



Indian government bond yields ended higher on Thursday as traders eyed fresh supply though weekly debt auction along with minutes of the Indian central bank's latest meeting, both due on Friday.

The 10-year benchmark bond yield ended at 7.1897%, after closing at 7.1679% in the previous session.

Market participants also await the minutes of the Reserve Bank of India's (RBI) December meeting, with focus on the thinking of central bank members about the interest rate trajectory next year.

The RBI had maintained status quo on rates and stance for fifth consecutive time with a cautious tone earlier this month. The central bank's objective of aligning inflation with its 4% target on a durable basis is far from assured and a failure to do so could risk economic growth.

Market participants are turning cautiously optimistic in terms of interest rates since the Federal Reserve turned dovish in its latest meeting last week.

U.S. yields continued to ease, with the 10-year falling to around 3.85% in Asian hours, its lowest in nearly five months on bets of early Fed interest rate cuts. Markets now see an over 80% probability of the Fed cutting rates in March. The Fed has projected 75 basis points of rate cuts in 2024, but market has factored in 75% probability of 150 bps of cuts.

The Indian rupee weakened 0.12% versus the U.S. dollar, and quoted at 83.28 per dollar, as dollar demand from local oil companies weighed on the unit, while traders awaited growth and labour market data from the United States.

Repo: The weighted average call rates in the interbank segment increased to 6.81% vs 6.80% as on the previous day while that the TREP segment increased to 6.79% vs 6.77% as on the previous day.

GOI Yield	21-Dec	20-Dec	14-Dec	22-Nov
1 Year	7.170	7.100	7.120	7.120
5 Year	7.104	7.081	7.117	7.244
10 Year	7.190	7.168	7.197	7.244

AAA Bmk	21-Dec	20-Dec	14-Dec	22-Nov
1 Year	7.80	7.80	7.86	7.82
5 Year	7.75	7.75	7.78	7.83
10 Year	7.70	7.70	7.72	7.75

CD	21-Dec	20-Dec	14-Dec	22-Nov
3 Month	7.45	7.45	7.45	7.30
6 Month	7.75	7.75	7.75	7.60
1 Year	7.90	7.90	7.90	7.75

CP	21-Dec	20-Dec	14-Dec	22-Nov
3 Month	7.70	7.70	7.65	7.45
6 Month	8.00	8.00	8.00	7.70
1 Year	8.05	8.05	8.05	7.95

OIS Rate	21-Dec	20-Dec	14-Dec	22-Nov
1 Year	6.63	6.64	6.74	6.90
2 Year	6.26	6.28	6.38	6.62
3 Year	6.21	6.23	6.30	6.59
5 Year	6.17	6.20	6.27	6.56

	21-Dec	20-Dec	14-Dec	22-Nov
Sensex	70,865	70,506	70,514	66,023
Nifty	21,255	21,150	21,183	19,812
USD/INR	83.28	83.17	83.33	83.32
Gold (USD)	2,034	2,029	2,036	1,990
Oil (USD)	79.36	79.70	76.61	81.96

NDF	21-Dec	20-Dec	14-Dec	22-Nov
3 Month	83.48	83.41	83.50	83.52
1 Year	84.73	84.71	84.80	84.68
2 Year	87.13	87.06	87.30	86.85
3 Year	90.03	89.96	90.10	89.25

Market Observations

G-sec

- Demand was seen in 2026 maturity G-sec by foreign banks and in 1-year t-bill by banks @7.11 levels.
- Selling was seen in 6 to 12-year SDLs with a very timid demand.
- Demand was seen in 2025 maturity SDLs @7.40 levels.

Corporate Bonds

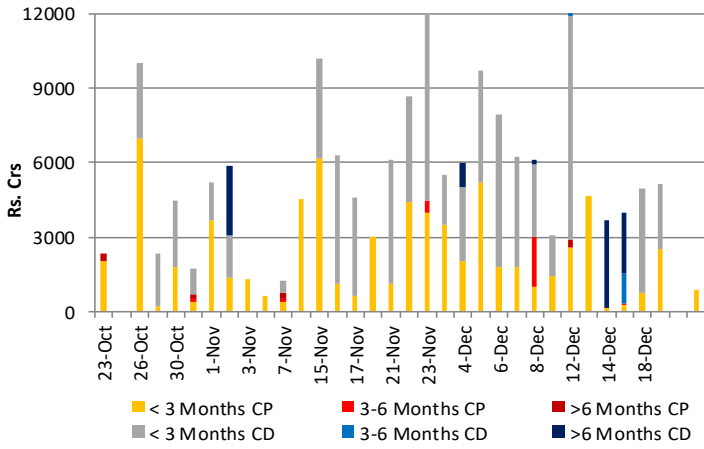
- Mutual funds were active on both selling as well buying side.
- Banks and Mutual funds were active in the longer segment.

