



Indian government bond yields were little changed on Monday, after falling last week, as market participants awaited fresh triggers.

The benchmark 10-year bond yield ended at 7.1584%, after closing the previous session at 7.1624%.

Bond yields fell sharply last week after the U.S. Federal Reserve struck a dovish tone at its policy meeting and signaled three interest rate cuts in 2024, sparking a rally in all the asset classes.

Market participants are aggressively pricing-in rate cuts, with a 72% probability of the Fed cutting rates in March and a 95% chance of a cut in May. They expect 125 basis points (bps) of rate cuts in 2024, sharply higher than the Fed's guidance of 75 bps.

Shorter-tenor U.S. Treasury yields rose on Friday after Fed officials dampened expectations of an imminent rate cut in the first quarter of next year.

Meanwhile, markets this week are awaiting the minutes of the Reserve Bank of India's (RBI) latest policy meeting. The focus will remain on the central bank's forecast for interest rates in 2024.

Separately, Indian states aim to raise nearly 196 billion rupees (\$2.36 billion) via bonds on Tuesday. Traders will closely monitor this auction for further cues on demand from investors.

The Indian rupee weakened 0.07% versus the U.S. dollar, and quoted at 83.06 per dollar on dollar demand from importers.

Repo: The weighted average call rates in the interbank segment increased to 6.75% vs 6.11% as on the previous day while that the TREP segment decreased to 6.77% vs 6.79% as on the previous day.

GOI Yield	18-Dec	15-Dec	11-Dec	17-Nov
1 Year	7.070	7.080	7.150	7.100
5 Year	7.080	7.070	7.251	7.206
10 Year	7.158	7.162	7.283	7.217

AAA Bmk	18-Dec	15-Dec	11-Dec	17-Nov
1 Year	7.80	7.80	7.86	7.72
5 Year	7.75	7.74	7.80	7.75
10 Year	7.70	7.70	7.78	7.73

CD	18-Dec	15-Dec	11-Dec	17-Nov
3 Month	7.45	7.45	7.40	7.25
6 Month	7.75	7.75	7.75	7.55
1 Year	7.90	7.90	7.90	7.75

CP	18-Dec	15-Dec	11-Dec	17-Nov
3 Month	7.70	7.65	7.60	7.45
6 Month	8.00	8.00	8.00	7.70
1 Year	8.05	8.05	8.05	7.95

OIS Rate	18-Dec	15-Dec	11-Dec	17-Nov
1 Year	6.64	6.64	6.87	6.84
2 Year	6.28	6.29	6.58	6.53
3 Year	6.24	6.23	6.53	6.48
5 Year	6.21	6.20	6.50	6.44

	18-Dec	15-Dec	11-Dec	17-Nov
Sensex	71,315	71,484	69,929	65,795
Nifty	21,419	21,457	20,997	19,732
USD/INR	83.06	83.00	83.39	83.27
Gold (USD)	2,021	2,018	1,981	1,980
Oil (USD)	77.02	76.55	76.03	80.61

10 Year Benchmarks	18-Dec	15-Dec	11-Dec	17-Nov
India	7.16	7.16	7.28	7.21
US	3.90	3.93	4.24	4.44
South Korea	3.33	3.36	3.57	3.79
Russia	12.58	12.65	12.58	12.01
Brazil	10.62	10.62	10.93	10.99
Germany	2.02	2.01	2.26	2.59
China	2.63	2.63	2.67	2.66

NDF	18-Dec	15-Dec	11-Dec	17-Nov
3 Month	83.27	83.27	83.56	83.46
1 Year	84.53	84.48	84.72	84.58
2 Year	86.88	86.84	86.99	86.66
3 Year	89.76	89.74	89.79	89.06

Market Observations

G-sec

- Good demand was seen in 2026 and 2027 G-sec by Mutual funds, NBFCs and Foreign Banks.
- Longer-end G-sec switches were actively traded between foreign banks.

Corporate Bonds

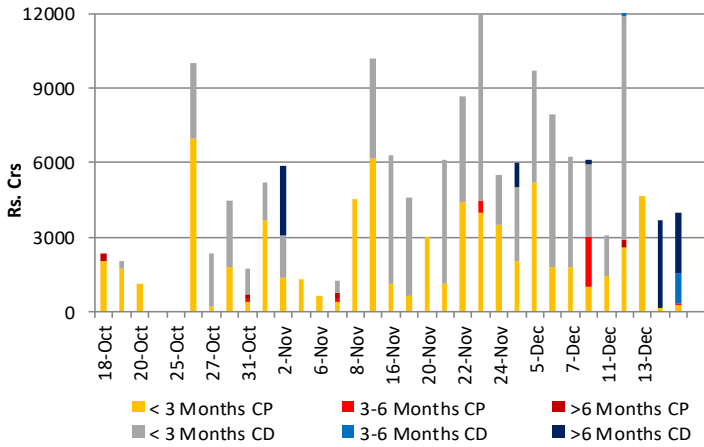
- Mutual funds were active up to the 5-year segment.
- Banks and insurance companies active in the longer segment.

