



INDIA

Indian government bond yields ended marginally lower on Tuesday, contrasting the sharp climb in U.S. Treasury yields with focus shifting to the upcoming Reserve Bank of India's monetary policy decision.

India's benchmark 10-year yield ended at 7.0904%, following its previous close of 7.0937%.

The RBI's monetary policy decision is due on Thursday. The central bank is expected to hold the key interest rate steady. Traders are anticipating some dovish commentary and guidance on the monetary policy from central bank members amid easing inflationary pressures as well as a fiscally prudent federal budget announcement.

Market participants also await guidance on banking system liquidity management, especially after the RBI's aggressive withdrawal of cash from the system.

Bond market sentiment improved after the government said it aims to reduce fiscal deficit and lower its gross borrowing by a wide margin in the next financial year.

The movement in local bond yields has been in contrast with its counterpart in the United States as treasury yields have risen recently as a recent spate of strong economic data, including the key non-farm payrolls, pushed back the timing for policy easing.

The 10-year yield was around 4.15% on Tuesday, up by nearly 30 basis points in three sessions, while the odds for a Fed rate cut in March remain around 15%, but that for a May rate cut have declined to around 65% from 88% last week.

The Indian rupee was flat versus the U.S. dollar, and quoted at 83.05 per dollar, mirroring most of its Asian peers.

Repo: The weighted average call rates in the interbank segment decreased to 6.46% vs 6.47% as on the previous day while that the TREP segment increased to 6.29% vs 6.28% as on the previous day.

**Market Observations**

**G-sec**

- SDL cut off was in line with market expectation. Demand was seen in 10-year SDL @7.47 to 7.49 levels post cut off.
- Selling was seen in 7-year to 12-year illiquid G-sec majorly by pension and insurance funds.

**Corporate Bonds**

- Life insurance companies and Mutual funds were active in the MMY and 2025-2027 segment.
- Banks were active in the 2025-2027 as well as the longer segment.

**CP/CD**

- Demand was seen in the 3-month segment.

GOI Yield	6-Feb	5-Feb	30-Jan	10-Jan
1 Year	7.125	7.100	7.130	7.135
5 Year	7.036	7.022	7.030	7.059
10 Year	7.090	7.094	7.157	7.181

AAA Bmk	6-Feb	5-Feb	30-Jan	10-Jan
1 Year	7.90	7.90	7.87	7.87
5 Year	7.62	7.62	7.75	7.75
10 Year	7.60	7.60	7.68	7.70

CD	6-Feb	5-Feb	30-Jan	10-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	7.85	7.90	7.90

CP	6-Feb	5-Feb	30-Jan	10-Jan
3 Month	7.95	7.95	7.90	7.80
6 Month	7.95	7.95	7.95	7.85
1 Year	8.00	8.00	8.00	8.00

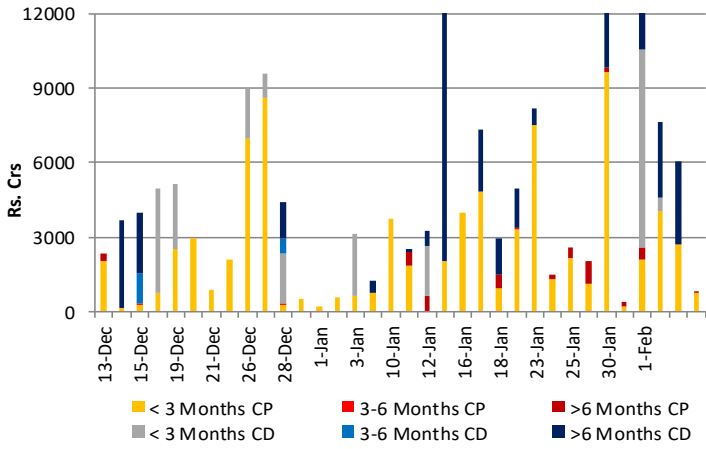
OIS Rate	6-Feb	5-Feb	30-Jan	10-Jan
1 Year	6.60	6.62	6.58	6.66
2 Year	6.28	6.28	6.24	6.32
3 Year	6.24	6.24	6.20	6.27
5 Year	6.21	6.21	6.17	6.22

	6-Feb	5-Feb	30-Jan	10-Jan
Sensex	72,186	71,731	71,140	71,658
Nifty	21,929	21,772	21,522	21,619
USD/INR	83.06	83.06	83.11	83.04
Gold (USD)	2,026	2,025	2,036	2,023
Oil (USD)	78.47	77.99	82.87	76.80

