



INDIA

Indian government bond yields ended higher on Thursday tracking a consistent rise in U.S. Treasury yields, while comments from Reserve Bank of India (RBI) Governor Shaktikanta Das on inflation also weighed on sentiment.

India's benchmark 10-year yield ended at 7.1774%, following its previous close at 7.1642%.

In an interview at the World Economic Forum RBI Governor Shaktikanta Das said India's monetary policy must remain actively disinflationary despite the fall in core inflation, and that it would be "too premature" to talk about a policy pivot.

Meanwhile, U.S. yields rose on Wednesday after stronger-than-expected U.S. retail sales and an unexpected rise in UK inflation in December strengthened the case that interest rate cuts will not be as aggressive as estimated.

The 10-year yield hit a five-week high of 4.13%, while the two-year yield, a close indicator of interest rate expectations, jumped 20 basis points in two sessions through Wednesday to around 4.35%.

Market participants have trimmed the odds of a Fed rate cut to around 61%, down from 68% last Tuesday.

Oil prices rose on Thursday as the IEA joined producer group OPEC in forecasting relatively strong growth in global oil demand this year.

The Indian rupee strengthened 0.02% versus the U.S. dollar, and quoted at 83.13 per dollar, as positive cues from a slight pickup in its Asian peers were offset by dollar demand from foreign banks.

Repo: The weighted average call rates in the interbank segment remained the same at 6.76% vs 6.76% as on the previous day while that the TREP segment remained the same at 6.76% vs 6.76% as on the previous day.

GOI Yield	18-Jan	17-Jan	12-Jan	20-Dec
1 Year	7.155	7.150	7.140	7.100
5 Year	7.061	7.044	7.057	7.081
10 Year	7.177	7.164	7.180	7.168

AAA Bmk	18-Jan	17-Jan	12-Jan	20-Dec
1 Year	7.90	7.90	7.88	7.80
5 Year	7.67	7.70	7.73	7.75
10 Year	7.70	7.70	7.68	7.70

CD	18-Jan	17-Jan	12-Jan	20-Dec
3 Month	7.60	7.60	7.55	7.45
6 Month	7.75	7.75	7.70	7.75
1 Year	7.90	7.90	7.90	7.90

CP	18-Jan	17-Jan	12-Jan	20-Dec
3 Month	7.75	7.75	7.80	7.70
6 Month	7.85	7.85	7.85	8.00
1 Year	8.00	8.00	8.00	8.05

OIS Rate	18-Jan	17-Jan	12-Jan	20-Dec
1 Year	6.63	6.62	6.63	6.64
2 Year	6.30	6.28	6.29	6.28
3 Year	6.25	6.23	6.24	6.23
5 Year	6.22	6.19	6.20	6.20

	18-Jan	17-Jan	12-Jan	20-Dec
Sensex	71,187	71,501	72,568	70,506
Nifty	21,462	21,572	21,895	21,150
USD/INR	83.12	83.14	82.92	83.17
Gold (USD)	2,012	2,006	2,049	2,029
Oil (USD)	78.42	77.88	78.29	79.70

NDF	18-Jan	17-Jan	12-Jan	20-Dec
3 Month	83.48	83.52	83.20	83.41
1 Year	84.74	84.77	84.43	84.71
2 Year	87.23	87.27	86.91	87.06
3 Year	90.03	90.17	89.81	89.96

Market Observations

G-sec

- Selling was seen in 3 and 5-year G-sec as the market got further given. Major sellers were Mutual funds and buyers were foreign banks.
- Selling was seen in 10 to 15-year illiquid G-sec by pension funds and insurance companies. Major buyers were banks and foreign banks.

Corporate Bonds

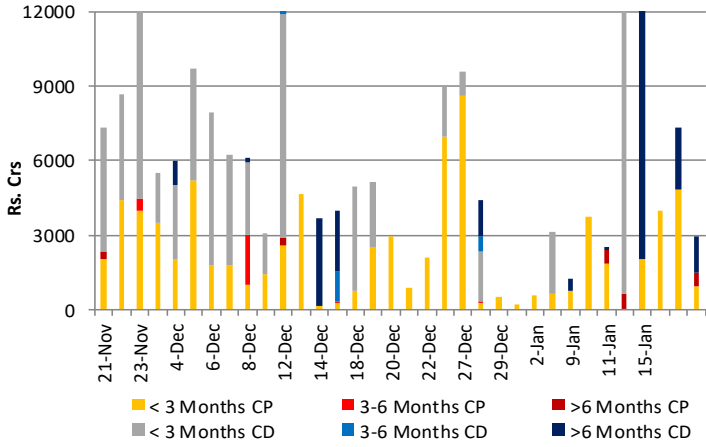
- Mutual funds and insurance companies were active in the 2024-2027 segment.

