy meeting on Friday.

Traders expect the policy guidance to have a hawkish undertone, with the nation's overnight index swap market signaling that the RBI will not rush to cut interest rates even if the U.S. Federal Reserve begins rate cuts early next year.

Meanwhile, U.S. yields tumbled on Tuesday on concerns about slowing U.S. economic growth after a report showed job openings hit the lowest level in more than 30 months in October, reaffirming expectations of a policy pivot by the Federal Reserve in the first half of 2024.

The Job Openings and Labor Turnover Survey, or JOLTS report, along with a softer inflation reading, has boosted hopes that the Fed's policy tightening cycle is done. The odds of a rate cut in March is now close to 63%, with the odds for aggregate rate cuts of 125 bps in 2024 also above 50%

The 10-year U.S. yield dropped to 4.16% for the first time in over three months, and remained below 4.20%.

The Indian rupee strengthened 0.08% versus the U.S. dollar, and quoted at 83.33 per dollar, aided by equity-related inflows, even as sustained dollar demand from local oil companies ate into some of the domestic unit's gains.

Repo: The weighted average call rates in the interbank segment decreased to 6.70% vs 6.72% as on the previous day while that the TREP segment decreased to 6.73% vs 6.74% as on the previous day.

Market Observations

G-sec

- Demand was seen in 2 and 3-year G-sec by foreign banks @7.20 to 7.25 levels. Major sellers were FPI and Mutual funds.
- T-bill cut off was in line with market expectation.
- Demand was seen in 30 and 40-year G-sec by life insurance companies at 7.48, 7.49 levels

Corporate Bonds

- Mutual funds were active on both sides up to 2026 maturity.

CP/CD

- Activity was seen in the 3-month segment.

GOI Yield	6-Dec	5-Dec	21-Nov	6-Nov
1 Year	7.190	7.140	7.110	7.125
5 Year	7.239	7.224	7.263	7.281
10 Year	7.253	7.257	7.271	7.307

AAA Bmk	6-Dec	5-Dec	21-Nov	6-Nov
1 Year	0.00	7.77	7.80	7.70
5 Year	0.00	7.81	7.85	7.80
10 Year	0.00	7.78	7.75	7.75

CD	6-Dec	5-Dec	21-Nov	6-Nov
3 Month	7.35	7.35	7.30	7.25
6 Month	7.65	7.60	7.60	7.55
1 Year	7.85	7.75	7.75	7.70

CP	6-Dec	5-Dec	21-Nov	6-Nov
3 Month	7.80	7.80	7.45	7.35
6 Month	8.00	8.00	7.70	7.65
1 Year	8.15	8.15	7.95	7.80

OIS Rate	6-Dec	5-Dec	21-Nov	6-Nov
1 Year	6.85	6.85	6.90	6.88
2 Year	6.54	6.56	6.61	6.59
3 Year	6.49	6.50	6.57	6.55
5 Year	6.45	6.47	6.53	6.56

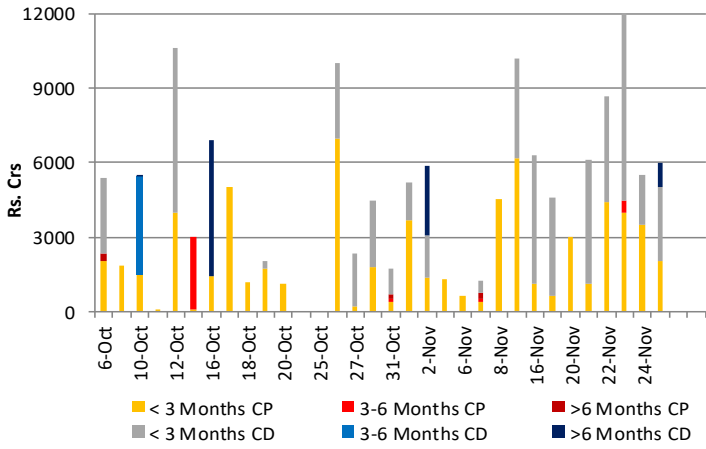
	6-Dec	5-Dec	21-Nov	6-Nov
Sensex	69,654	69,296	65,931	64,959
Nifty	20,938	20,855	19,783	19,412
USD/INR	83.33	83.38	83.36	83.22
Gold (USD)	2,019	2,019	1,998	1,978
Oil (USD)	76.44	77.20	82.45	85.18

10 Year Benchmarks	6-Dec	5-Dec	21-Nov	6-Nov
India	7.25	7.26	7.27	7.31
US	4.20	4.17	4.42	4.66
South Korea	3.52	3.59	3.73	4.06
Russia	12.36	12.36	11.99	11.98
Brazil	11.08	11.01	11.17	11.59
Germany	2.27	2.24	2.56	2.74
China	2.69	2.69	2.67	2.67