CP/CD

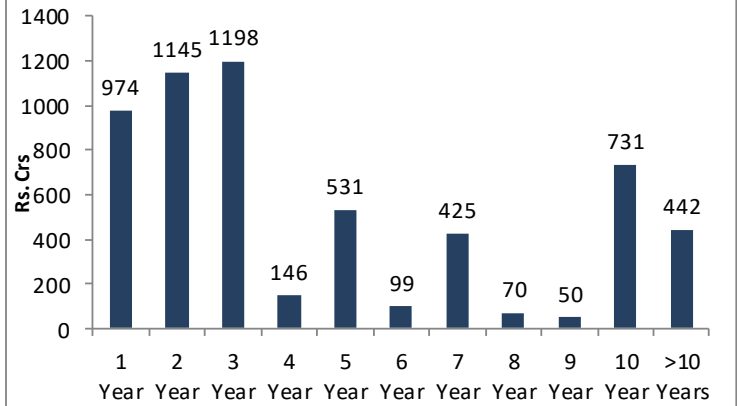
- Demand was seen in the 0 to 3-month segment.



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	21-Dec	20-Dec	14-Dec	22-Nov
India	7.19	7.17	7.19	7.25
US	3.88	3.88	3.93	4.42
South Korea	3.30	3.28	3.34	3.76
Russia	12.12	12.20	12.67	11.97
Brazil	10.51	10.51	10.67	11.08
Germany	1.97	1.98	2.13	2.56
China	2.62	2.64	2.66	2.68

Top Traded Securities	Volume	20-Dec	19-Dec	13-Dec	21-Nov
7.26 2033	245	#N/A	#N/A	#N/A	#N/A
7.06 2028	1,305	#N/A	#N/A	#N/A	#N/A
7.62 2039	-	7.22	7.21	7.31	7.34
7.30 2053	490	7.25	7.25	#N/A	#N/A
6.64 2035	115	7.31	7.29	7.36	7.37
7.40 2035	170	7.27	7.25	7.35	7.37