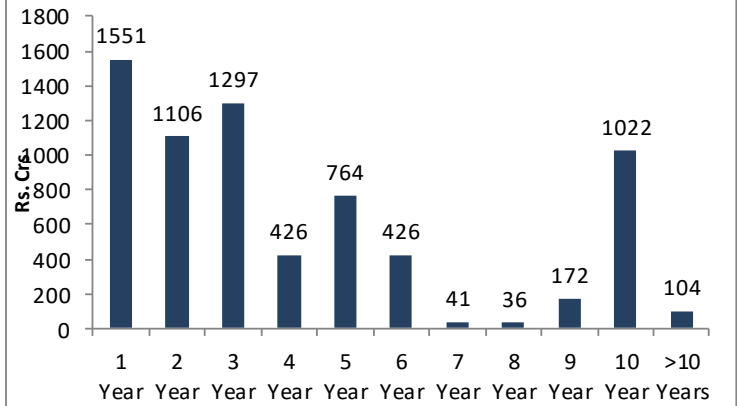
NDF	6-Feb	5-Feb	30-Jan	10-Jan
3 Month	83.21	83.34	83.44	83.35
1 Year	84.51	84.51	84.64	84.53
2 Year	86.76	86.77	86.99	86.99
3 Year	89.41	89.52	89.79	89.89



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	6-Feb	5-Feb	30-Jan	10-Jan
India	7.09	7.09	7.16	7.18
US	4.16	4.16	4.06	4.03
South Korea	3.38	3.37	3.35	3.35
Russia	12.39	12.41	12.27	12.55
Brazil	10.76	10.69	10.67	10.65
Germany	2.34	2.32	2.27	2.21
China	2.46	2.40	2.47	2.54

Top Traded Securities	Volume	24-Jan	23-Jan	17-Jan	26-Dec
7.26 2033	1,090	7.21	7.20	7.19	7.22
7.06 2028	510	7.26	7.28	7.28	7.36
7.62 2039	100	7.20	7.20	7.19	0.00
7.30 2053	835	7.36	7.36	7.37	7.41
6.64 2035	95	#N/A	7.26	7.25	7.27
7.40 2035	125	7.26	7.25	7.26	7.29

