



## INDIA

- ❖ The benchmark 6.10% bond maturing in 2031 ended at 98.12 rupees, yielding 6.36%, compared with 98.18 rupees and a similar yield yesterday.
- ❖ The Fed is expected to reduce the pace of its monthly bond purchase programme by \$30 billion a month from the current \$15 billion at the end of its two-day policy meeting today. This pace of taper would wind down its bond buying by March, paving the way for interest rate increases in the remainder of 2022.
- ❖ The U.S. central bank will revise the U.S. inflation forecasts upwards given the consistent overshoot caused by production bottlenecks and labour shortages amid decent demand, ING said in a note. Fed Chair Jerome Powell and other policymakers have recently indicated a hawkish language on inflation and the possible steps from the central bank to tame price pressures in the U.S. The 10-year Treasury yield was at 1.433%.
- ❖ However, the RBI has paused debt purchases under its quantitative easing plan and has been withdrawing liquidity from the banking system through various reverse repo operations.
- ❖ Investors also await a 240-billion-rupee Indian government debt sale on Friday, which includes the benchmark 2031 note.
- ❖ Meanwhile, the benchmark Brent crude futures declined 1.06% to \$72.92 a barrel, extending a 1.9% decline in the last two days, after the International Energy Agency cut its demand forecast mostly due to lower orders for jet fuel amid the Omicron-related travel curbs
- ❖ The Indian rupee fell for a second consecutive day to end at a 20-month low against the dollar, on bets that the U.S. Federal Reserve would speed up the pace of policy normalisation and signal more rate hikes for next year. Anticipation of dollar outflows related to anchor investors exiting Paytm following the lockout expiry and the Reserve Bank of India's likely absence in the spot market from preventing a sharp fall in the rupee also weighed, according to traders. The rupee was quoted at 76.23 per dollar, its lowest level since Apr. 24, 2020, compared with 75.87 yesterday.
- ❖ Repo: The weighted average call rates in the interbank segment increased to 3.33% vs 3.28% as on previous day, while that in the TREP segment increased to 3.45% vs 3.32% as on previous day.

GOI Yield	15-Dec	13-Dec	10-Nov	17-Nov
1 Year	4.170	4.140	4.040	4.080
5 Year	5.694	5.688	5.693	5.678
10 Year	6.364	6.371	6.336	6.361

AAA Bmk	15-Dec	13-Dec	10-Nov	17-Nov
1 Year	4.45	4.45	4.30	4.35
5 Year	5.98	5.98	6.00	6.00
10 Year	6.80	6.80	6.92	6.87

CD	15-Dec	13-Dec	10-Nov	17-Nov
3 Month	3.65	3.65	3.60	3.65
6 Month	3.95	3.95	3.90	3.95
1 Year	4.40	4.40	4.15	4.15

CP	15-Dec	13-Dec	10-Nov	17-Nov
3 Month	4.30	4.00	4.00	4.05
6 Month	4.75	4.65	4.60	4.60
1 Year	4.90	4.80	4.85	4.85

OIS Rate	15-Dec	13-Dec	10-Nov	17-Nov
1 Year	4.29	4.29	4.26	4.32
2 Year	4.78	4.80	4.80	4.89
3 Year	5.06	5.07	5.12	5.17
5 Year	5.35	5.38	5.48	5.53

	15-Dec	13-Dec	10-Nov	17-Nov
Sensex	57,788.03	58,283.42	60,352.82	60,008.33
Nifty	17,221.40	17,368.25	18,017.20	17,898.65
USD/INR	76.23	75.77	74.39	74.27
Gold (USD)	1,770.30	1,786.94	1,849.57	1,866.96
Oil (USD)	72.97	74.39	82.64	80.28

NDF	15-Dec	13-Dec	10-Nov	17-Nov
3 Month	77.12	76.38	75.20	74.95
1 Year	79.58	79.29	77.90	77.75
2 Year	83.48	82.72	81.56	81.39
3 Year	87.27	86.68	85.46	85.14

### Market Observations

#### G-sec

- Yields settled largely unchanged as traders stayed on the sidelines ahead of the U.S. Federal Reserve monetary policy decision due later today.