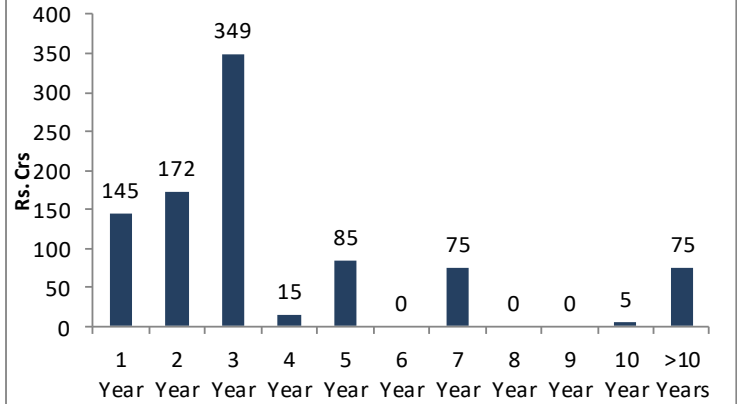
NDF	6-Dec	5-Dec	21-Nov	6-Nov
3 Month	83.57	83.51	83.58	83.47
1 Year	84.74	84.78	84.69	84.61
2 Year	86.64	87.14	86.82	86.69
3 Year	89.51	89.99	89.22	89.16



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	6-Dec	5-Dec	21-Nov	6-Nov
India	7.25	7.26	7.27	7.31
US	4.20	4.17	4.42	4.66
South Korea	3.52	3.59	3.73	4.06
Russia	12.36	12.36	11.99	11.98
Brazil	11.08	11.01	11.17	11.59
Germany	2.27	2.24	2.56	2.74
China	2.69	2.69	2.67	2.67

Top Traded Securities	Volume	16-Nov	15-Nov	9-Nov	18-Oct
7.26 2033	1,080	#N/A	#N/A	#N/A	#N/A
7.06 2028	830	#N/A	#N/A	#N/A	#N/A
7.62 2039	-	7.30	7.29	7.36	7.42
7.30 2053	570	#N/A	#N/A	7.35	7.43
6.64 2035	170	7.33	7.33	7.39	7.44
7.40 2035	80	7.35	7.33	7.35	7.44

