



## INDIA

- ❖ The benchmark 6.10% bond maturing in 2031 ended at 98.15 rupees, yielding 6.36%, compared with 98.08 rupees and a similar yield on Friday.
- ❖ India's rate-setting panel commenced its three-day policy meeting today. The RBI is likely to hike its reverse repo rate early next year and increase its repo rate the following quarter, according to a Reuters poll of economists who were split on whether the latest Covid-19 variant risked delaying those moves.
- ❖ The central bank has left the benchmark repo rate unchanged at a record low of 4% since May 2020, and kept an accommodative stance to boost growth in India's pandemic-ravaged economy. The reverse repo rate has also been kept steady at 3.35% since May last year.
- ❖ India is slowly emerging from the coronavirus pandemic, but infections from the Omicron strain, classified as a "variant of concern" by the World Health Organization, pose downside risks to the country's uneven economic recovery.
- ❖ Meanwhile, the yield on the US 10-year Treasury was last at 1.3936%, after crashing eight basis points on Friday to close around 1.36%.
- ❖ Benchmark Brent crude futures were 2.10% higher at \$71.35 per barrel, after falling almost 4% last week.
- ❖ The India rupee declined against the U.S. currency, falling to its lowest in nearly eight weeks while also posting its seventh drop in the last eight sessions, amid a continuous selloff in local equities and broad dollar gains. Traders have turned a little more cautious after new cases of the Omicron variant were detected across India, leading to dollar outflows. The rupee was quoting at 75.42 to the dollar against 75.16 in the previous session.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.26% vs 3.25% as on previous day, while that in the TREP segment decreased to 3.27% vs 3.28% as on previous day.

| GOI Yield | 6-Dec | 30-Nov | 29-Oct | 8-Nov |
|-----------|-------|--------|--------|-------|
| 1 Year    | 4.130 | 4.110  | 4.020  | 4.050 |
| 5 Year    | 5.690 | 5.646  | 5.760  | 5.668 |
| 10 Year   | 6.359 | 6.326  | 6.388  | 6.300 |

| AAA Bmk | 6-Dec | 30-Nov | 29-Oct | 8-Nov |
|---------|-------|--------|--------|-------|
| 1 Year  | 0.00  | 4.50   | 4.20   | 4.30  |
| 5 Year  | 0.00  | 6.00   | 6.00   | 6.00  |
| 10 Year | 0.00  | 6.83   | 6.90   | 6.90  |

| CD      | 6-Dec | 30-Nov | 29-Oct | 8-Nov |
|---------|-------|--------|--------|-------|
| 3 Month | 3.65  | 3.65   | 3.60   | 3.60  |
| 6 Month | 3.95  | 3.95   | 3.90   | 3.90  |
| 1 Year  | 4.40  | 4.40   | 4.15   | 4.15  |

| CP      | 6-Dec | 30-Nov | 29-Oct | 8-Nov |
|---------|-------|--------|--------|-------|
| 3 Month | 4.00  | 4.00   | 4.50   | 4.35  |
| 6 Month | 4.55  | 4.55   | 4.50   | 4.70  |
| 1 Year  | 4.85  | 4.85   | 4.85   | 4.95  |

| OIS Rate | 6-Dec | 30-Nov | 29-Oct | 8-Nov |
|----------|-------|--------|--------|-------|
| 1 Year   | 4.25  | 4.20   | 4.32   | 4.23  |
| 2 Year   | 4.75  | 4.69   | 4.93   | 4.77  |
| 3 Year   | 5.03  | 4.99   | 5.25   | 5.09  |
| 5 Year   | 5.30  | 5.30   | 5.67   | 5.48  |

|            | 6-Dec     | 30-Nov    | 29-Oct    | 8-Nov     |
|------------|-----------|-----------|-----------|-----------|
| Sensex     | 56,747.14 | 57,064.87 | 59,306.93 | 60,545.61 |
| Nifty      | 16,912.25 | 16,983.20 | 17,671.65 | 18,068.55 |
| USD/INR    | 75.42     | 75.16     | 74.88     | 74.02     |
| Gold (USD) | 1,779.94  | 1,773.78  | 1,782.81  | 1,824.26  |
| Oil (USD)  | 72.00     | 70.57     | 84.38     | 83.43     |

| NDF     | 6-Dec | 30-Nov | 29-Oct | 8-Nov |
|---------|-------|--------|--------|-------|
| 3 Month | 76.13 | 75.67  | 75.77  | 74.70 |
| 1 Year  | 78.93 | 78.56  | 78.56  | 77.43 |
| 2 Year  | 82.60 | 81.90  | 82.33  | 81.03 |
| 3 Year  | 86.42 | 86.00  | 86.27  | 85.01 |

### Market Observations

#### G-sec

- Yields ended little changed in a thinly traded session today, as investors awaited the monetary policy decision, due on Wednesday.
- Mutual funds seen buying 2-3 year maturity papers.