#### Corporate Bonds

- Activity was witnessed across 2-5 year segments.

#### CD

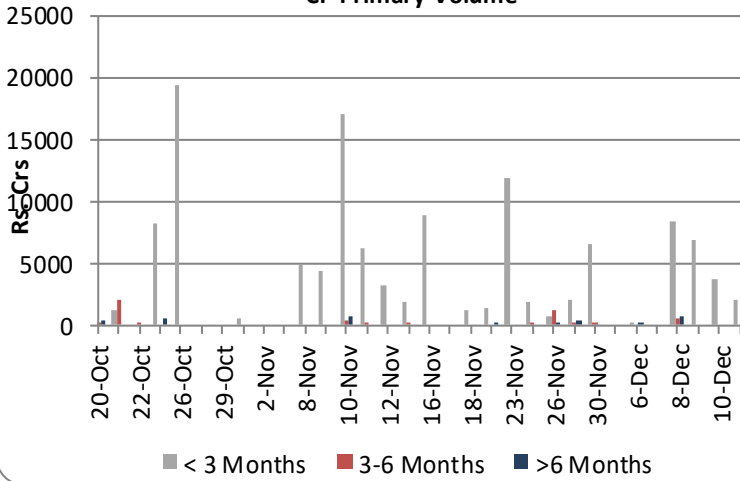
- Major volumes traded were in the 3 month segment.

#### CP

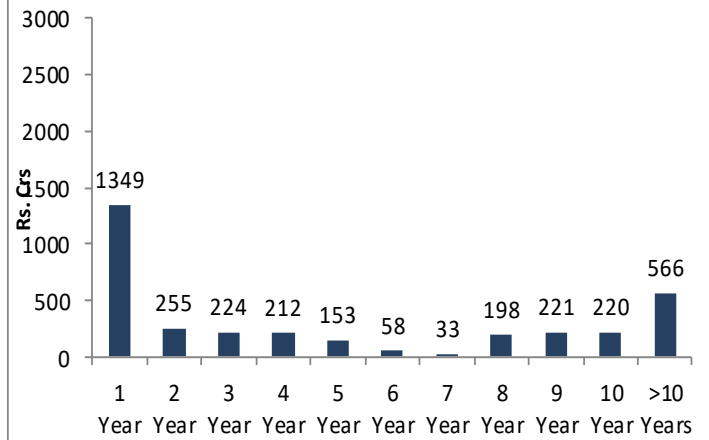
-The 1-3 maturity papers traded with highest volumes.



**CP Primary Volume**



**Bonds Volume**



10 Year Benchmarks	15-Dec	13-Dec	10-Nov	17-Nov
India	6.36	6.37	6.34	6.36
US	1.45	1.41	1.57	1.59
South Korea	2.17	2.17	2.31	2.36
Russia	8.57	8.57	8.02	8.23
Brazil	10.56	10.59	11.52	11.79
Germany	-0.35	-0.38	-0.25	-0.24
China	2.85	2.86	2.91	2.93

Top Traded Securities	Volume	15-Dec	13-Dec	10-Nov	17-Nov
5.63 GOI 2026	1,045	5.69	5.69	5.69	5.68
6.64 GOI 2035	85	6.78	6.79	6.79	6.78
6.10 GOI 2031	4,775	6.36	6.37	6.34	6.36
5.15 GOI 2025	75	5.49	5.47	5.42	5.44
4.26 GOI 2023	-	#N/A	#N/A	#N/A	#N/A
6.18 GOI 2024	-	#N/A	5.11	5.07	5.09
7.26 GOI 2029	-	#N/A	6.25	6.26	6.26

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
8-Dec-21	4674.07	3759.57	914.5

	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
8-Dec-21	9485.05	6340.69	3144.36