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
19-Dec-23	7301	6314	986

EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	16670	16394	276

TOTAL (Rs.Crs)			
	Gross Purchase	Gross Sales	Net Investment
	23971	22709	1262

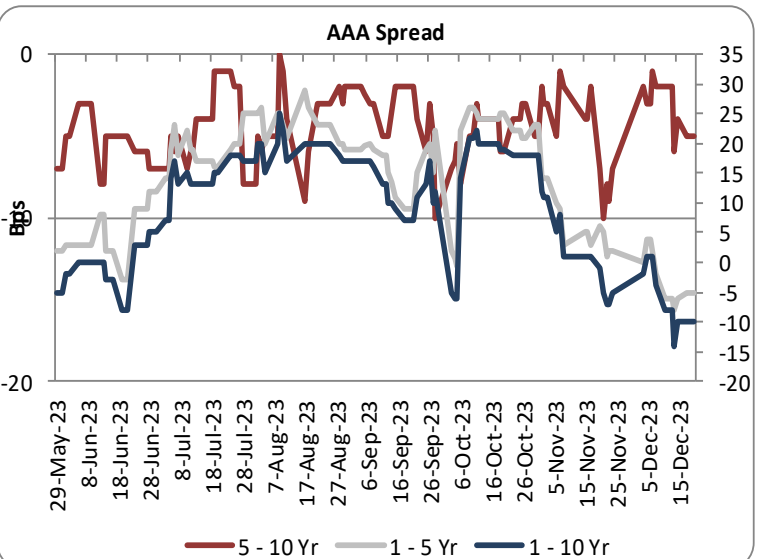
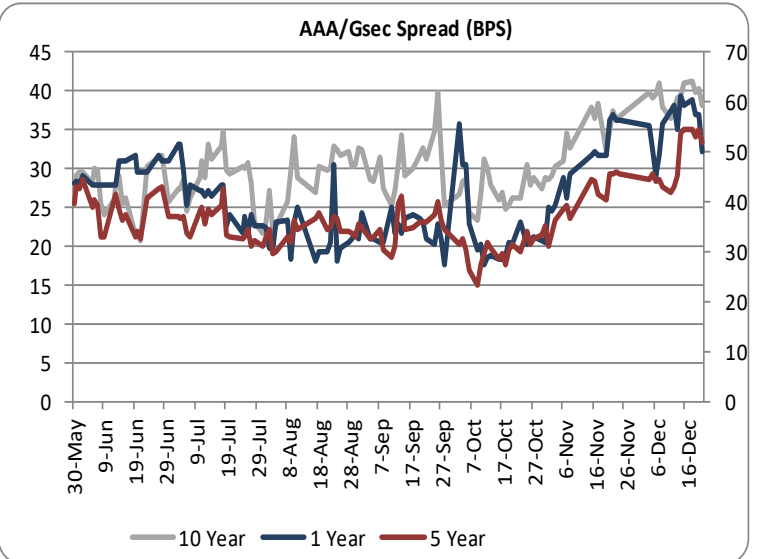
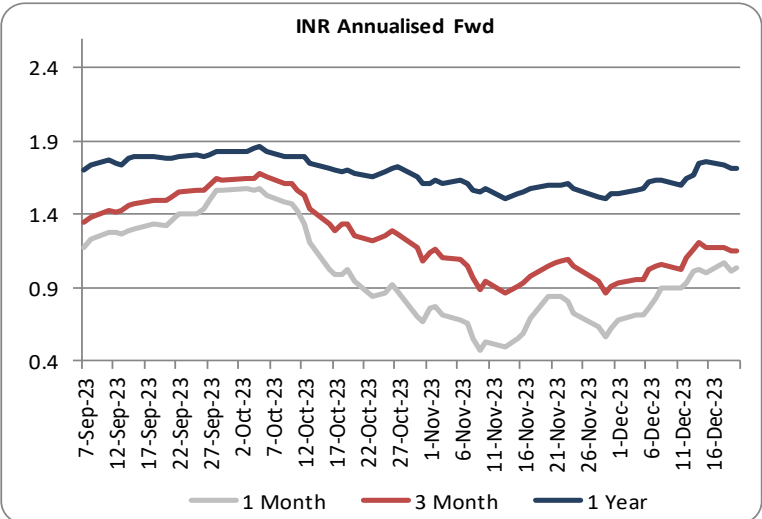
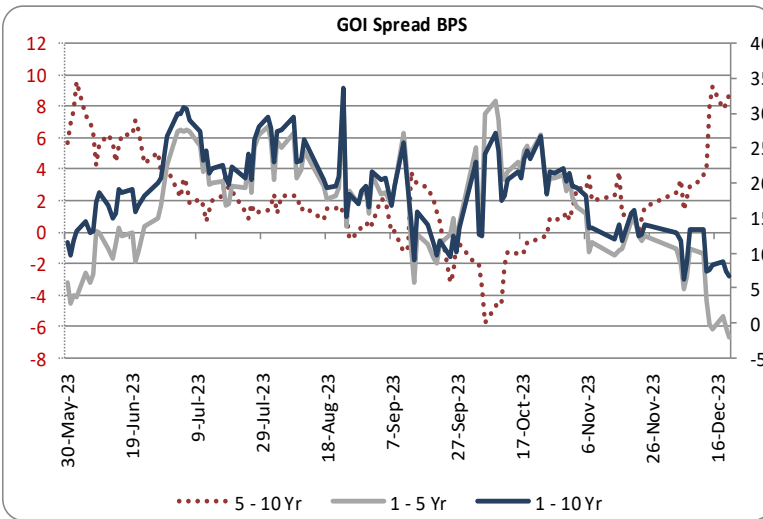
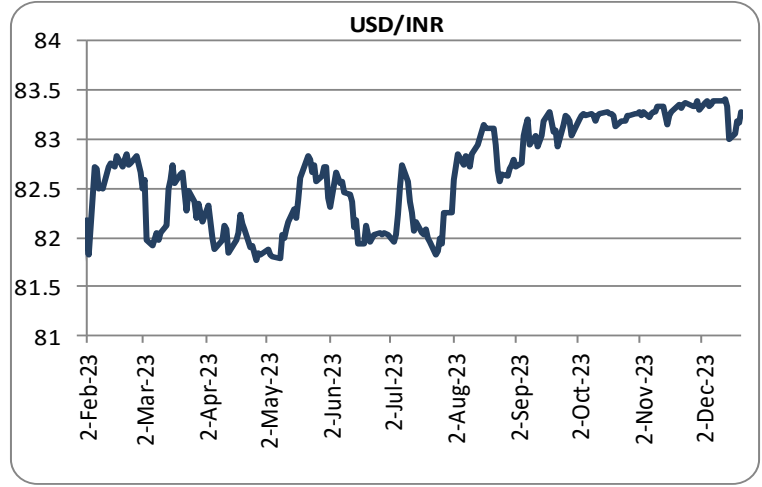
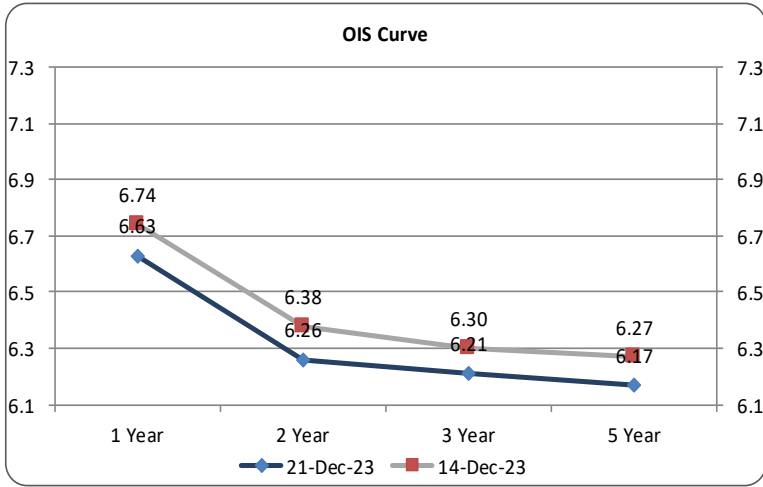
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
21-Dec-23	890	734	156

