



INDIA

Indian government bond yields ended little changed on Tuesday as market participants awaited fresh cues as well as a debt sale in the holiday-truncated week.

India's benchmark 10-year yield ended at 7.1751%, following its previous close at 7.1790%. India's bond markets were shut on Monday and will be closed on Friday.

The 10-year U.S. bond yield stayed above 4.10%, as investors trimmed bets on the timing and pace of rate cuts by the Federal Reserve in 2024, following a slew of strong economic data in recent days. A string of economic indicators last week showed resilience in economic activity despite high interest rates, suggesting the Fed's shift to a less restrictive stance may not be imminent.

Traders have trimmed the odds of the first Fed rate cut by March to 44% from 81% on Jan. 12, while the probability of 150 basis points of cuts in 2024 has dropped to 47% from 91%.

The Fed's next policy decision is due on Jan. 31. Meanwhile, India's federal budget for the next financial year is due on Feb. 1.

Earlier in the day, 13 Indian states raised 232.80 billion rupees (\$2.80 billion) via bond sale and the auction cut-offs came in line with expectations.

Oil prices eased slightly on Tuesday as traders weighed simmering geopolitical tensions in several regions with supply outages in the U.S. and returning production in Libya.

The Indian rupee weakened 0.10% versus the U.S. dollar, and quoted at 83.15 per dollar, weighed down by dollar demand from local oil companies and foreign banks.

Repo: The weighted average call rates in the interbank segment increased to 6.79% vs 6.28% as on the previous day while that the TREP segment decreased to 6.75% vs 6.85% as on the previous day.

**Market Observations**

**G-sec**

- SDL cut off was in line with market expectation but 3 to 4bps higher in 17-year Karnataka due to market expectations.
- Demand was seen in 2053 G-sec by insurance companies @7.36 levels.
- Size was traded in 5 to 7 year Strips at 7.3950 levels.

**Corporate Bonds**

- Major activity was seen in the MMY segment and in the 2025-2026 segment.
- Banks were seen buying in the 2-year segment.

**CP/CD**

- Major activity was seen in the 3-month segment.

GOI Yield	23-Jan	19-Jan	16-Jan	26-Dec
1 Year	7.130	7.153	7.115	7.090
5 Year	7.063	7.051	7.022	7.100
10 Year	7.175	7.179	7.146	7.182

AAA Bmk	23-Jan	19-Jan	16-Jan	26-Dec
1 Year	7.90	7.90	7.83	7.80
5 Year	7.67	7.67	7.70	7.72
10 Year	7.70	7.70	7.65	7.73

CD	23-Jan	19-Jan	16-Jan	26-Dec
3 Month	7.75	7.60	7.60	7.45
6 Month	7.85	7.75	7.75	7.75
1 Year	7.90	7.90	7.90	7.90

CP	23-Jan	19-Jan	16-Jan	26-Dec
3 Month	7.85	7.75	7.75	7.70
6 Month	7.95	7.85	7.85	8.00
1 Year	8.00	8.00	8.00	8.05

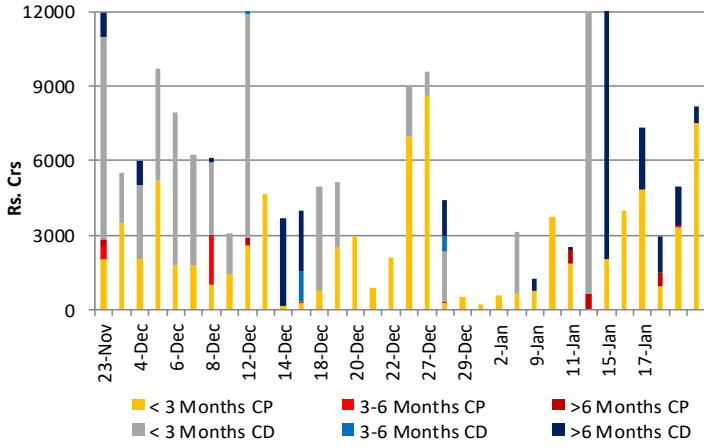
OIS Rate	23-Jan	19-Jan	16-Jan	26-Dec
1 Year	6.62	6.64	6.60	6.64
2 Year	6.28	6.32	6.25	6.30
3 Year	6.23	6.27	6.19	6.24
5 Year	6.19	6.24	6.16	6.21

