



INDIA

- ❖ The benchmark 6.10% bond maturing in 2031 ended 98.08 rupees, yielding 6.37%, versus 98.23 rupees, and a 6.35% yield yesterday. The benchmark bond was unchanged this week after rising four basis points last week. The Indian rupee was at 75.77 to the dollar, down 0.8% this week.
- ❖ India's industrial production in October rose at the slowest pace in eight months and lagged estimates, as manufacturing further eased, government data showed today. Industrial output in October rose 3.2%, the pace slowing from a revised 3.3% expansion in the previous month, even as improved vaccination coverage and lower coronavirus caseloads boosted economic activities.
- ❖ U.S. Treasury yields rose this week, with those on the benchmark 10-year note rising above 1.50% levels as vaccine makers neutralised the Omicron variant in a laboratory test, while the market braces for the U.S. inflation trend, which would be a key driver for the Federal Reserve to decide on quickening the pace of its taper at its policy meeting, scheduled next week.
- ❖ U.S. inflation data for November is due today, and a poll of economists expects consumer prices to have climbed 6.8% last month. The 10-year Treasury yield was trading at 1.5128%, up 16 basis points this week.
- ❖ Oil prices also gained this week, with the benchmark Brent crude futures set to post their first weekly rise in seven and also their biggest weekly rise in over four months as concerns over the economic impact of the Omicron variant eased. The contract was trading at \$74.70 per barrel, up 6.9% this week, its biggest gain since the week ended Aug. 27.
- ❖ The Indian rupee fell for a third straight week against the U.S. currency, on bets that sticky U.S. inflation may prompt a quicker unwinding of bond purchases by the Federal Reserve, while suspected corporate and equity-related dollar outflows also weighed. The rupee was quoted at 75.77 per dollar, compared with 75.52 yesterday.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.28% vs 3.29% as on previous day, while that in the TREP segment remained unchanged at 3.30% as on previous day.

GOI Yield	10-Dec	9-Dec	2-Nov	12-Nov
1 Year	4.140	4.140	4.050	4.050
5 Year	5.686	5.701	5.730	5.717
10 Year	6.370	6.348	6.360	5.368

AAA Bmk	10-Dec	9-Dec	2-Nov	12-Nov
1 Year	4.45	4.45	4.20	4.30
5 Year	5.98	5.98	6.00	6.00
10 Year	6.80	6.80	6.90	6.90

CD	10-Dec	9-Dec	2-Nov	12-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	10-Dec	9-Dec	2-Nov	12-Nov
3 Month	4.00	4.00	4.55	4.15
6 Month	4.65	4.65	4.80	4.60
1 Year	4.80	4.80	4.90	4.90

OIS Rate	10-Dec	9-Dec	2-Nov	12-Nov
1 Year	4.25	4.23	4.27	4.36
2 Year	4.76	4.72	4.88	4.92
3 Year	5.03	5.00	5.19	5.20
5 Year	5.33	5.32	5.61	5.51

	10-Dec	9-Dec	2-Nov	12-Nov
Sensex	58,786.67	58,807.13	60,029.06	60,686.69
Nifty	17,511.30	17,516.85	17,888.95	18,102.75
USD/INR	75.77	75.52	74.68	74.44
Gold (USD)	1,771.70	1,774.46	1,787.28	1,864.04
Oil (USD)	75.14	74.42	84.72	82.17

NDF	10-Dec	9-Dec	2-Nov	12-Nov
3 Month	76.45	76.29	75.54	75.00
1 Year	79.18	79.10	78.24	77.75
2 Year	82.74	82.63	81.98	81.43
3 Year	86.54	86.44	85.95	85.31

Market Observations

G-sec

- Yields ended largely unchanged this week, after the impact of a dovish monetary policy commentary was offset by a rise in U.S. rates and oil prices.
- Traders now await local retail inflation data for further triggers.

Corporate Bonds

- Activity was witnessed across 2-5 year segments.

CD

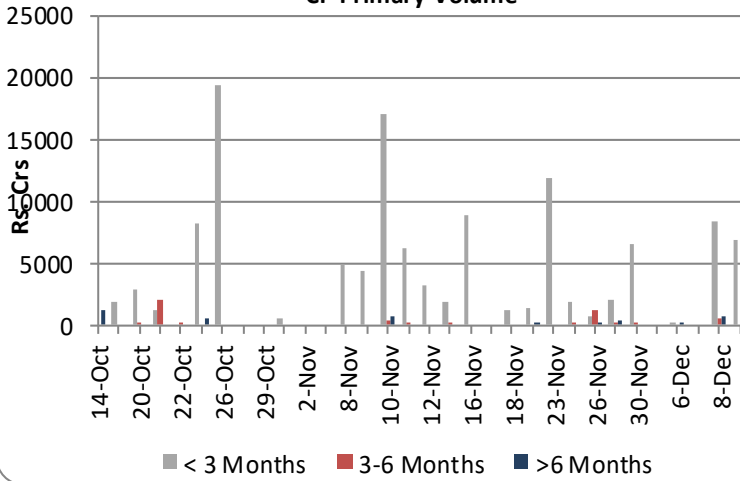
- Major volumes traded were in the 3 month segment.