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
4-Dec-23	11170	7472	3698

EQUITY		
Gross Purchase	Gross Sales	Net Investment
5662	4394	1268

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
16832	11866	4966

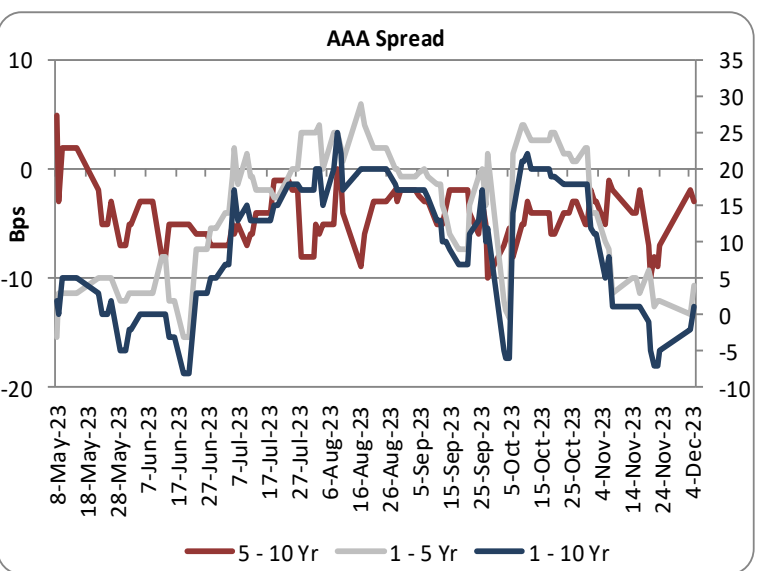
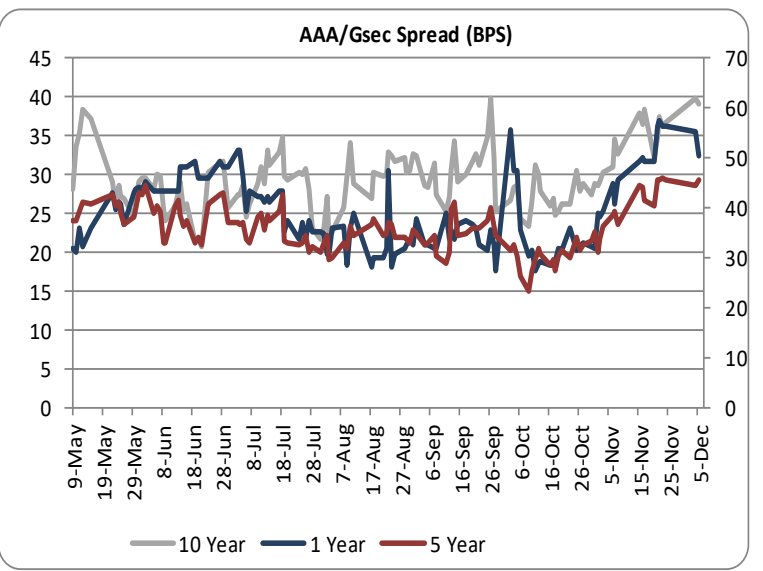
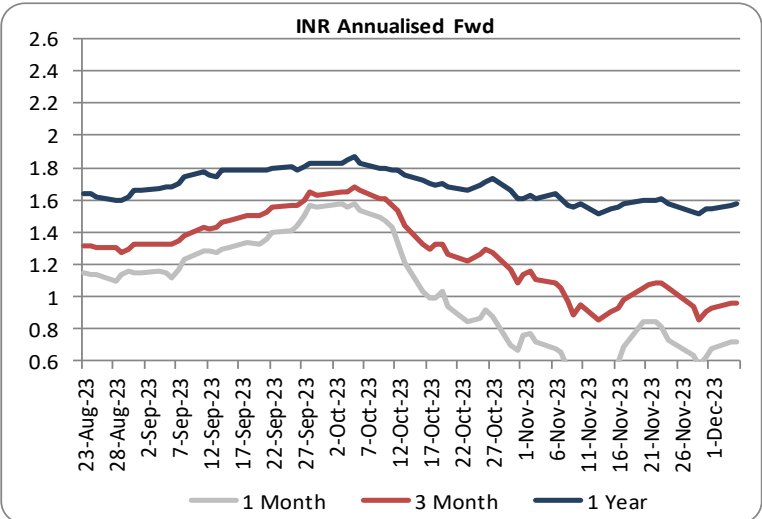
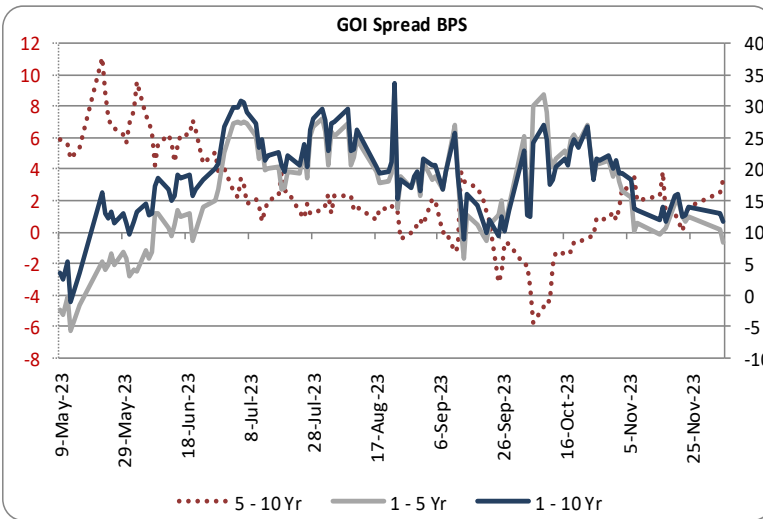
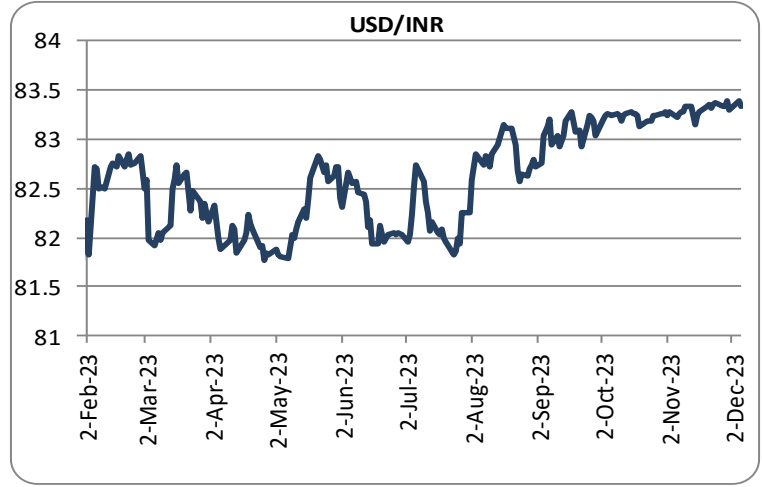
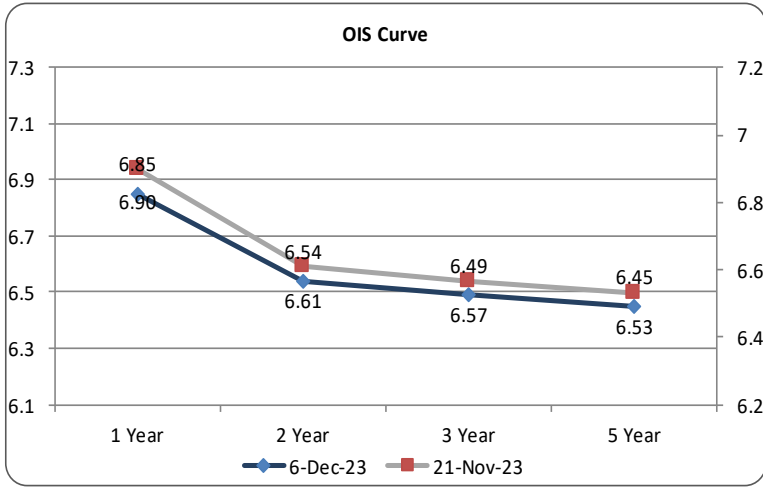
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
6-Dec-23	2998	957	2041