	23-Jan	19-Jan	16-Jan	26-Dec
Sensex	70,371	71,683	73,129	71,337
Nifty	21,239	21,622	22,032	21,441
USD/INR	83.15	83.07	83.07	83.19
Gold (USD)	2,023	2,029	2,028	2,067
Oil (USD)	79.37	78.56	78.29	81.07

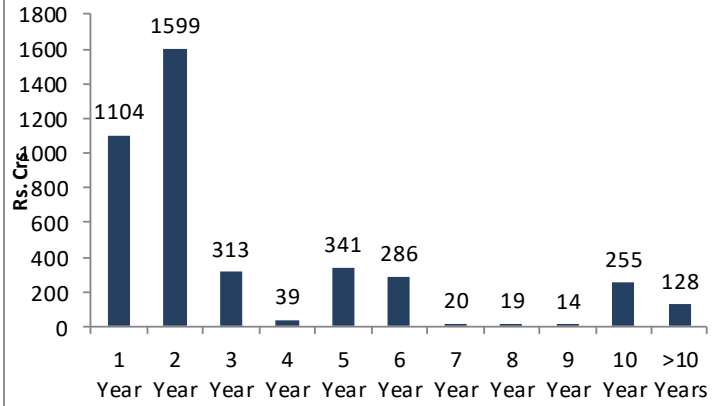
NDF	23-Jan	19-Jan	16-Jan	26-Dec
3 Month	83.49	83.48	83.40	83.43
1 Year	84.73	84.71	84.66	84.74
2 Year	87.22	87.11	87.22	87.27
3 Year	90.14	90.01	90.12	90.17



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	23-Jan	19-Jan	16-Jan	26-Dec
India	7.18	7.18	7.15	7.18
US	4.13	4.15	4.07	3.89
South Korea	3.37	3.42	3.32	3.26
Russia	12.20	12.18	12.35	12.29
Brazil	10.80	10.73	10.70	10.45
Germany	2.31	2.31	2.21	1.97
China	2.51	2.51	2.53	2.60

Top Traded Securities	Volume	17-Jan	16-Jan	10-Jan	19-Dec
7.26 2033	160	7.19	7.18	7.21	7.21
7.06 2028	300	7.28	7.26	7.32	7.34
7.62 2039	-	7.19	7.18	7.22	7.21
7.30 2053	1,120	7.37	7.36	7.40	7.37
6.64 2035	30	7.27	7.28	7.28	7.29
7.40 2035	115	7.26	7.24	7.30	7.25