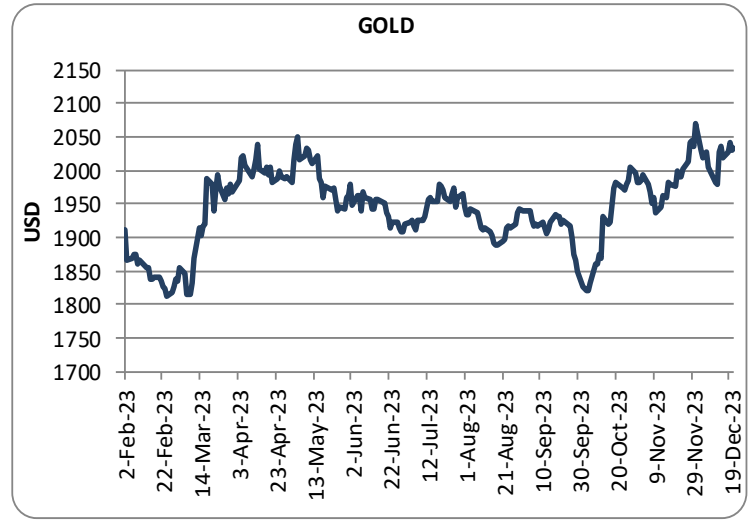
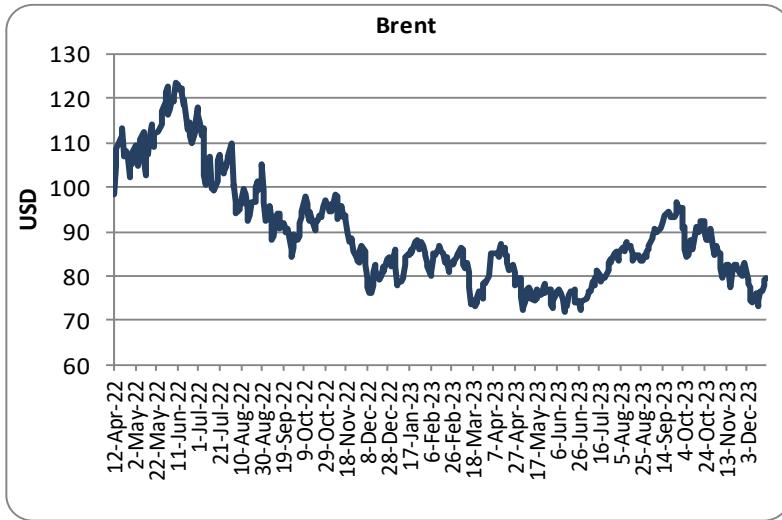
EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	15350	13342	2007

TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	16240	14077	2163

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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