CP/CD

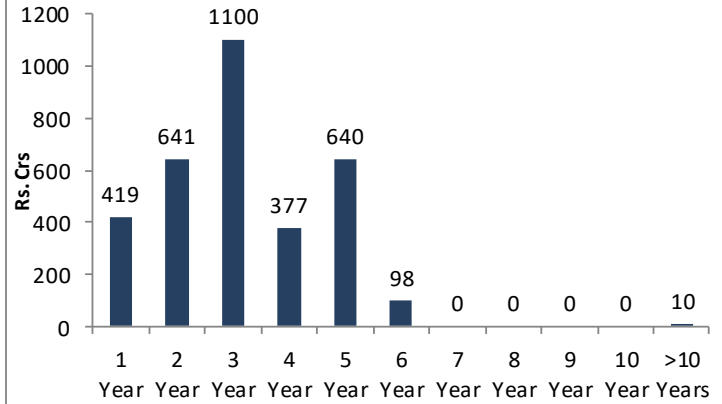
- Demand was seen in the 3-month segment.



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	18-Dec	15-Dec	11-Dec	17-Nov
India	7.16	7.16	7.28	7.21
US	3.90	3.93	4.24	4.44
South Korea	3.33	3.36	3.57	3.79
Russia	12.58	12.65	12.58	12.01
Brazil	10.62	10.62	10.93	10.99
Germany	2.02	2.01	2.26	2.59
China	2.63	2.63	2.67	2.66

Top Traded Securities	Volume	14-Dec	13-Dec	7-Dec	15-Nov
7.26 2033	1,125	7.24	7.31	7.29	7.28
7.06 2028	675	7.36	7.41	7.39	7.37
7.62 2039	-	7.25	7.31	7.30	7.29
7.30 2053	380	7.41	7.47	7.47	7.42
6.64 2035	180	7.30	7.36	7.35	7.33
7.40 2035	295	7.33	7.35	7.35	7.33