DEBT			
MF	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

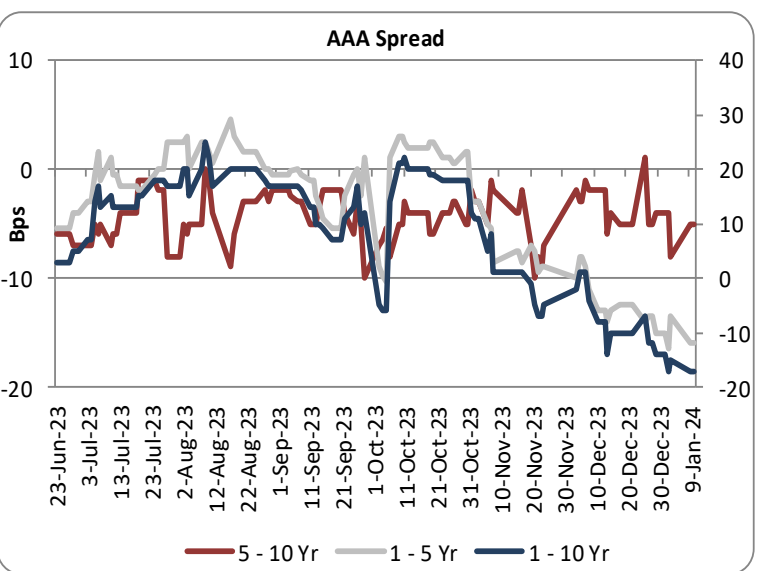
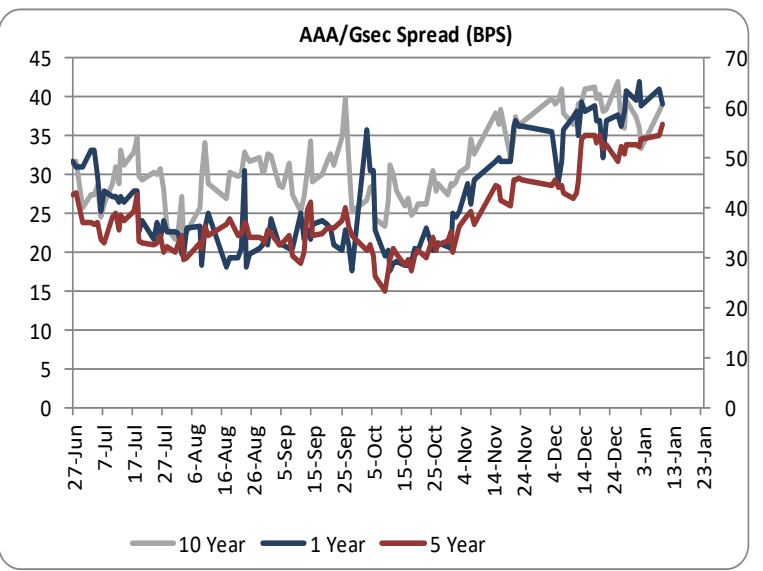
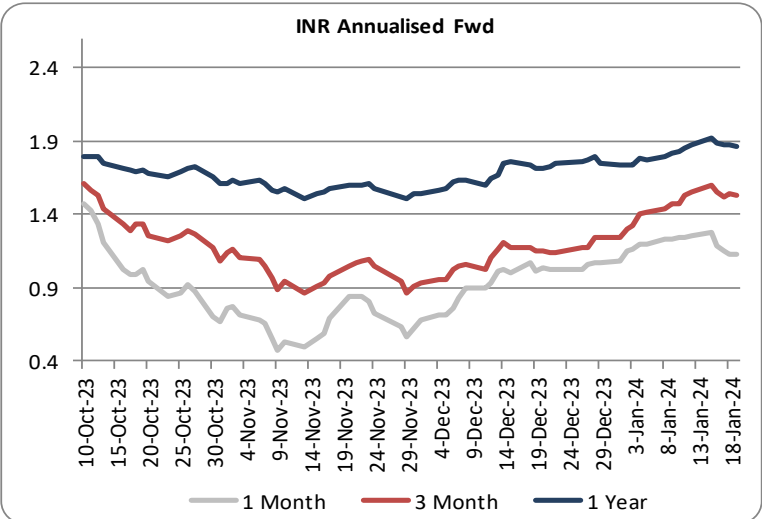
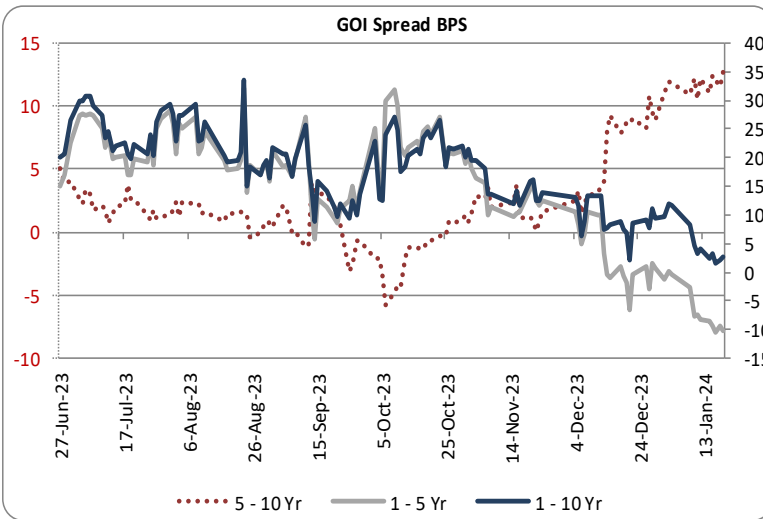
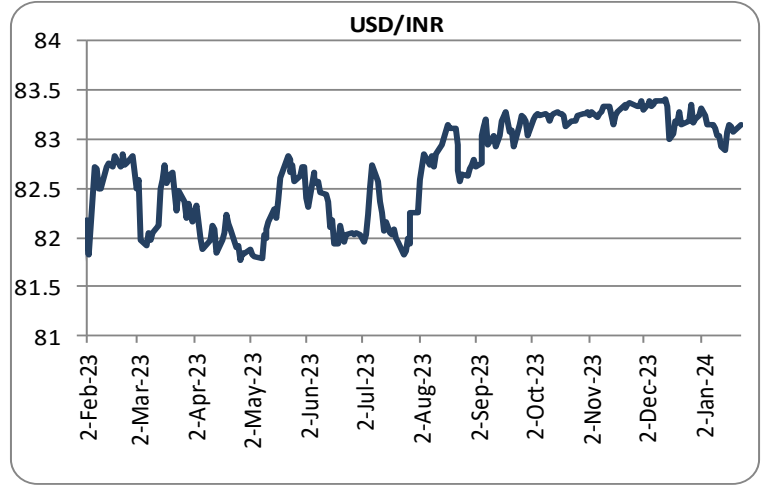
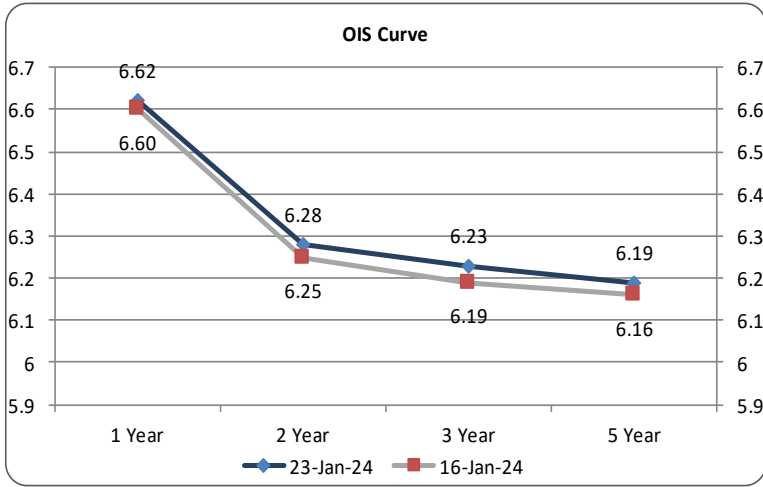
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
23-Jan-24	1917	1332	585