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
2-Feb-24	10888	9466	1422

EQUITY	Gross Purchase	Gross Sales	Net Investment
	9717	13180	-3463

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
20605	22646	-2041

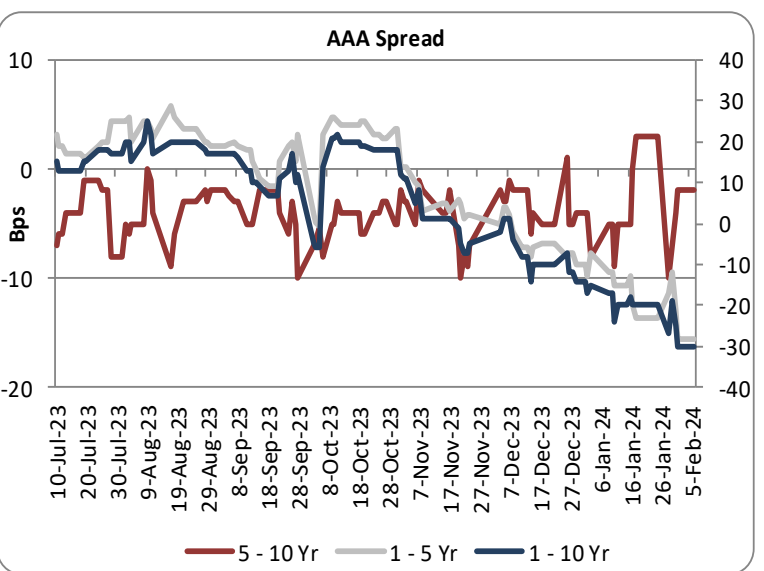
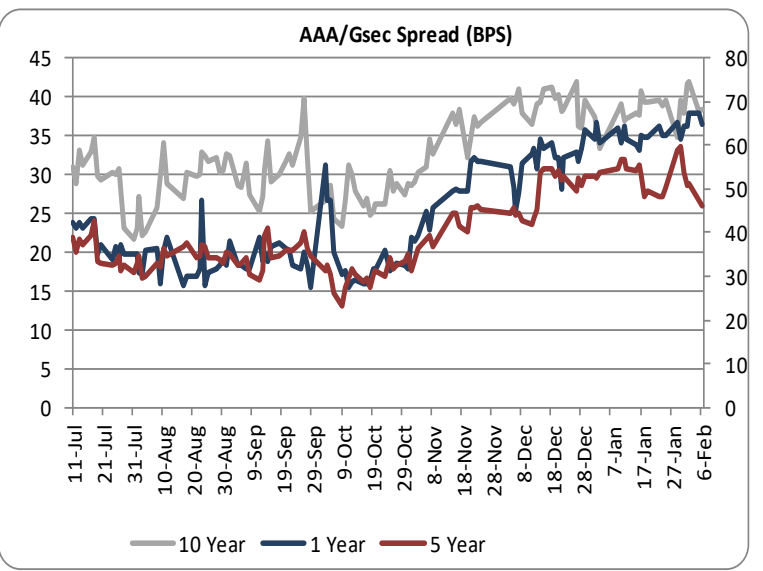
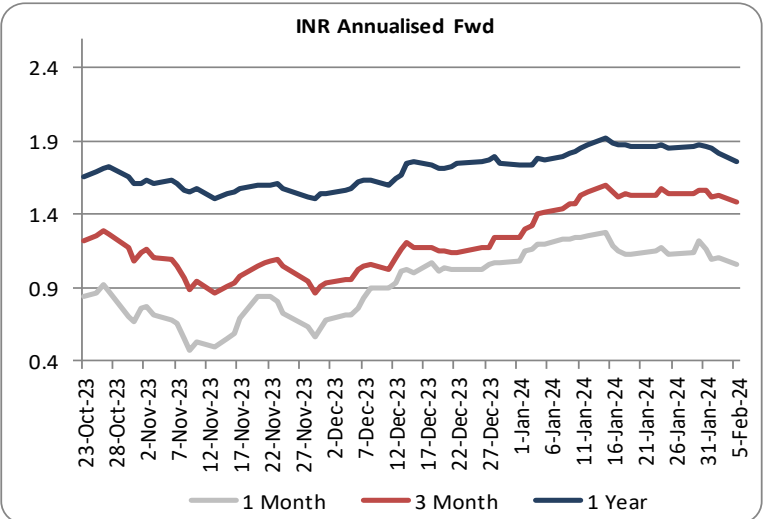
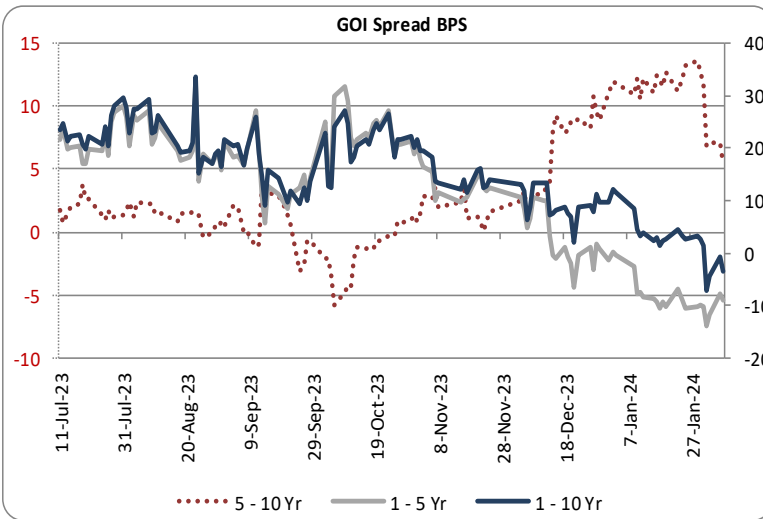
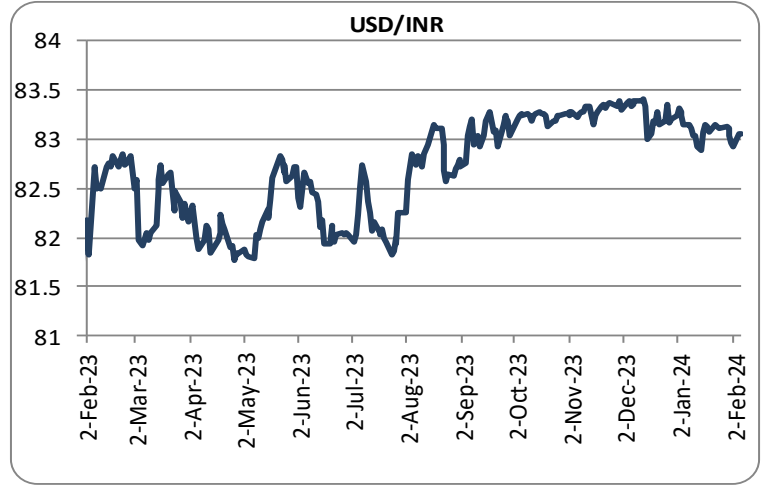
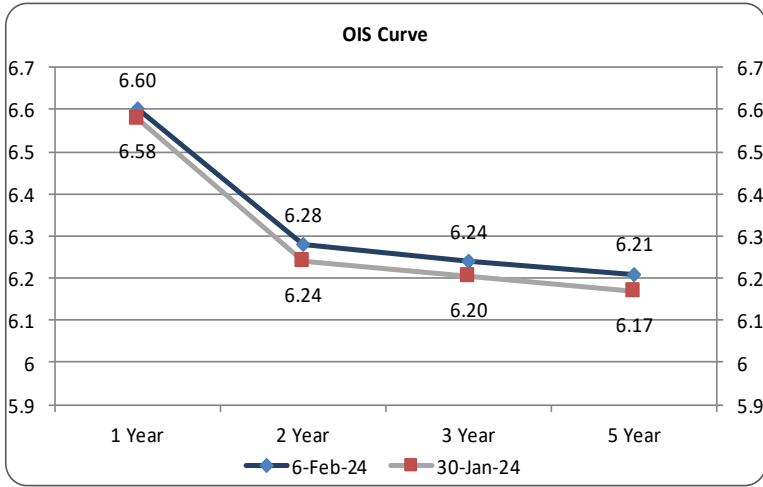
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
6-Feb-24	2680	1810	870