	TOTAL (Rs.Crs)		
	Gross Purchase	Gross Sales	Net Investment
8-Dec-21	14159.12	10100.26	4058.86

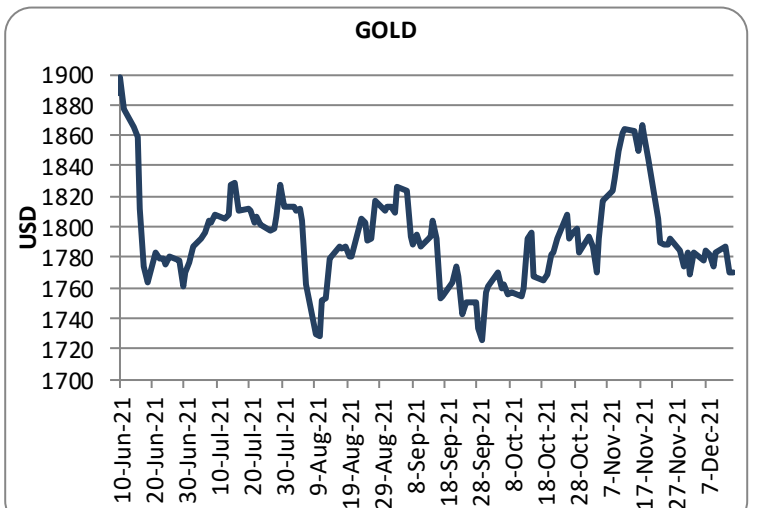
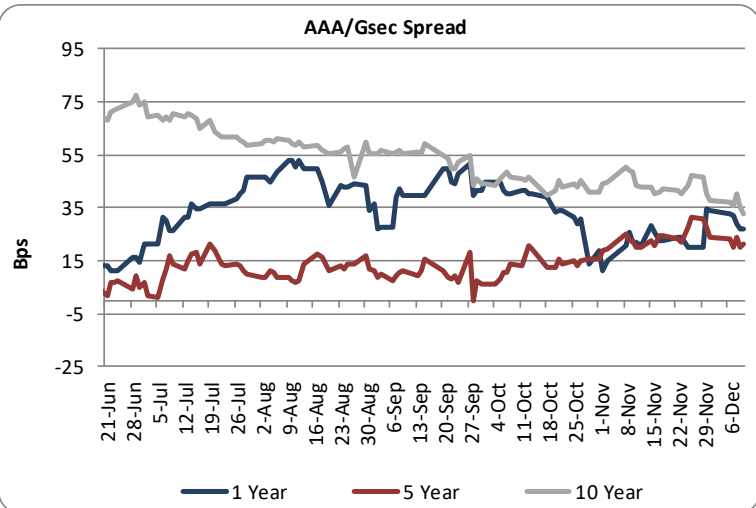
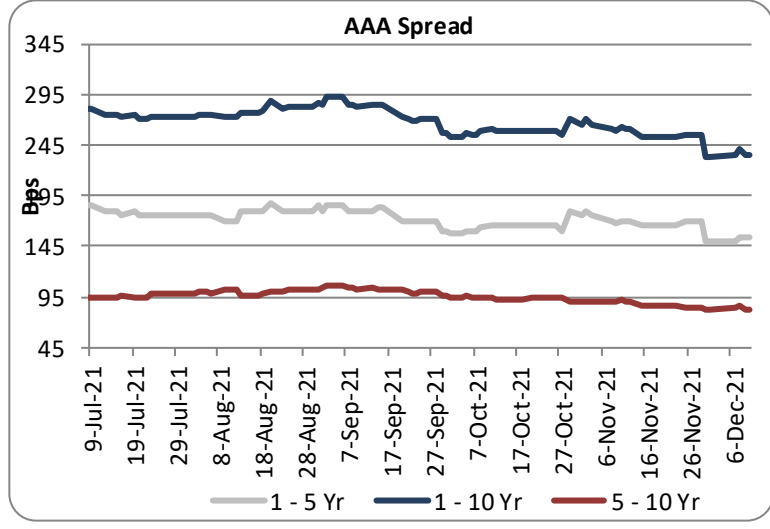