CP

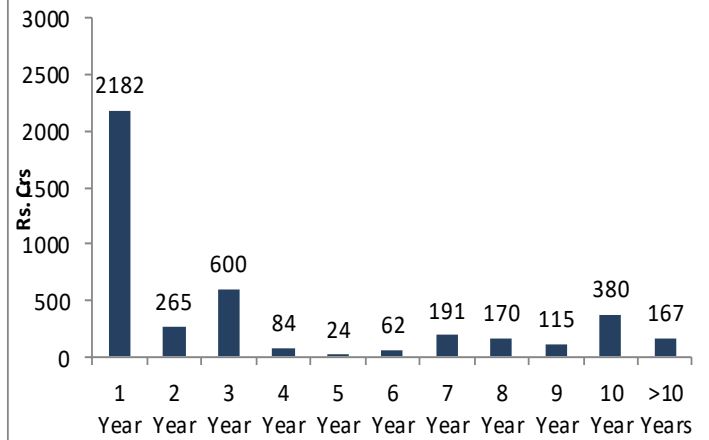
- The 1-3month maturity papers were in demand.



CP Primary Volume



Bonds Volume



10 Year Benchmarks	10-Dec	9-Dec	2-Nov	12-Nov
India	6.37	6.35	6.36	6.37
US	1.51	1.50	1.55	1.57
South Korea	2.20	2.19	2.48	2.34
Russia	8.53	8.57	8.32	8.09
Brazil	10.72	10.72	12.25	11.58
Germany	-0.33	-0.35	-0.16	-0.26
China	2.85	2.86	2.93	2.94