CP/CD

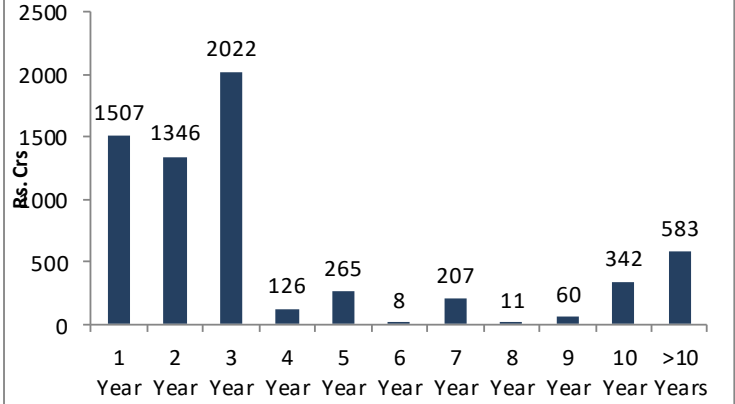
- Demand was seen in the 1 to 3-month segment.



CP/CD Primary Volume



Bonds Volume (prev.)



10 Year Benchmarks	18-Jan	17-Jan	12-Jan	20-Dec
India	7.18	7.16	7.18	7.17
US	4.09	4.10	3.95	3.88
South Korea	3.38	3.37	3.31	3.28
Russia	12.24	12.29	12.67	12.20
Brazil	10.72	10.72	10.52	10.51
Germany	2.28	2.27	2.14	1.98
China	2.51	2.51	2.52	2.64

Top Traded Securities	Volume	17-Jan	16-Jan	10-Jan	19-Dec
7.26 2033	60	#N/A	#N/A	#N/A	#N/A
7.06 2028	1,190	7.28	7.26	7.32	7.34
7.62 2039	-	7.19	7.18	7.22	7.21
7.30 2053	490	7.37	7.36	7.40	7.37
6.64 2035	185	7.27	7.28	7.28	7.29
7.40 2035	225	7.26	7.24	7.30	7.25

