



INDIA

Indian government bond yields ended little changed on Friday as stronger-than-expected demand at the weekly debt sale offset the impact of rising U.S. yields.

India's benchmark 10-year yield ended at 7.1790%, following its previous close at 7.1774%. The yield ended flat for the week after falling five basis points last week.

Indian bond yields, however, came off highs after stronger-than-expected demand for the liquid 14-year and a new 30-year green bond at the weekly auction.

While the sharp fall in core inflation in December raised bets of a pivot in the RBI's policy stance, Governor Shaktikanta Das said India's monetary policy must remain actively disinflationary and reiterated that the central bank wants to see headline inflation come down to 4%.

The RBI has kept its interest rate steady at 6.50% for five consecutive policies.

Strong U.S. jobs data and comments from Federal Reserve Governor Waller saying that the central bank should not rush towards rate cuts have added to the argument that the Fed may not immediately start easing policy.

This also pushed the 10-year U.S. yield above 4.15% on Thursday for the first time since Dec. 13. Traders further trimmed the odds of the first Fed rate cut by March to 53%, down from 73% last week.

The Indian rupee strengthened 0.07% versus the U.S. dollar, and quoted at 83.06 per dollar, amid an uptick in Asian peers, and on dollar sales from foreign banks close to the end of the session.

Repo: The weighted average call rates in the interbank segment increased to 6.80% vs 6.76% as on the previous day while that the TREP segment decreased to 6.75% vs 6.76% as on the previous day.

GOI Yield	19-Jan	18-Jan	12-Jan	21-Dec
1 Year	7.153	7.155	7.140	7.170
5 Year	7.051	7.061	7.057	7.104
10 Year	7.179	7.177	7.180	7.190

AAA Bmk	19-Jan	18-Jan	12-Jan	21-Dec
1 Year	0.00	7.90	7.88	7.80
5 Year	0.00	7.67	7.73	7.75
10 Year	0.00	7.70	7.68	7.70

CD	19-Jan	18-Jan	12-Jan	21-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	19-Jan	18-Jan	12-Jan	21-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	19-Jan	18-Jan	12-Jan	21-Dec
1 Year	6.64	6.63	6.63	6.63
2 Year	6.32	6.30	6.29	6.26
3 Year	6.27	6.25	6.24	6.21
5 Year	6.24	6.22	6.20	6.17

	19-Jan	18-Jan	12-Jan	21-Dec
Sensex	71,683	71,187	72,568	70,865
Nifty	21,622	21,462	21,895	21,255
USD/INR	83.07	83.12	82.92	83.28
Gold (USD)	2,031	2,023	2,049	2,045
Oil (USD)	79.03	79.10	78.29	79.39

NDF	19-Jan	18-Jan	12-Jan	21-Dec
3 Month	83.39	83.48	83.20	83.44
1 Year	84.63	84.73	84.43	84.74
2 Year	87.08	87.17	86.91	87.15
3 Year	90.35	90.07	89.81	90.05

Market Observations

G-sec

- G-sec cut off came better than market expectations.
- 2032 illiquid G-sec papers saw huge buying demand at 7.21 levels by foreign banks.
- Longer-end switches were traded between Insurance companies / PDs and Foreign banks at 7.4050 levels.

Corporate Bonds

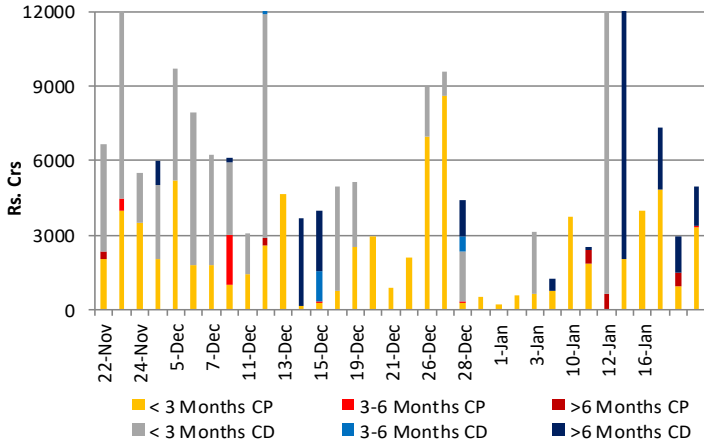
- Major activity was seen in the MMY segment and in the 2025-2028 segment.
- Mutual funds were active on both sides.

