



## INDIA

Indian government bond yields ended lower on Tuesday, tracking their U.S. peers, while broader market sentiment stayed positive in the run up to the nation's federal budget on Thursday.

India's benchmark 10-year yield ended at 7.1570%, following its previous close at 7.1735%.

India is due to announce the budget for the next financial year on Feb 1. India may target gross borrowing for the next financial year at between 15 trillion rupees (\$180.48 billion) and 15.50 trillion rupees, against a planned 15.43 trillion rupees this fiscal year as per market participants.

The fiscal deficit as a percentage of GDP is expected to decline to 5.30% in 2024/25 from 5.90% this fiscal.

Indian funds, insurers and banks have increased positions in longer-duration bonds in anticipation of the budget being fiscally conservative with no pre-election spending surprises.

Meanwhile, U.S. bond yields eased, with the 10-year yield around 4.05% after the Treasury said it would need to borrow less than its previous estimates. This comes days before Federal Reserve policy decision.

Markets have trimmed their bets on the timing and pace of Fed rate cuts in 2024.

Oil prices edged higher on Tuesday following a more than 1% drop in the previous session as escalating tensions in major producing region the Middle East fueled supply concerns.

The Indian rupee strengthened 0.03% versus the U.S. dollar, and quoted at 83.11 per dollar as local dollar appetite offset positive cues from strength in most Asian currencies.

Repo: The weighted average call rates in the interbank segment decreased to 6.75% vs 6.78% as on the previous day while that the TREP segment decreased to 6.70% vs 6.76% as on the previous day.

### Market Observations

#### G-sec

- SDL cut off was in line with market expectation.
- Demand was seen in 10 and 11 year SDL @7.62 centric levels by insurance companies and mutual funds post cut off.
- Demand was seen in 2026 Maturity SDLs by PDs @7.36 levels. Major sellers were mutual funds

#### Corporate Bonds

- Mutual funds were active up to the 2027 segment.
- Pension funds were buying in the longer segment.

#### CP/CD

- Demand was seen across all segments.

GOI Yield	30-Jan	29-Jan	23-Jan	2-Jan
1 Year	7.130	7.140	7.130	7.090
5 Year	7.030	7.037	7.063	7.091
10 Year	7.157	7.174	7.175	7.211

AAA Bmk	30-Jan	29-Jan	23-Jan	2-Jan
1 Year	7.87	7.92	7.90	7.87
5 Year	7.75	7.75	7.67	7.74
10 Year	7.68	7.65	7.70	7.70

CD	30-Jan	29-Jan	23-Jan	2-Jan
3 Month	7.80	7.80	7.75	7.55
6 Month	7.85	7.85	7.85	7.65
1 Year	7.90	7.90	7.90	7.85

CP	30-Jan	29-Jan	23-Jan	2-Jan
3 Month	7.90	7.90	7.85	7.65
6 Month	7.95	7.95	7.95	7.75
1 Year	8.00	8.00	8.00	8.00

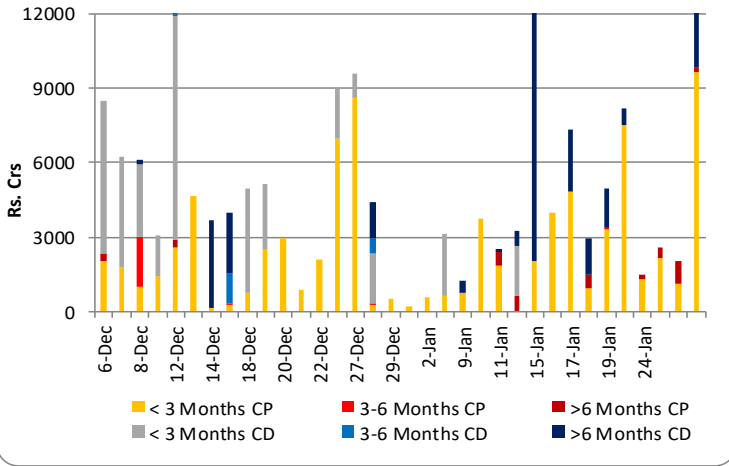
OIS Rate	30-Jan	29-Jan	23-Jan	2-Jan
1 Year	6.58	6.59	6.62	6.65
2 Year	6.24	6.25	6.28	6.33
3 Year	6.20	6.22	6.23	6.28
5 Year	6.17	6.19	6.19	6.23