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
16-Jan-24	7198	7766	-568

EQUITY		
Gross Purchase	Gross Sales	Net Investment
7471	10646	-3176

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
14669	18412	-3743

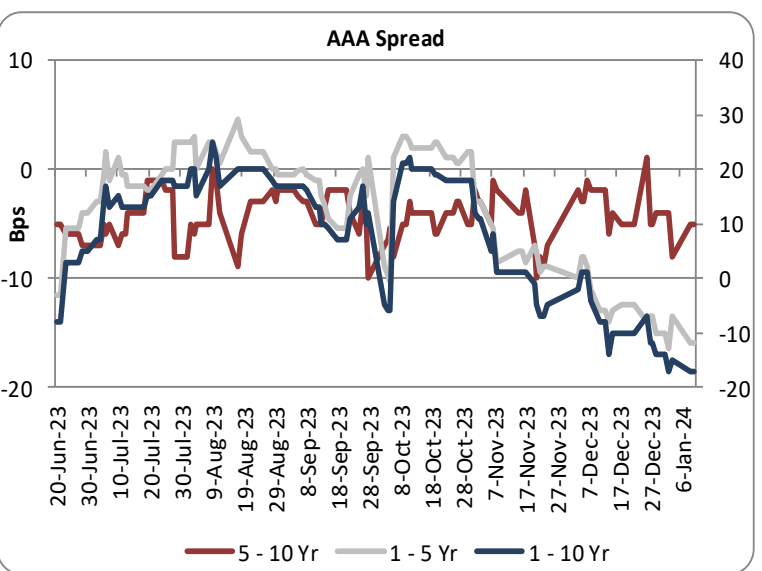
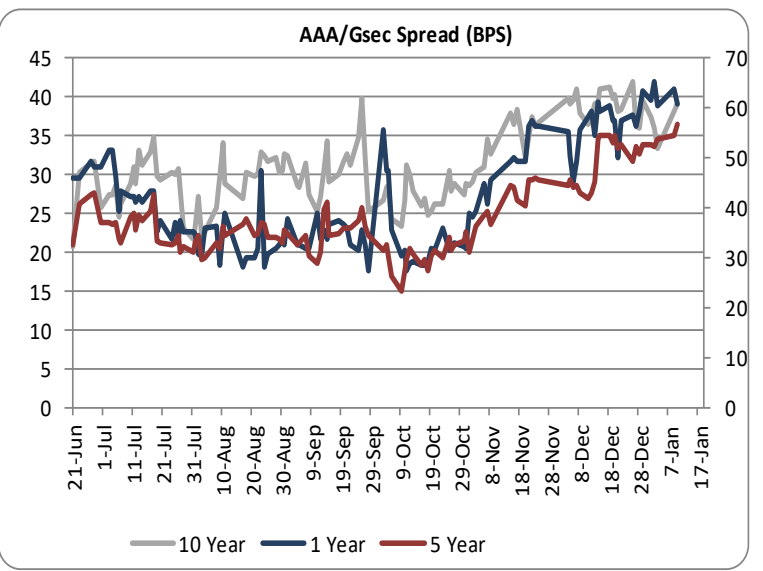
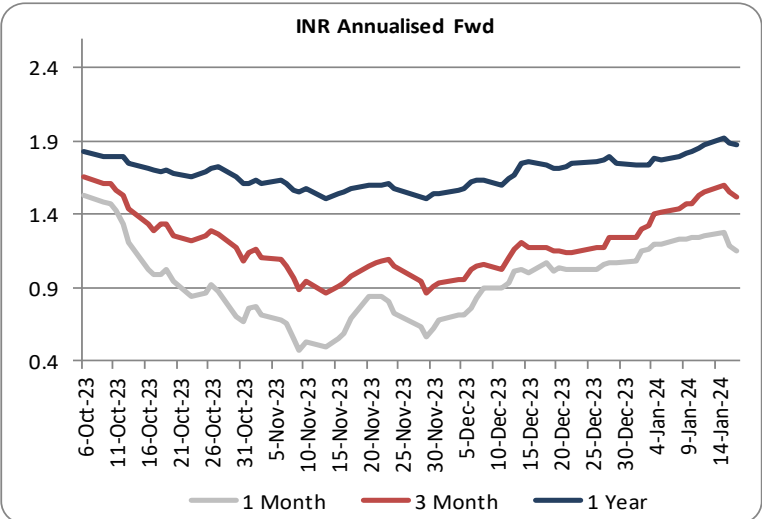
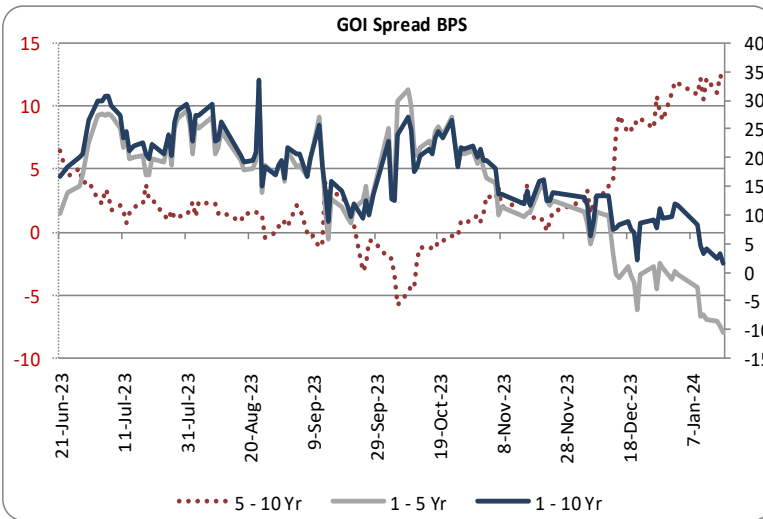
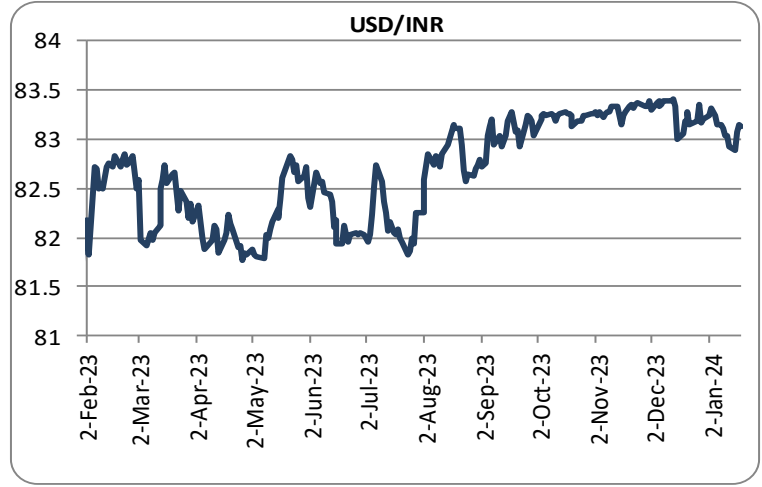
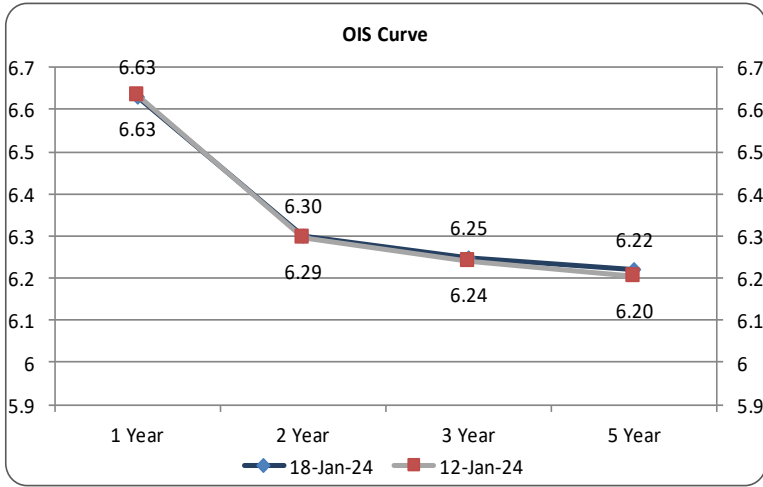
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
18-Jan-24	1700	785	915