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
14-Dec-23	9473	8289	1184

EQUITY	Gross Purchase	Gross Sales	Net Investment
	17075	16188	887

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
26548	24477	2071

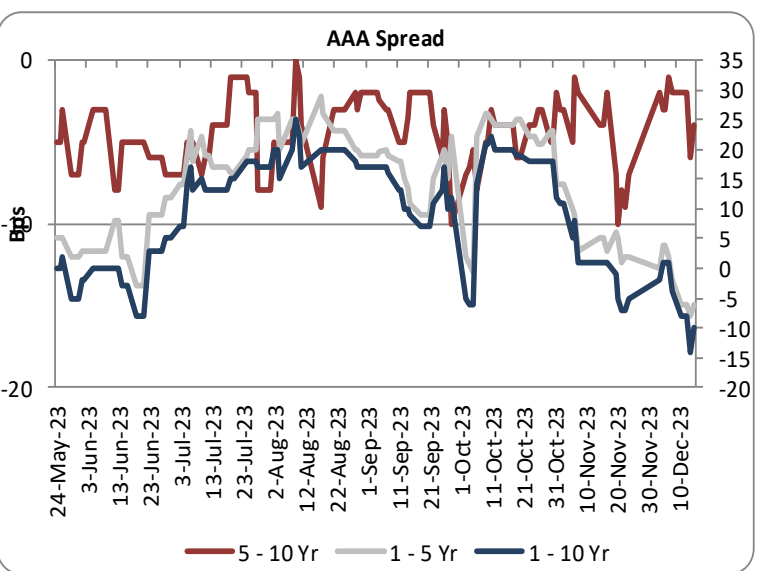
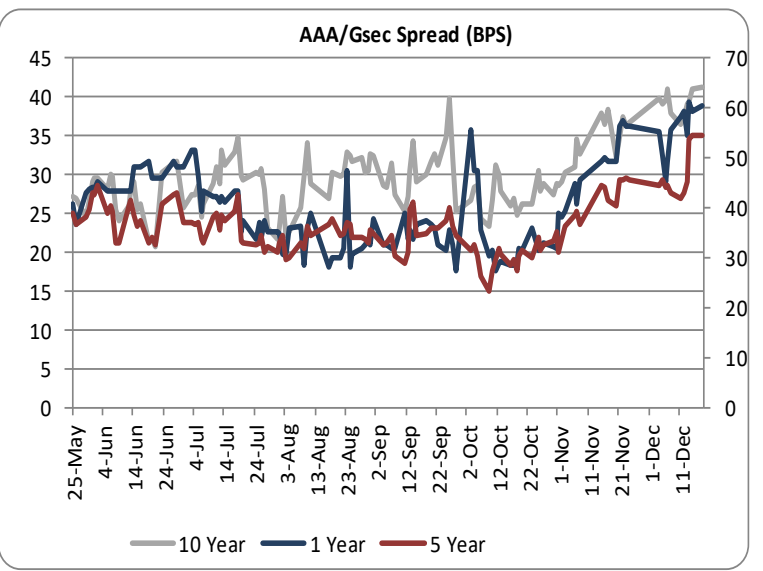
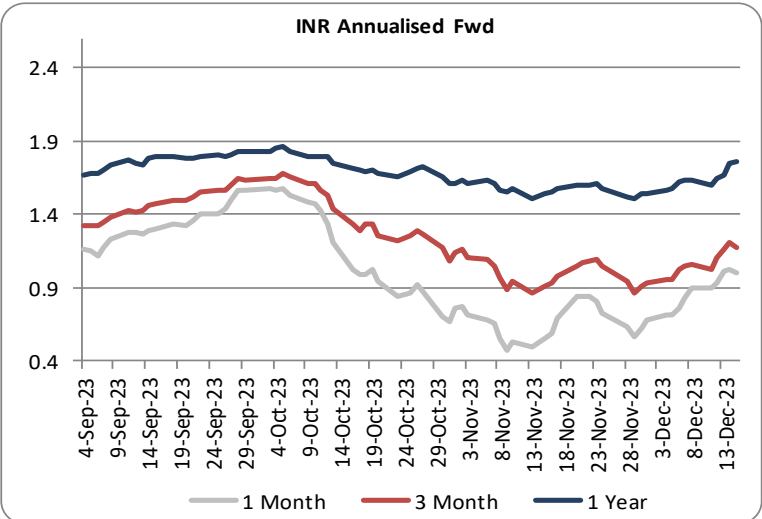
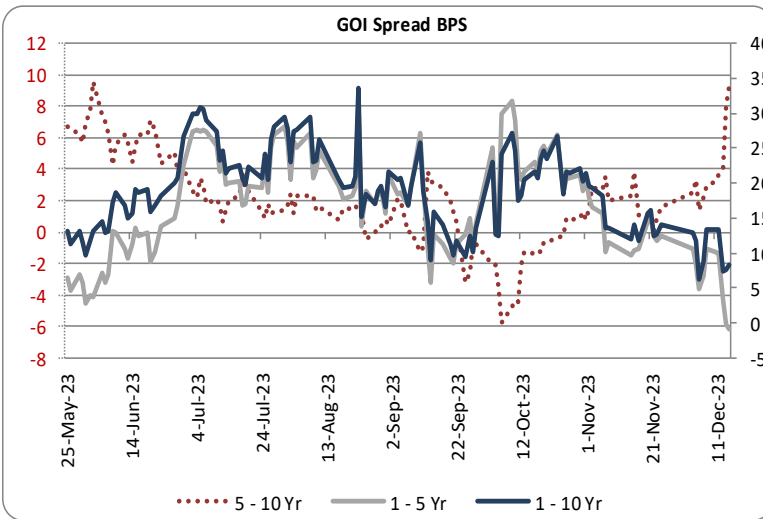
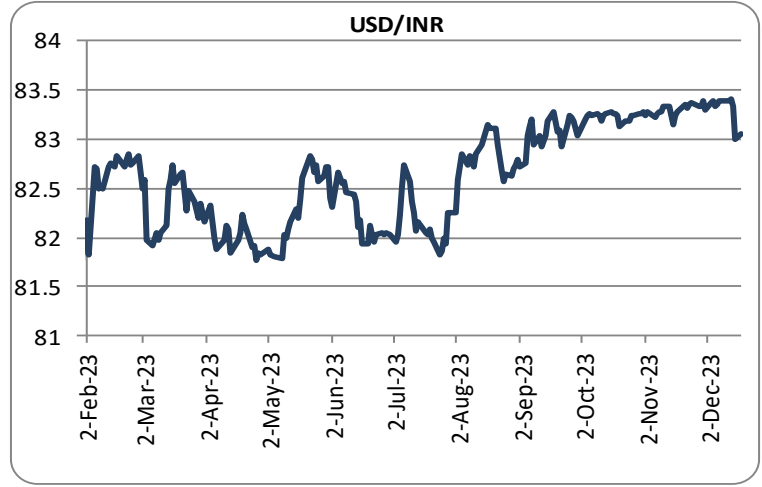
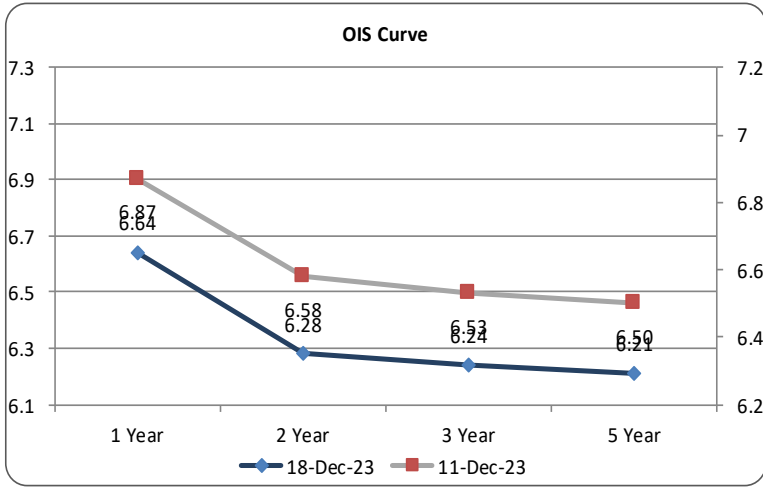
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
18-Dec-23	3783	1192	2592