	30-Jan	29-Jan	23-Jan	2-Jan
Sensex	71,140	71,942	70,371	71,892
Nifty	21,522	21,738	21,239	21,666
USD/INR	83.11	83.13	83.15	83.32
Gold (USD)	2,034	2,032	2,029	2,059
Oil (USD)	82.28	82.40	79.55	75.89

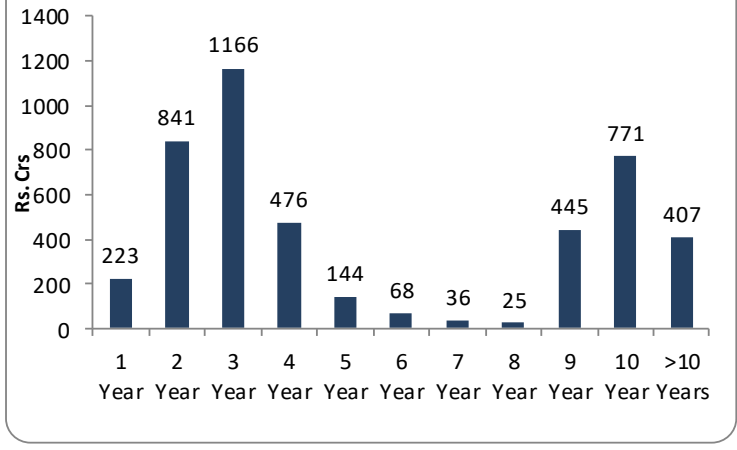
NDF	30-Jan	29-Jan	23-Jan	2-Jan
3 Month	83.40	83.44	83.48	83.57
1 Year	84.63	84.67	84.70	84.73
2 Year	86.98	87.03	87.10	87.28
3 Year	89.78	89.83	90.00	90.18



CP/CD Primary Volume



Bonds Volume



10 Year Benchmarks	30-Jan	29-Jan	23-Jan	2-Jan
India	7.16	7.17	7.17	7.21
US	4.06	4.09	4.14	3.94
South Korea	3.35	3.44	3.37	3.31
Russia	12.24	12.27	12.26	12.30
Brazil	10.62	10.62	10.75	10.42
Germany	2.25	2.24	2.35	2.06
China	2.47	2.50	2.51	2.59

Top Traded Securities	Volume	24-Jan	23-Jan	17-Jan	26-Dec
7.26 2033	725	7.21	7.20	7.19	7.22
7.06 2028	700	7.26	7.28	7.28	7.36
7.62 2039	-	7.20	7.20	7.19	0.00
7.30 2053	1,620	7.36	7.36	7.37	7.41
6.64 2035	125	#N/A	7.26	7.25	7.27
7.40 2035	265	7.26	7.25	7.26	7.29