#### Corporate Bonds

- Activity was witnessed across all segments.

#### CD

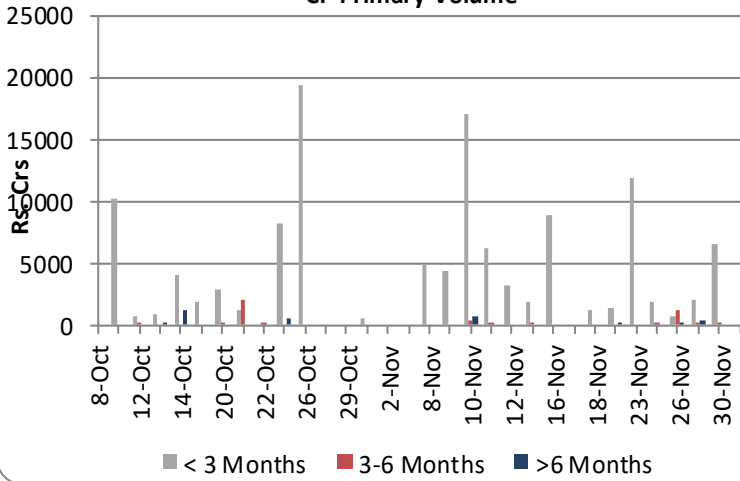
- Major volumes traded were in the 3 month segment.

#### CP

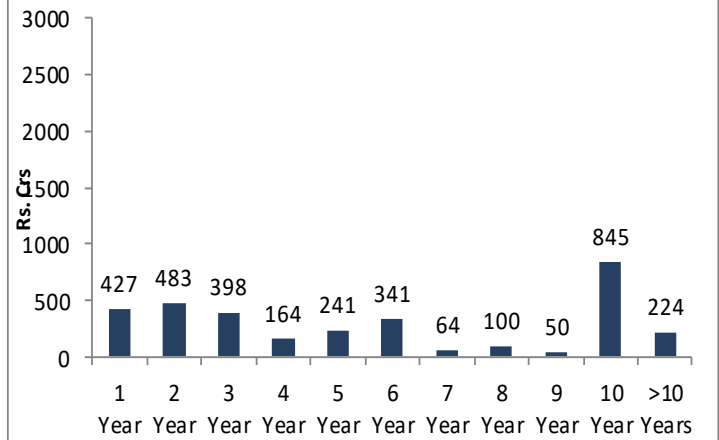
- Levels were unchanged as volumes traded were thin pre-policy.



**CP Primary Volume**



**Bonds Volume**



| 10 Year Benchmarks | 6-Dec | 30-Nov | 29-Oct | 8-Nov |
|--------------------|-------|--------|--------|-------|
| India              | 6.36  | 6.33   | 6.39   | 6.30  |
| US                 | 1.39  | 1.46   | 1.56   | 1.49  |
| South Korea        | 2.21  | 2.22   | 2.58   | 2.33  |
| Russia             | 8.48  | 8.35   | 8.17   | 8.22  |
| Brazil             | 11.07 | 11.41  | 12.25  | 11.79 |
| Germany            | -0.38 | -0.34  | -0.09  | -0.25 |
| China              | 2.83  | 2.87   | 2.98   | 2.91  |