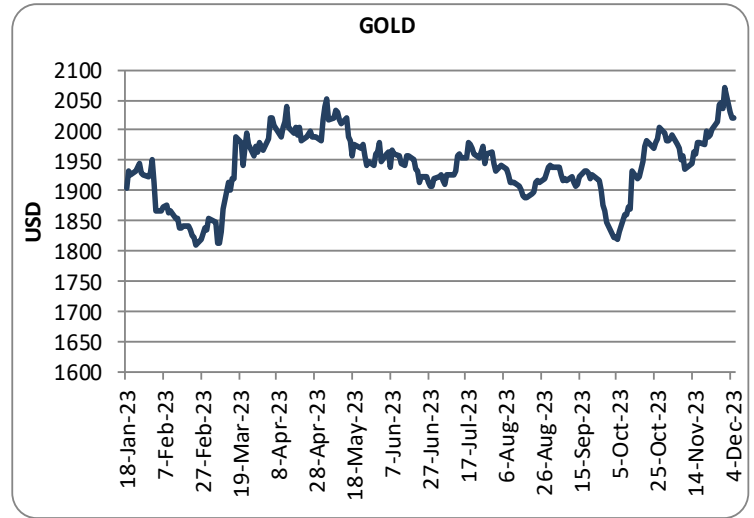
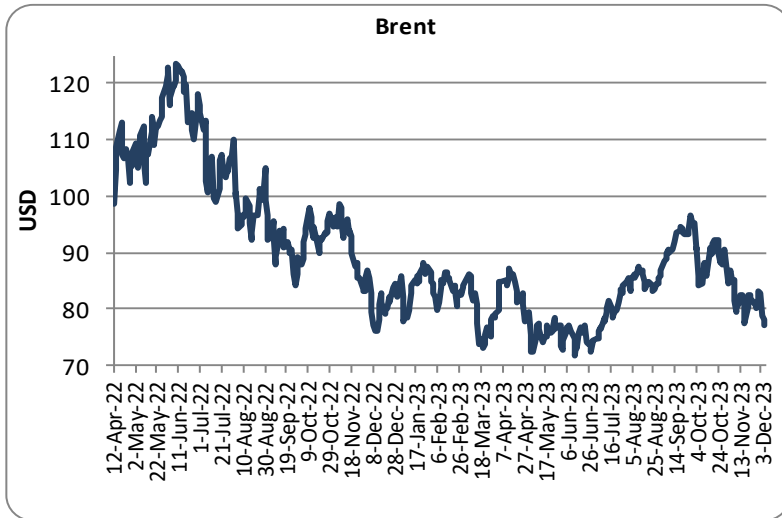
EQUITY		
Gross Purchase	Gross Sales	Net Investment
17376	11580	5795

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
20374	12538	7836

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 (%)	Oct-23	-0.5	-0.3
CPI (%)	Oct-23	4.9	5.0
IIP (%)	Sep-23	5.8	10.3
PMI Manufacturing	Nov-23	56	55.5
PMI Service	Nov-23	56.9	58.4

Economic Calender	Country	Date	Poll	Prior
CPI	Japan	5-Dec-23	3.7	3.8
Retail Sales	Euro Zone	06-Dec-23	(0.90)	(2.90)
Industrial Production	Germany	07-Dec-23	-	(3.86)
Repo Rate	India	08-Dec-23	6.50	6.50
Unemployment Rate	USA	08-Dec-23	3.90	3.90
Unemployment Rate	UK	12-Dec-23	-	4.20
CPI	India	12-Dec-23	-	4.87
Industrial Output	India	12-Dec-23	-	5.80





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

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