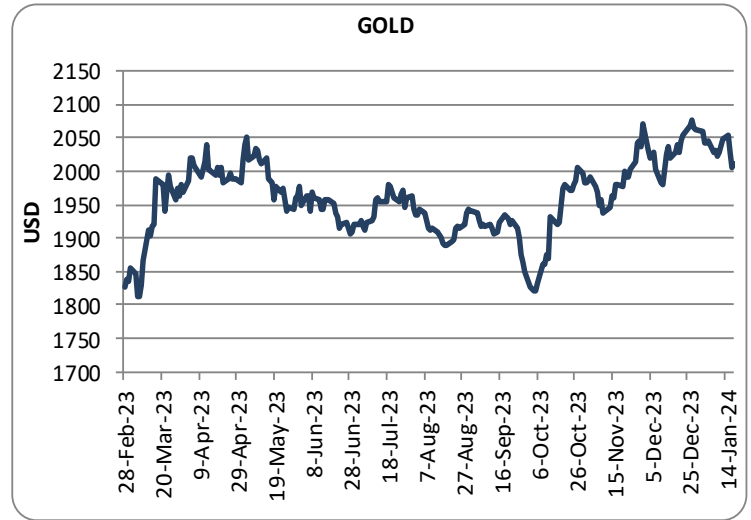
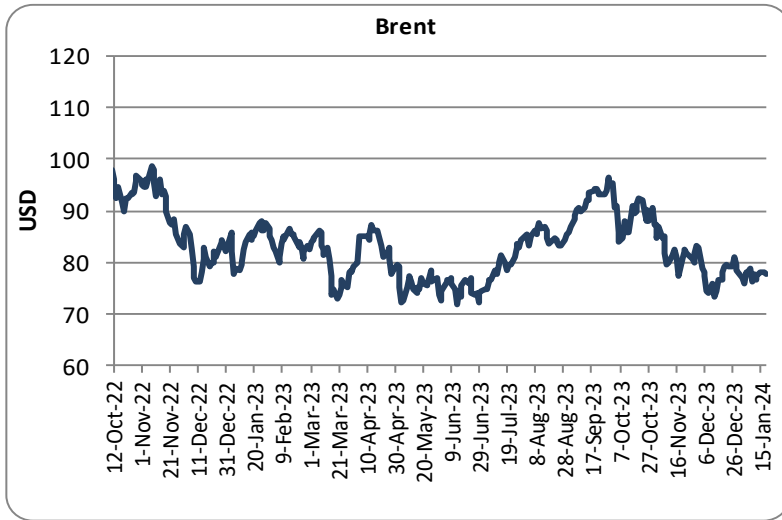
EQUITY		
Gross Purchase	Gross Sales	Net Investment
17204	27687	-10483

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
18905	28472	-9567

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	Dec-23	54.9	56
PMI Service	Dec-23	59	56.9

Economic Calender	Country	Date	Poll	Prior
CPI	Japan	19-Jan-24	0	2.8
Retail Sales	UK	19-Jan-24	1.10	0.10
Industrial Output	Poland	22-Jan-24	(5.00)	(0.70)
BOJ Rate Decision	Japan	23-Jan-24	-	(0.10)
Q4 GDP Advance	USA	25-Jan-24	1.80	4.90
Q4 GDP YY	Euro Zone	30-Jan-24	-	-
Retail Sales	Japan	31-Jan-24	-	5.30
CPI	Australia	31-Jan-24	-	5.40





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

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