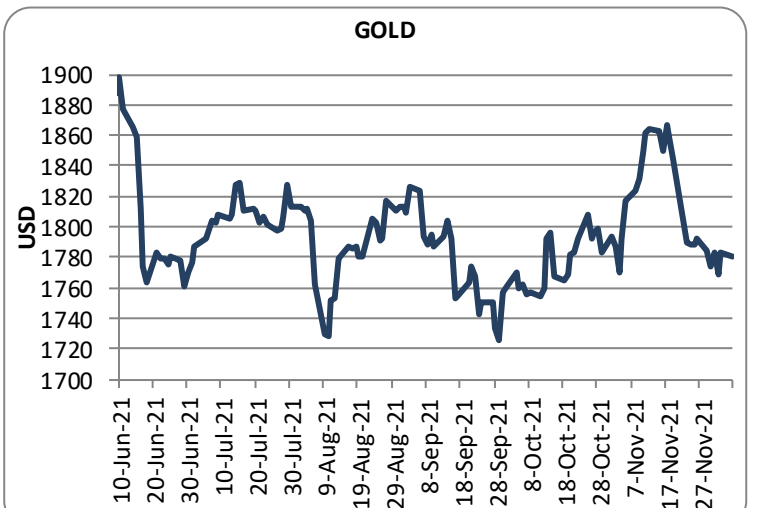
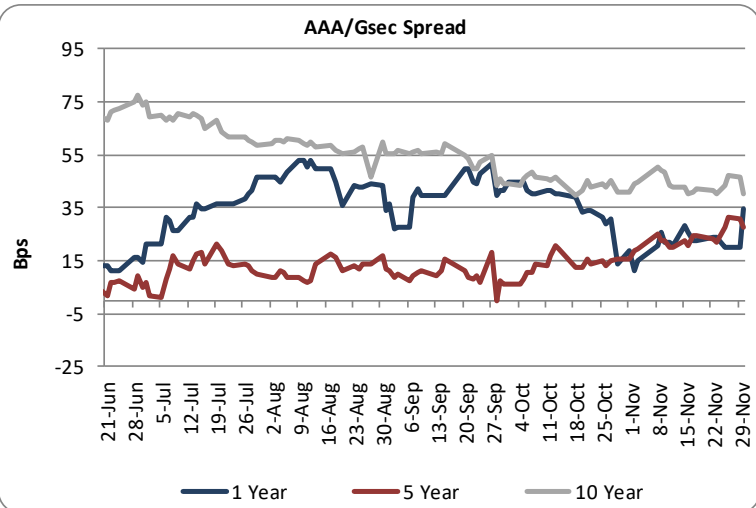
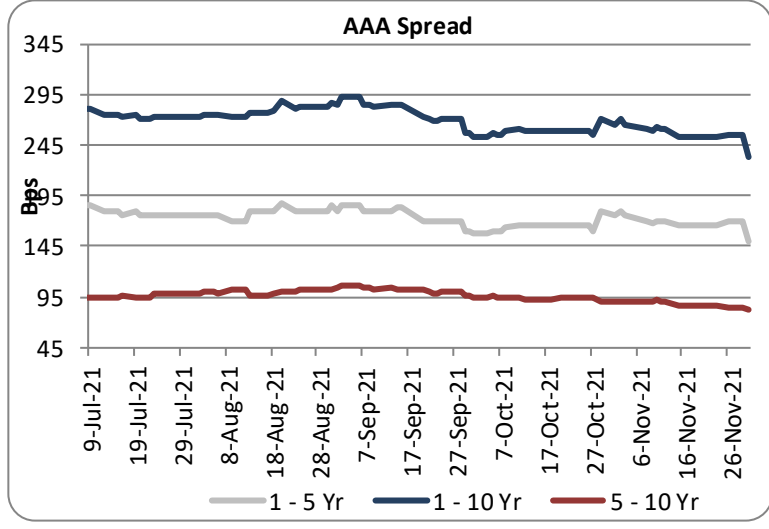
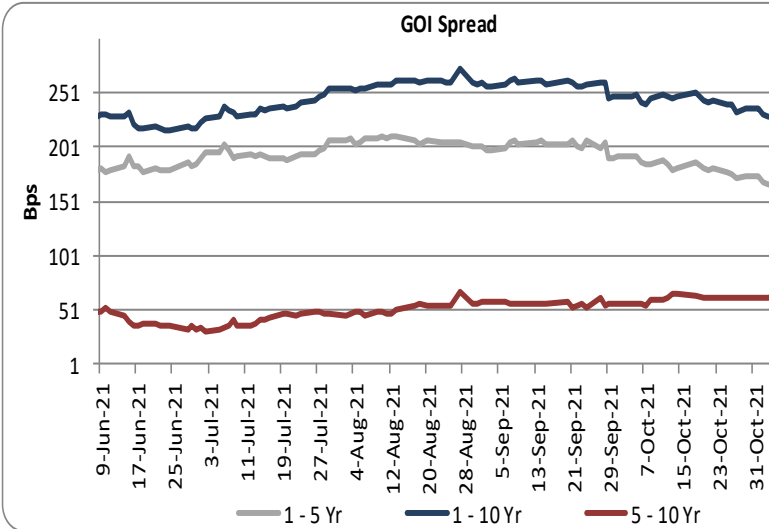
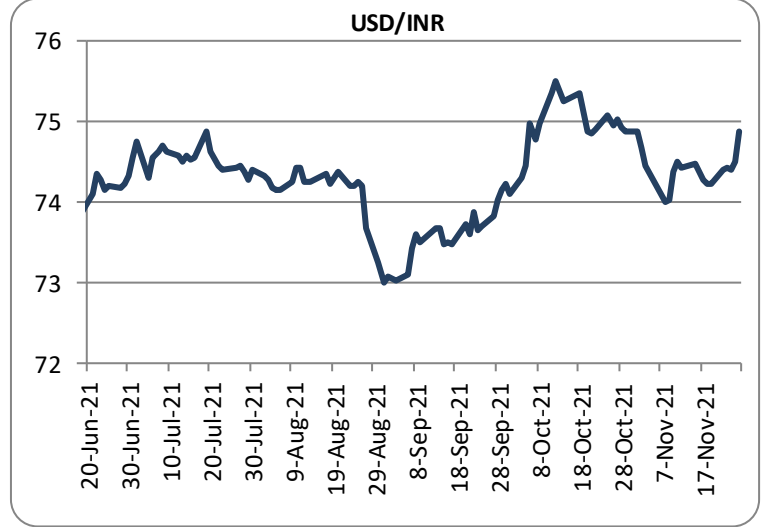
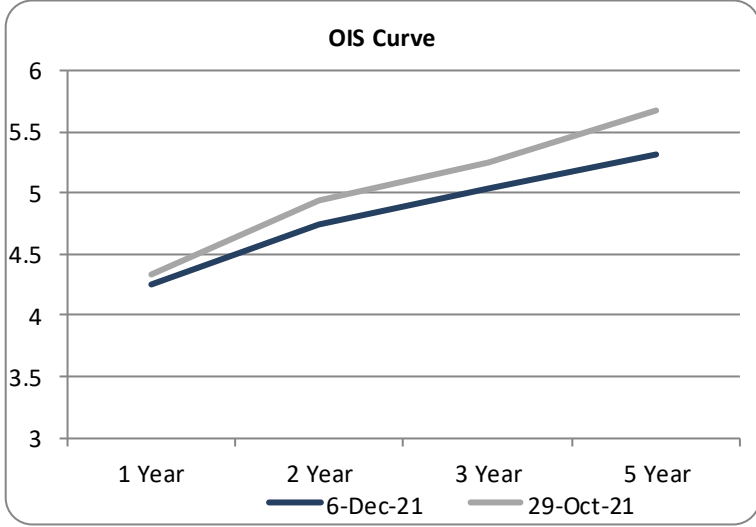
| Top Traded Securities | Volume | 6-Dec | 30-Nov | 29-Oct | 8-Nov |
|-----------------------|--------|-------|--------|--------|-------|
| 5.63 GOI 2026         | 2,390  | 5.69  | 5.65   | 5.76   | 5.67  |
| 6.64 GOI 2035         | 470    | 6.77  | 6.76   | 6.86   | 6.78  |
| 6.10 GOI 2031         | 8,350  | 6.36  | 6.33   | 6.39   | 6.30  |
| 5.15 GOI 2025         | 215    | 5.46  | 5.41   | 5.49   | 5.41  |
| 4.26 GOI 2023         | -      | #N/A  | #N/A   | 4.46   | 4.39  |
| 6.18 GOI 2024         | -      | #N/A  | 5.08   | 5.12   | 0.00  |
| 7.26 GOI 2029         | 20     | 6.26  | 6.24   | 6.38   | 6.25  |