CP/CD

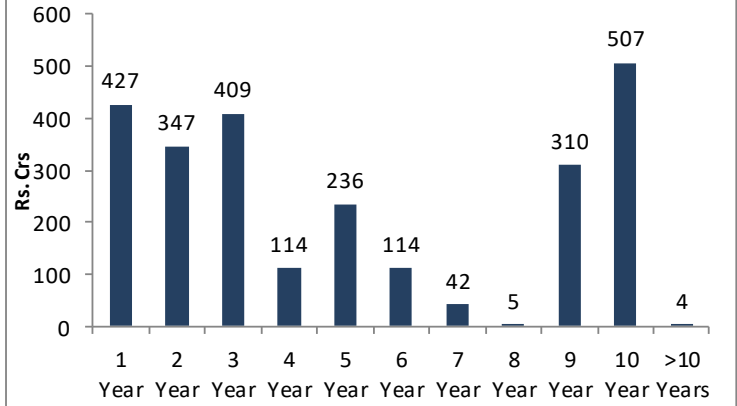
- Demand was seen in the 3 to 6-month segment.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	19-Jan	18-Jan	12-Jan	21-Dec
India	7.18	7.18	7.18	7.18
US	4.13	4.14	3.95	3.89
South Korea	3.42	3.38	3.31	3.30
Russia	12.20	12.18	12.67	12.18
Brazil	10.76	10.76	10.52	10.44
Germany	2.29	2.31	2.14	1.95
China	2.51	2.51	2.52	2.62

Top Traded Securities	Volume	17-Jan	16-Jan	10-Jan	19-Dec
7.26 2033	1,010	7.19	7.18	7.21	7.21
7.06 2028	805	7.28	7.26	7.32	7.34
7.62 2039	-	7.19	7.18	7.22	7.21
7.30 2053	1,325	7.37	7.36	7.40	7.37
6.64 2035	10	7.27	7.28	7.28	7.29
7.40 2035	-	7.26	7.24	7.30	7.25