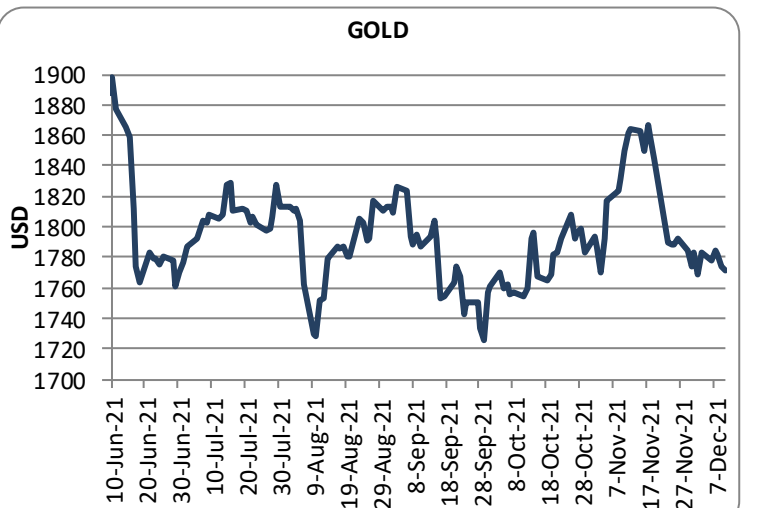
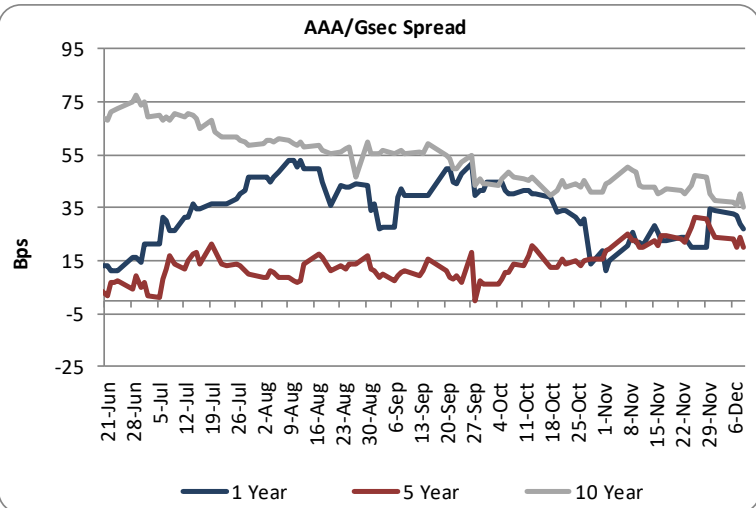
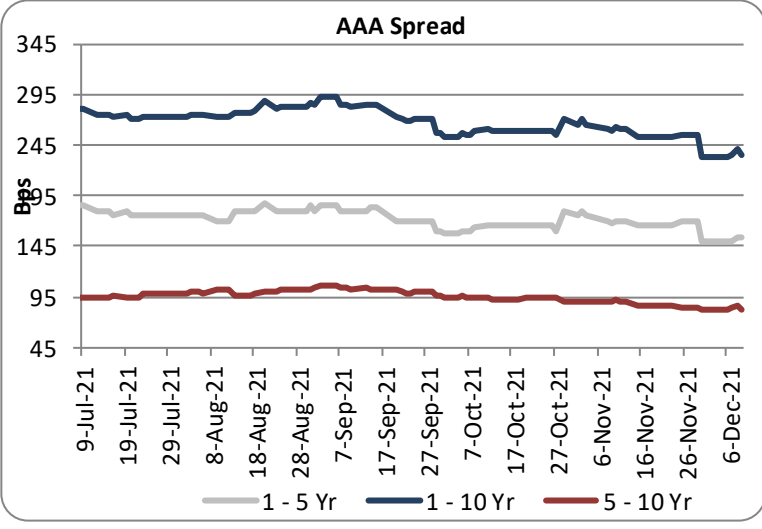
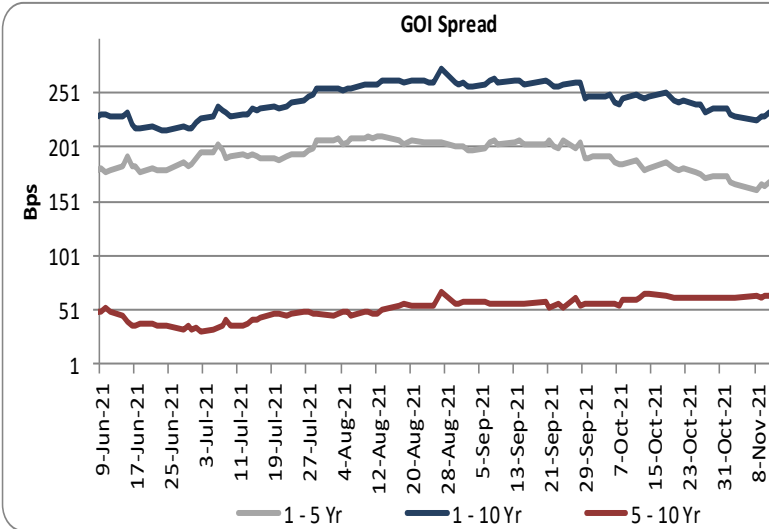
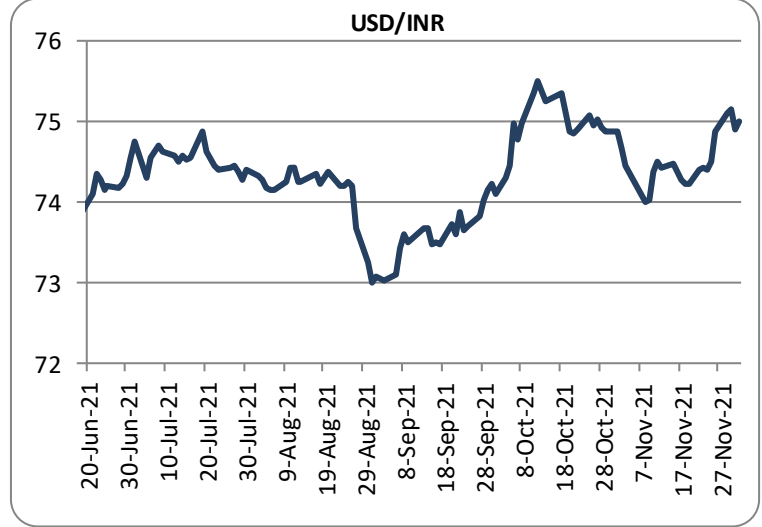
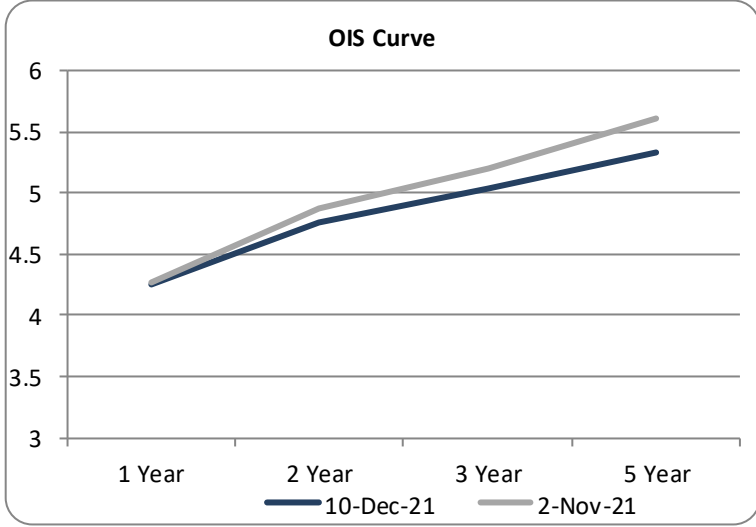
Top Traded Securities	Volume	10-Dec	9-Dec	2-Nov	12-Nov
5.63 GOI 2026	2,045	5.69	5.66	5.73	5.72
6.64 GOI 2035	300	6.78	6.77	6.85	6.81
6.10 GOI 2031	4,745	6.37	6.35	6.36	6.37
5.15 GOI 2025	75	5.47	5.45	5.43	5.45
4.26 GOI 2023	-	#N/A	#N/A	4.46	#N/A
6.18 GOI 2024	50	5.12	5.09	5.13	5.12
7.26 GOI 2029	125	6.25	6.24	6.33	6.28