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
24-Jan-24	12888	7211	5677

EQUITY		
Gross Purchase	Gross Sales	Net Investment
8900	12232	-3332

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
21788	19443	2345

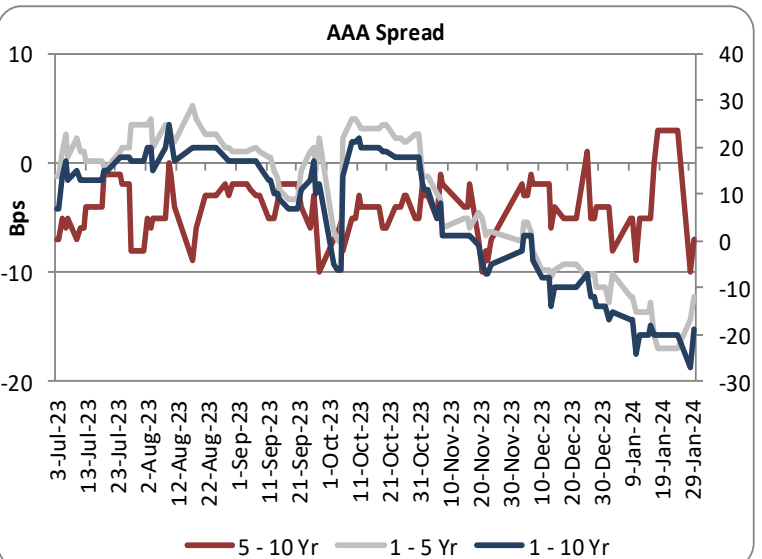
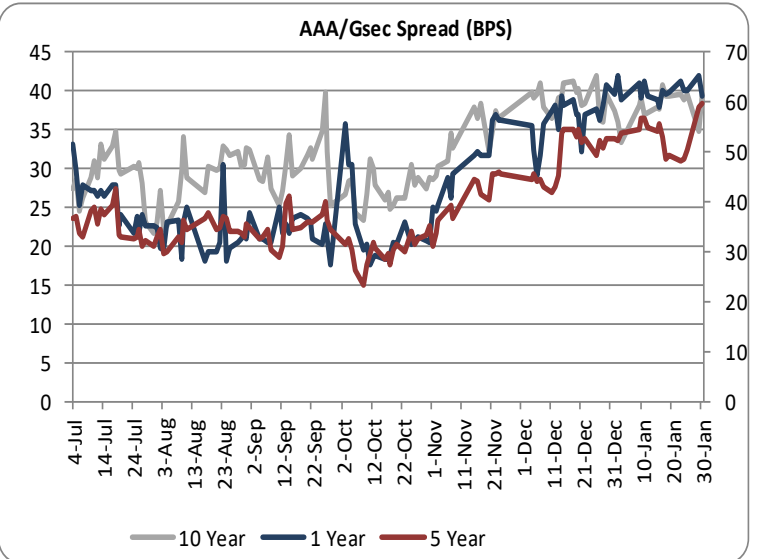
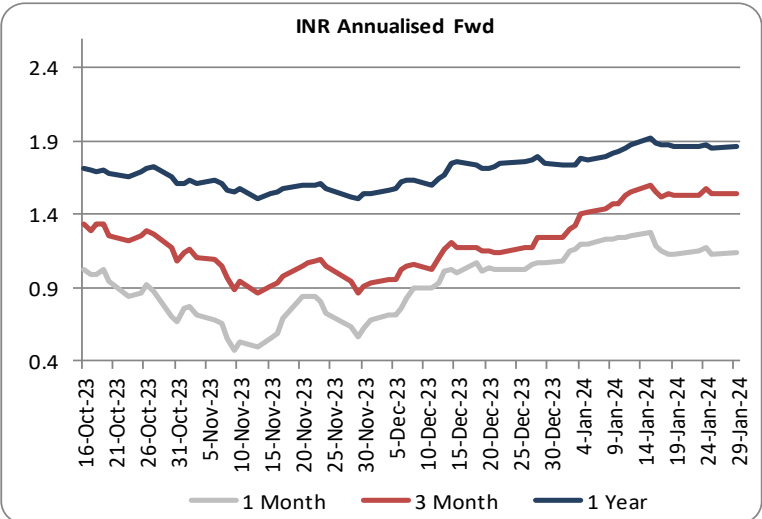
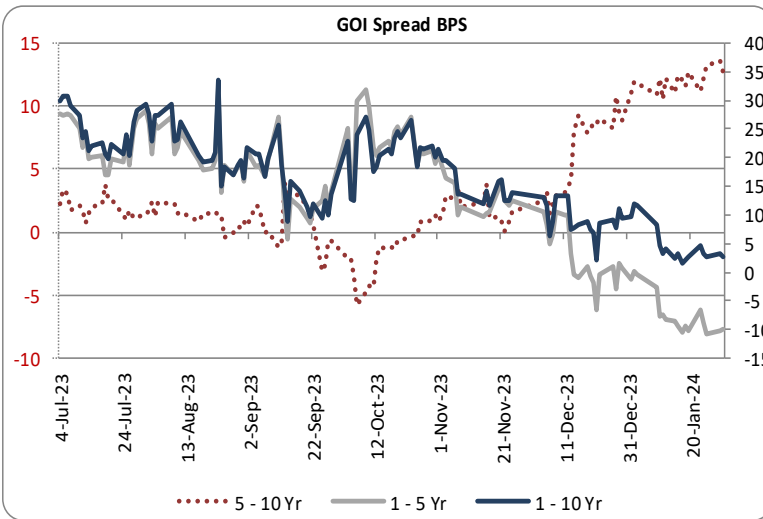
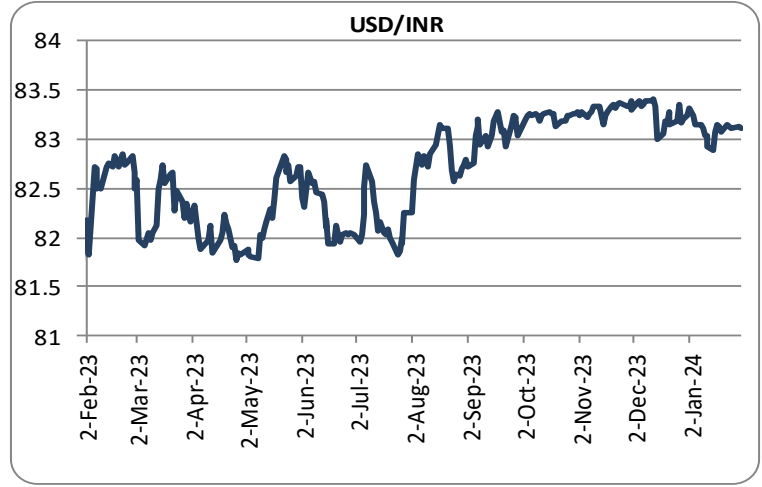
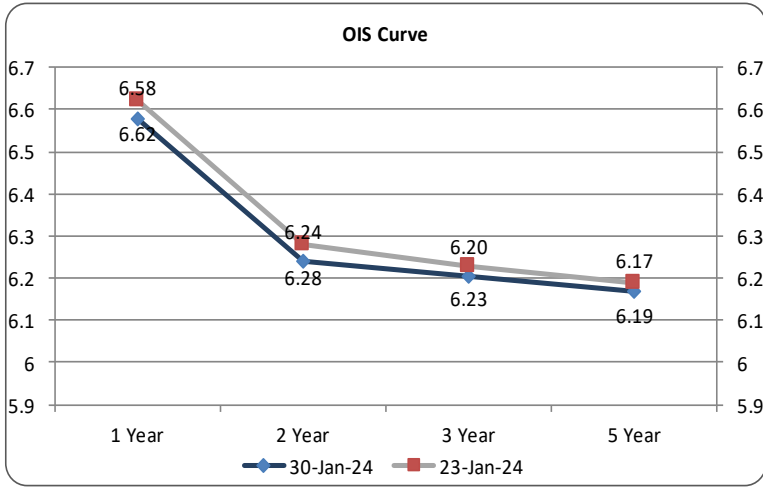
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
30-Jan-24	1784	1945	-161