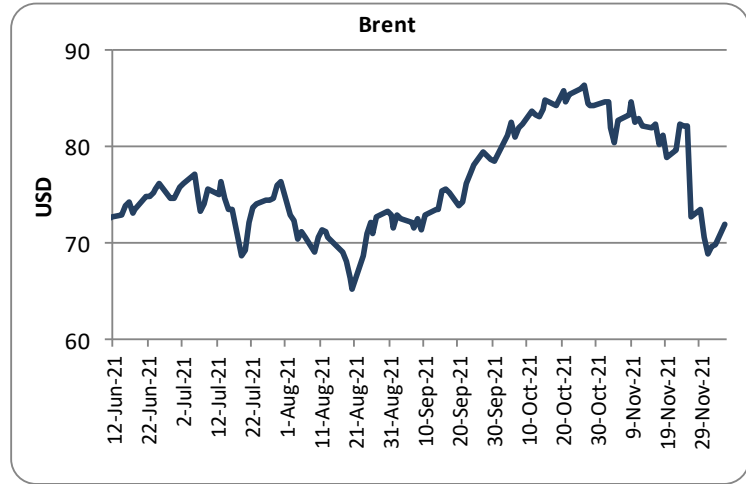
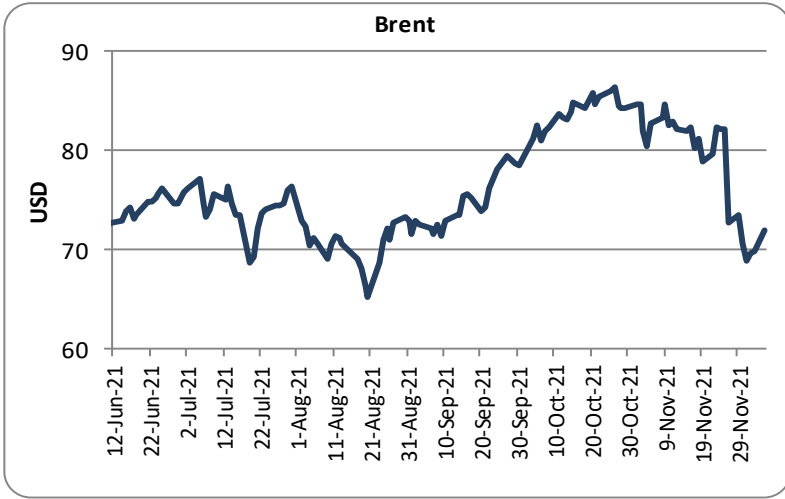
| MF       | DEBT           |             |                | EQUITY         |             |                | TOTAL (Rs.Crs) |             |                |
|----------|----------------|-------------|----------------|----------------|-------------|----------------|----------------|-------------|----------------|
|          | Gross Purchase | Gross Sales | Net Investment | Gross Purchase | Gross Sales | Net Investment | Gross Purchase | Gross Sales | Net Investment |
| 2-Dec-21 | 2770.45        | 2368.11     | 402.34         | 3763.09        | 3581.92     | 181.17         | 6533.54        | 5950.03     | 583.51         |