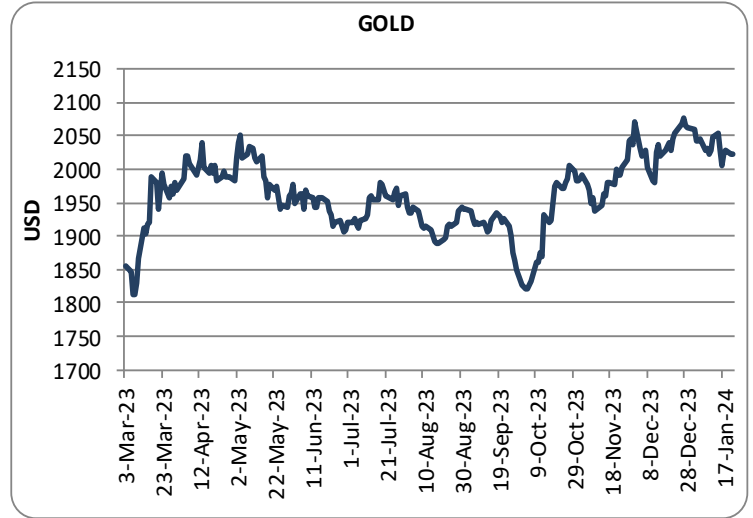
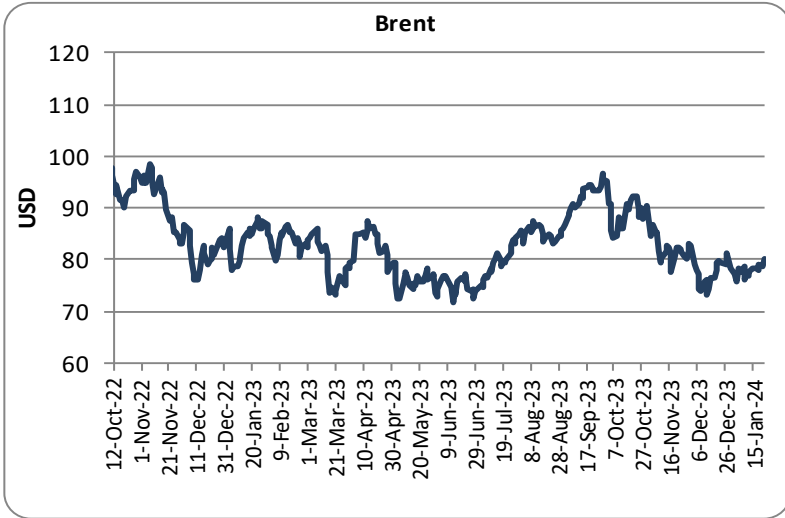
EQUITY		
Gross Purchase	Gross Sales	Net Investment
19476	23029	-3554

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
21393	24362	-2969

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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