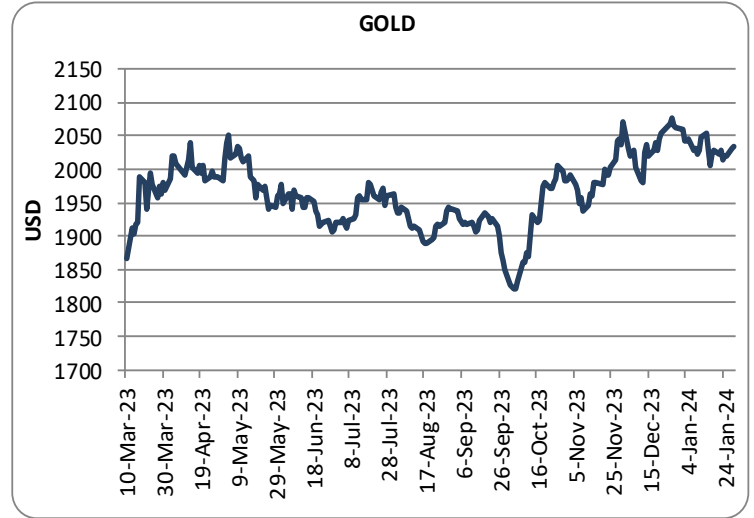
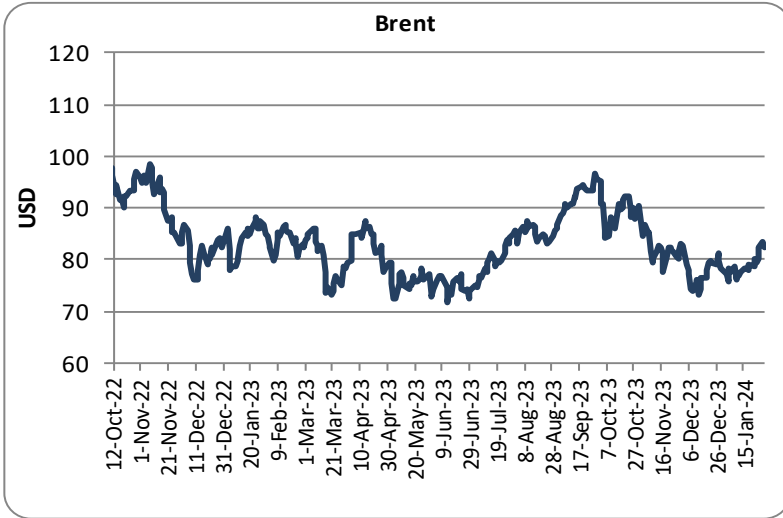
EQUITY		
Gross Purchase	Gross Sales	Net Investment
22001	26266	-4264

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
23785	28211	-4426

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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