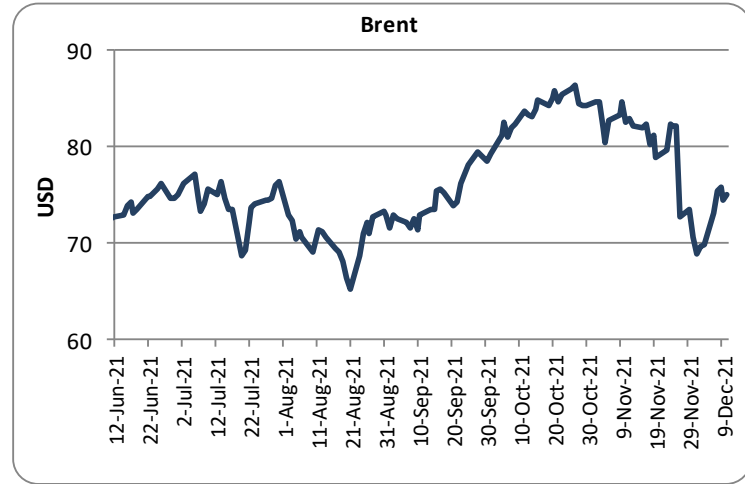
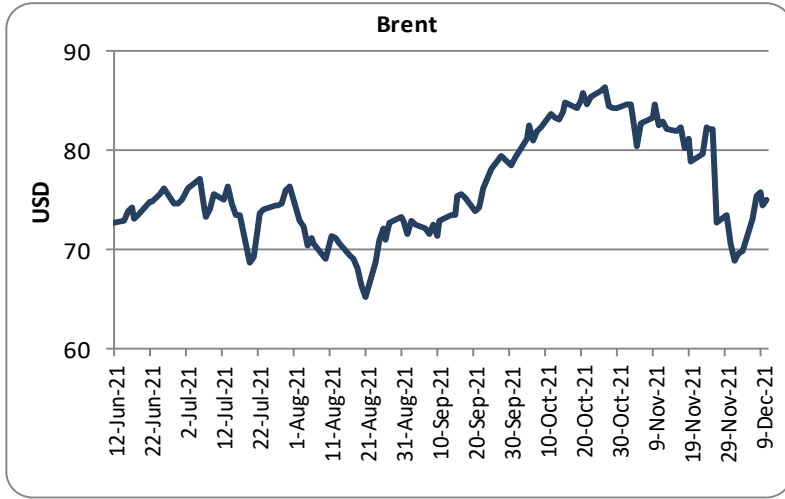
MF	DEBT			EQUITY			TOTAL (Rs.Crs)		
	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
8-Dec-21	4674.07	3759.57	914.5	9485.05	6340.69	3144.36	14159.12	10100.26	4058.86

FII	DEBT			EQUITY			TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment	Gross Purchase	Gross Sales	Net Investment
10-Dec-21	328.66	712.18	-383.52	15788.37	7840.82	7947.55	16117.03	8553	7564.03

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 (%)	Oct-21	3.2	3.1
PMI Manufacturing	Nov-21	57.6	55.9
PMI Service	Nov-21	58.1	58.4

Economic Calender	Country	Date	Poll	Prior
CPI	China	09-Dec-21	2.50	1.50
CPI	Denmark	10-Dec-21	-	3.00
GDP Estimate YoY	UK	10-Dec-21	4.90	5.30
Industrial Output	UK	10-Dec-21	2.20	2.90
CPI	USA	10-Dec-21	6.80	6.20
WPI	India	14-Dec-21	-	12.54
Industrial Output	China	15-Dec-21	-	3.50
CPI	UK	15-Dec-21	-	4.20





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

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