| FII      | DEBT           |             |                | EQUITY         |             |                | TOTAL (Rs. Crs) |             |                |
|----------|----------------|-------------|----------------|----------------|-------------|----------------|-----------------|-------------|----------------|
|          | Gross Purchase | Gross Sales | Net Investment | Gross Purchase | Gross Sales | Net Investment | Gross Purchase  | Gross Sales | Net Investment |
| 6-Dec-21 | 590.86         | 854.68      | -263.82        | 7800.55        | 10755.73    | -2955.18       | 8391.41         | 11610.41    | -3219          |

| INDICATORS            | PERIOD | ACTUAL | PRIOR |
|-----------------------|--------|--------|-------|
| GDP Quaterly (%)      | Sep-21 | 8.4    | 20.1  |
| CAD (\$ Bn)           | Jun-21 | 6.5    | -8.1  |
| Trade Deficit (\$ Bn) | Jun-21 | -30.7  | -41.7 |
| WPI (%)               | Oct-21 | 12.5   | 10.7  |
| CPI (%)               | Oct-21 | 4.5    | 4.4   |
| IIP (%)               | Sep-21 | 3.1    | 12.0  |
| PMI Manufacturing     | Nov-21 | 57.6   | 55.9  |
| PMI Service           | Nov-21 | 58.1   | 58.4  |

| Economic Calender | Country   | Date      | Poll   | Prior  |
|-------------------|-----------|-----------|--------|--------|
| Unemployment Rate | Euro Zone | 02-Dec-21 | 7.30   | 7.40   |
| Retail Sales      | Euro Zone | 03-Dec-21 | 1.20   | 2.50   |
| Industrial Output | Brazil    | 03-Dec-21 | (5.00) | (3.90) |
| Unemployment Rate | USA       | 03-Dec-21 | 4.50   | 4.60   |
| Exports           | China     | 07-Dec-21 | -      | 27.10  |
| Repo Rate         | India     | 08-Dec-21 | -      | 4.00   |
| Reverse Repo Rate | India     | 08-Dec-21 | -      | 3.35   |
| CRR               | India     | 08-Dec-21 | -      | 4.00   |





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

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