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
17-Jan-24	12647	8595	4052

EQUITY	Gross Purchase	Gross Sales	Net Investment
	8846	11638	-2791

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
21493	20232	1261

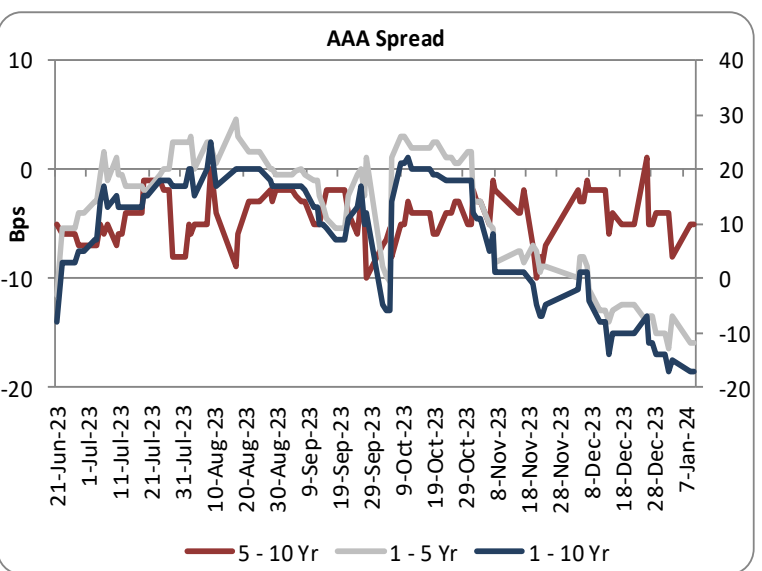
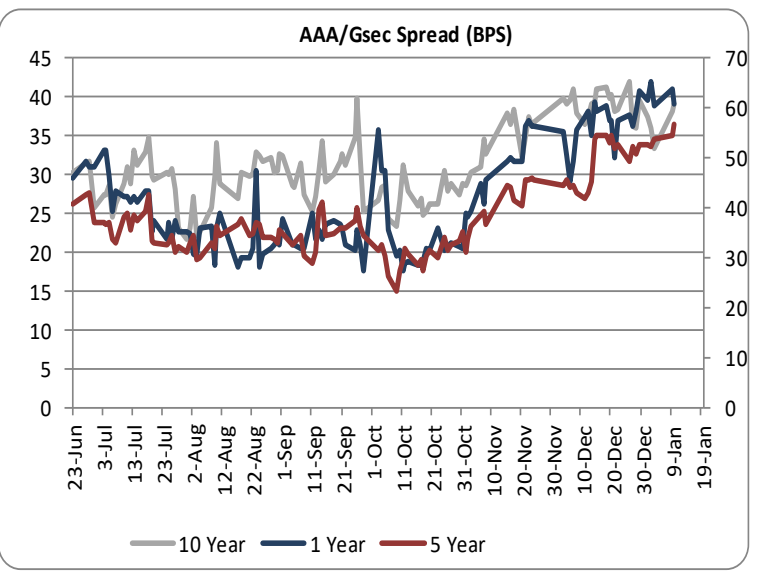
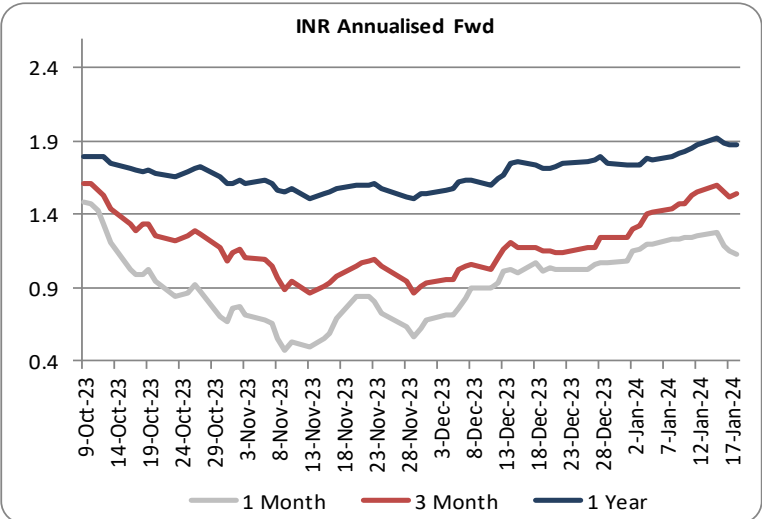
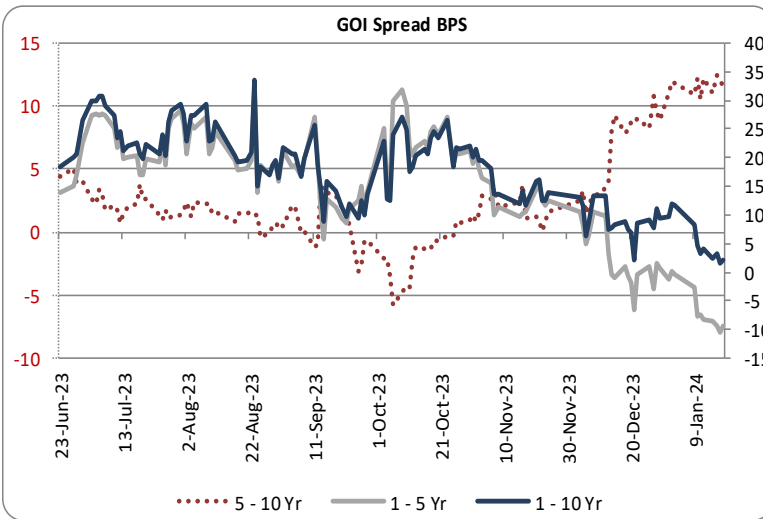
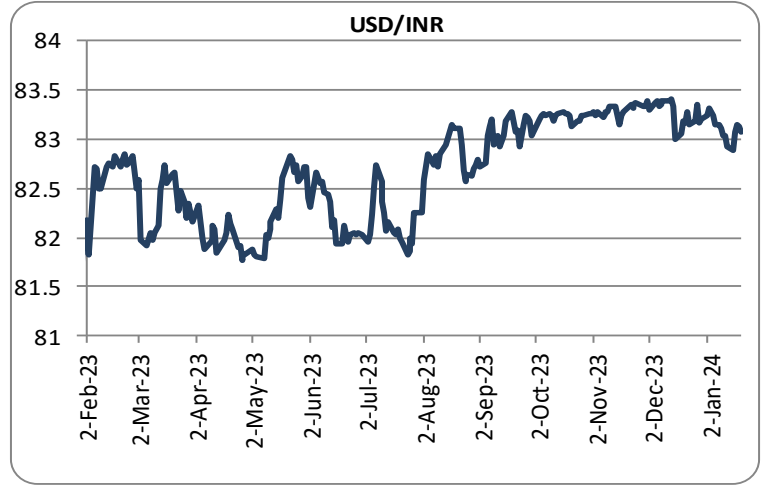
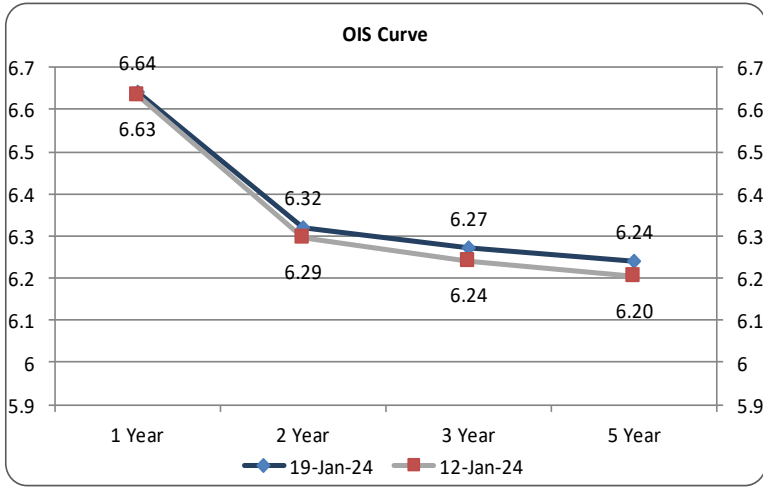
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
19-Jan-24	1832	634	1198