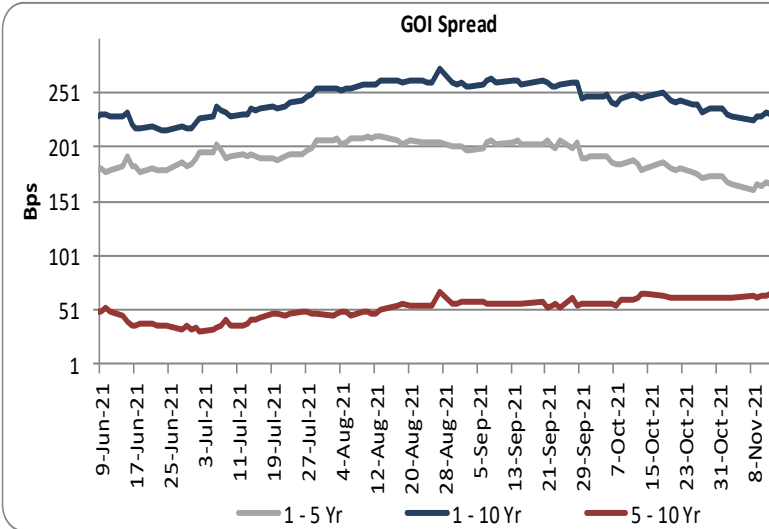
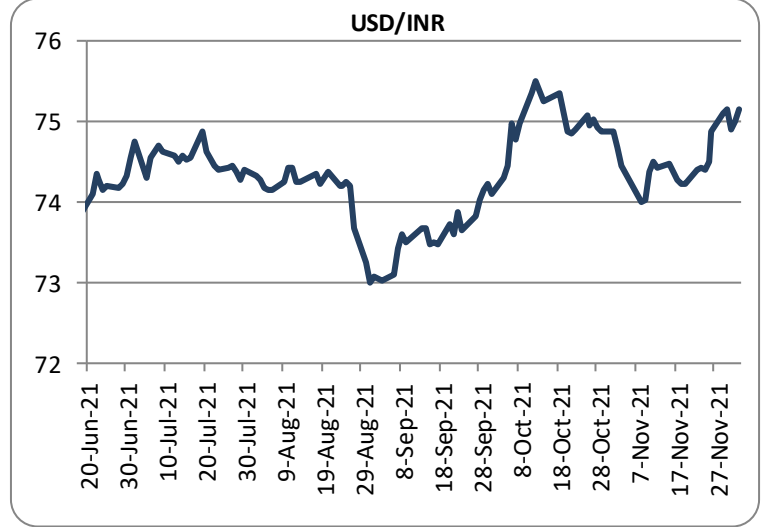
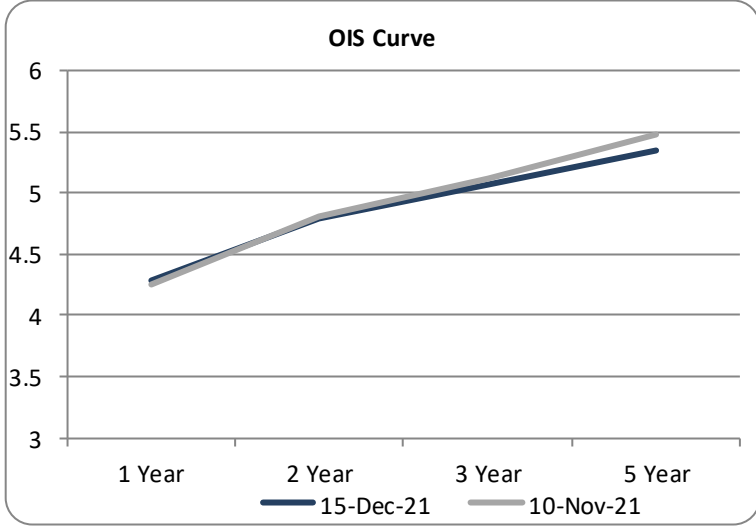
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
15-Dec-21	554.27	1277.9	-723.63