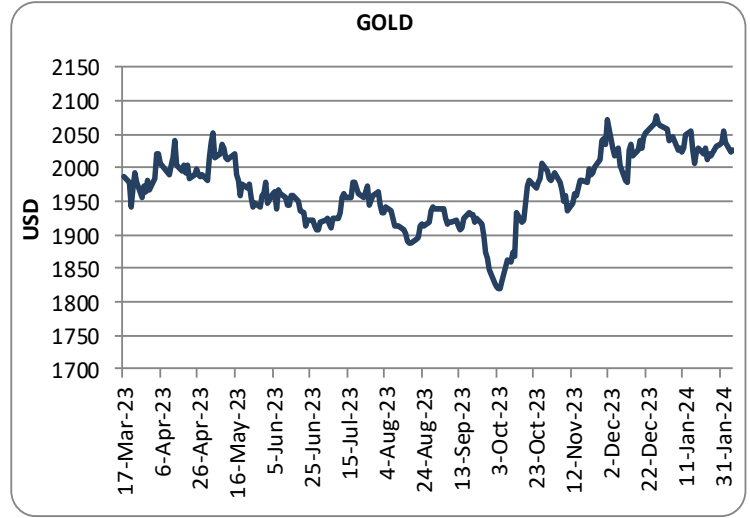
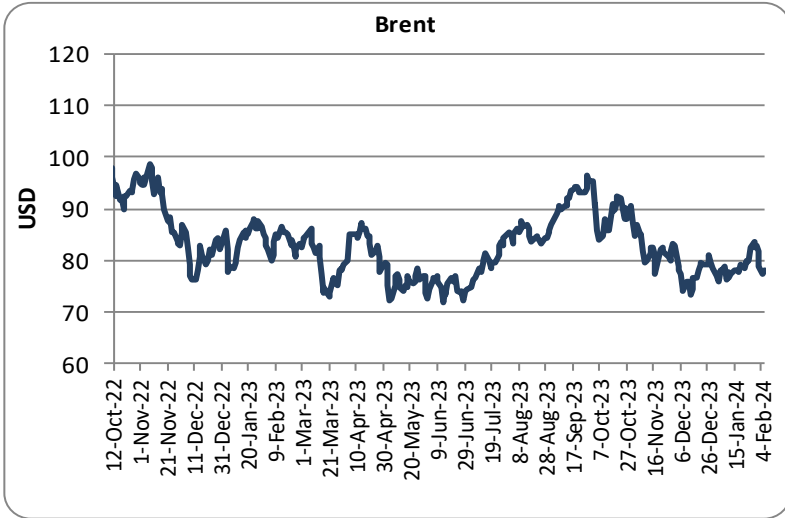
EQUITY	Gross Purchase	Gross Sales	Net Investment
	14561	13798	763

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
17241	15608	1633

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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