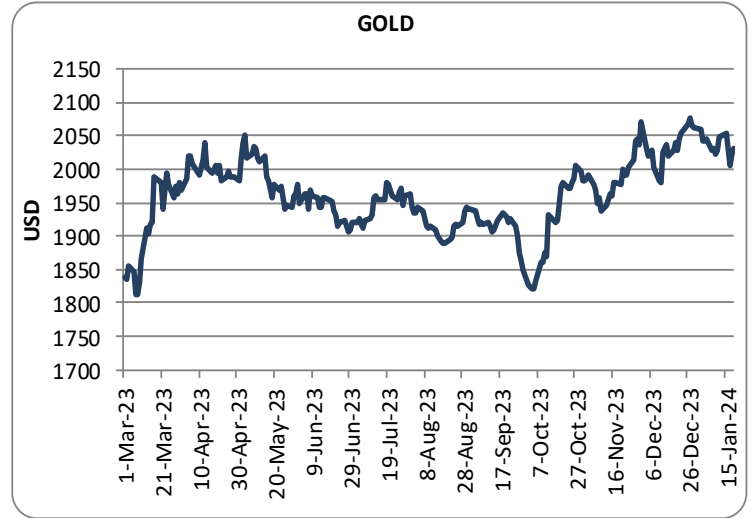
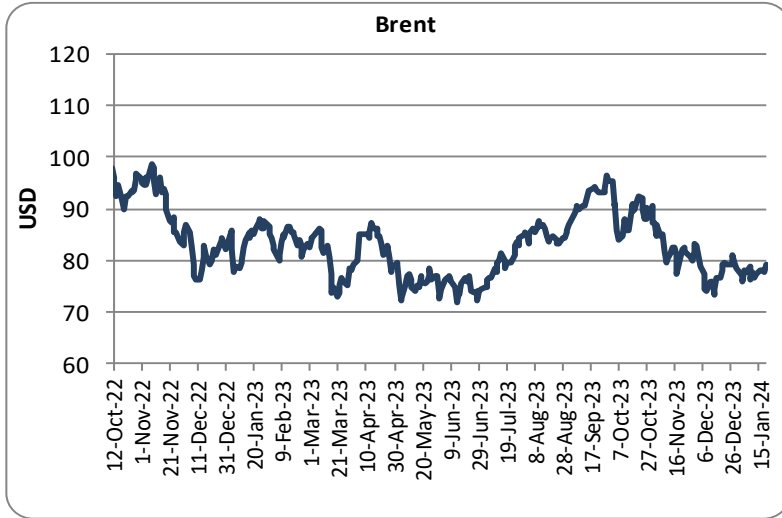
EQUITY	Gross Purchase	Gross Sales	Net Investment
	15587	24782	-9195

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
17419	25416	-7997

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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