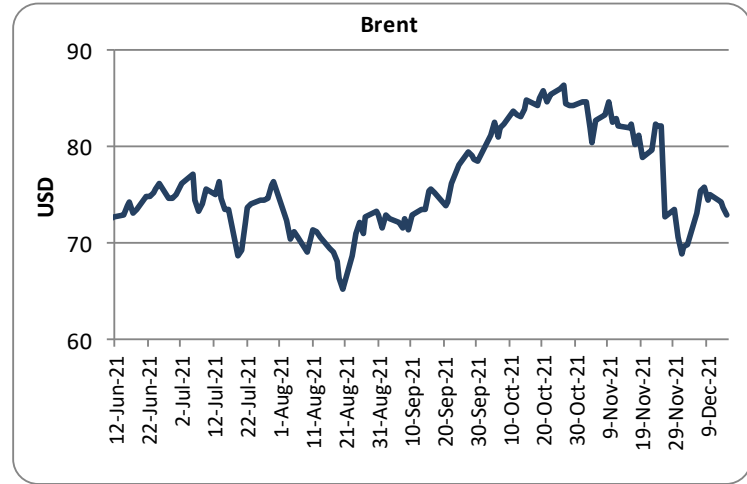
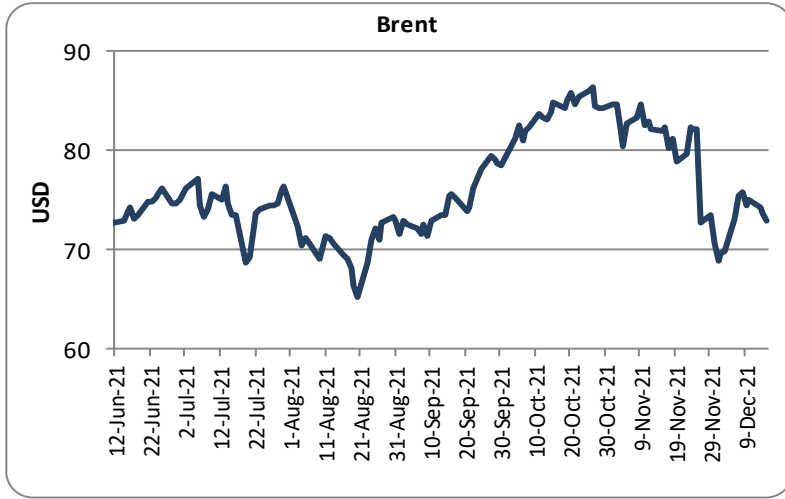
	EQUITY		
	Gross Purchase	Gross Sales	Net Investment
15-Dec-21	9504.84	9535.89	-31.05

	TOTAL (Rs. Crs)		
	Gross Purchase	Gross Sales	Net Investment
15-Dec-21	10059.11	10813.79	-754.68

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 (%)	Nov-21	14.2	12.5
CPI (%)	Nov-21	4.9	4.5
IIP (%)	Oct-21	3.2	3.3
PMI Manufacturing	Nov-21	57.6	55.9
PMI Service	Nov-21	58.1	58.4

Economic Calender	Country	Date	Poll	Prior
Exports	Japan	16-Dec-21	21.20	9.40
Imports	Japan	16-Dec-21	40.00	26.70
Retail Sales	UK	17-Dec-21	4.20	(1.30)
GDP	UK	22-Dec-21	-	6.60
GDP Final	USA	22-Dec-21	2.10	2.10
CPI	Japan	24-Dec-21	-	0.10
Retail Sales	Japan	27-Dec-21	-	0.90
Unemployment Rate	Japan	28-Dec-21	-	2.70





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

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