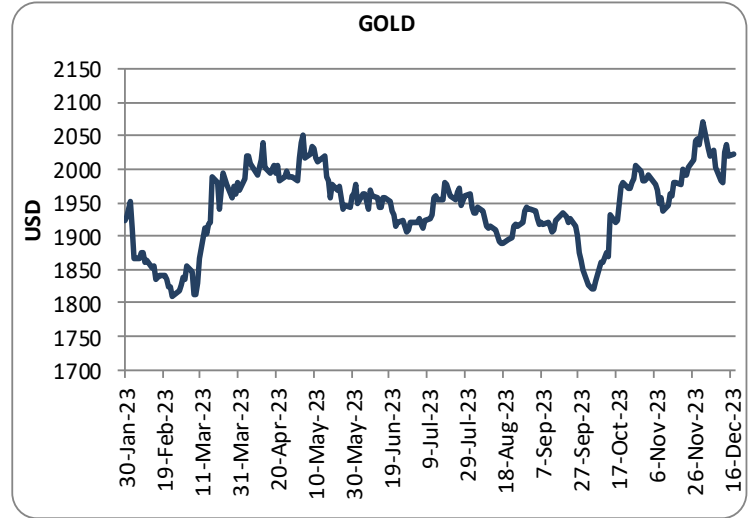
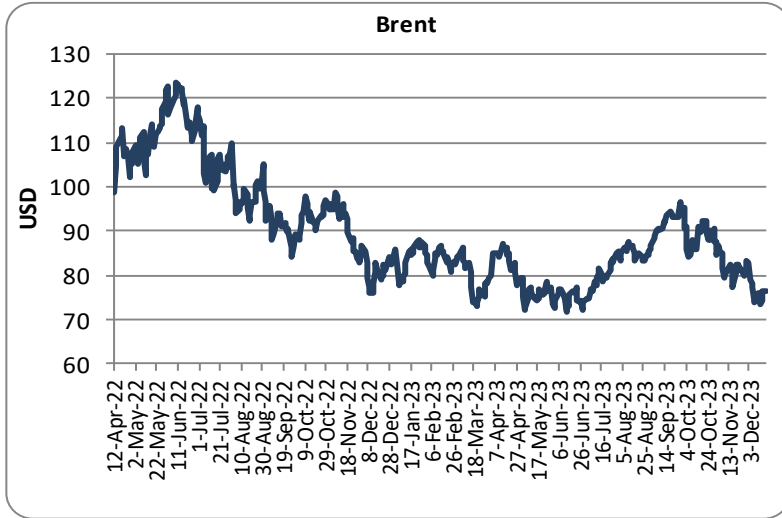
EQUITY	Gross Purchase	Gross Sales	Net Investment
	37416	27178	10237

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
41199	28370	12829

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 (%)	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
BOE Bank Rate	UK	14-Dec-23	5.25	5.25
ECB Refinancing Rate	Euro Zone	14-Dec-23	4.50	4.50
Industrial Output	China	15-Dec-23	5.60	4.60
CPI	Euro Zone	19-Dec-23	-	2.40
BOJ Rate Decision	Japan	19-Dec-23	-	(0.10)
CPI	UK	20-Dec-23	-	4.60
Q3 GDP	USA	21-Dec-23	5.20	5.20
CPI	Japan	22-Dec-23	-	3.30





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

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