



## INDIA

❖ The benchmark 6.10% bond maturing in 2031 ended at 97.80 rupees, yielding 6.41%, against 98.05 rupees and a yield of 6.37% yesterday. The benchmark bond rose four basis points this week after ending unchanged last week. The 10-year bond yield ended at highest level since Apr.16, 2020.

❖ India's retail inflation accelerated to a lesser-than-expected 4.91% in November versus 4.48% in the previous month, while core inflation stayed above 6.1% according to economists. The consumer-price inflation reading for November rose at its fastest pace since August, driven by food prices.

❖ However, the RBI, which had bought bonds in the past to support the government's elevated borrowing programme, has recently begun unwinding some of its extraordinary easing measures like halting its debt purchases and withdrawing surplus liquidity through variable reverse repo operations. New Delhi sold 240 billion rupees of bonds at a weekly debt sale today, while banks parked 3.13 trillion rupees, against the scheduled 6.50 trillion rupees, at a 3.99% cutoff at a 14-day variable reverse repo.

❖ The Bank of England raised its benchmark rates yesterday after the Federal Reserve quickened its tapering pace and flagged as many as three rate hikes in 2022 despite the challenges posed by the Omicron coronavirus variant.

❖ Meanwhile, benchmark Brent crude futures declined 1.52% to \$73.88 a barrel after climbing 1.7% in the last two days.

❖ The Indian rupee lost ground for the fourth straight week against the dollar, as hawkish policy tilts by major central banks, including the Federal Reserve, exacerbated concerns of portfolio outflows from the country.

The rupee, today, ended at 76.09, unchanged against previous session amid exporter hedging and weak shares. It had slipped to a year-to-date low of 76.31 earlier this week. The local unit posted a 0.4% weekly decline, adding to the 2.1% depreciation in the last three weeks.

❖ Repo: The weighted average call rates in the interbank segment increased to 3.66% vs 3.54% as on previous day, while that in the TREP segment decreased to 3.61% vs 3.82% as on previous day.

GOI Yield	17-Dec	16-Dec	12-Nov	18-Nov
1 Year	4.170	4.160	4.050	4.080
5 Year	5.722	5.694	5.717	5.674
10 Year	6.410	6.375	5.368	6.346

AAA Bmk	17-Dec	16-Dec	12-Nov	18-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	6.90	6.87

CD	17-Dec	16-Dec	12-Nov	18-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	17-Dec	16-Dec	12-Nov	18-Nov
3 Month	4.30	4.30	4.15	4.05
6 Month	4.75	4.75	4.60	4.60
1 Year	4.90	4.90	4.90	4.95

OIS Rate	17-Dec	16-Dec	12-Nov	18-Nov
1 Year	4.29	4.31	4.36	4.32
2 Year	4.78	4.82	4.92	4.85
3 Year	5.06	5.08	5.20	5.14
5 Year	5.34	5.37	5.51	5.47

	17-Dec	16-Dec	12-Nov	18-Nov
Sensex	57,012	57,901	60,687	59,636
Nifty	16,985	17,248	18,103	17,765
USD/INR	76.09	76.09	74.44	74.24
Gold (USD)	1,811	1,799	1,864	1,858
Oil (USD)	73.61	75.02	82.17	81.24

NDF	17-Dec	16-Dec	12-Nov	18-Nov
3 Month	76.75	76.82	75.00	74.92
1 Year	79.49	79.55	77.75	77.67
2 Year	83.12	83.30	81.43	81.11
3 Year	86.94	87.15	85.31	85.07

### Market Observations

#### G-sec

- Yields rose this week as core inflation stayed at elevated levels, while central banks around the world hinted at tighter monetary policies ahead, which could impact normalisation moves domestically.
- Auction cut off on Gsec came in line with market expectations.

#### Corporate Bonds

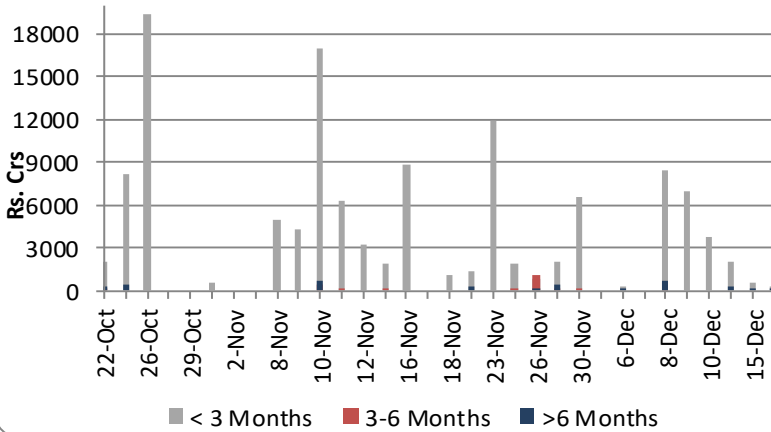
- Activity was witnessed across all segments.

#### CP

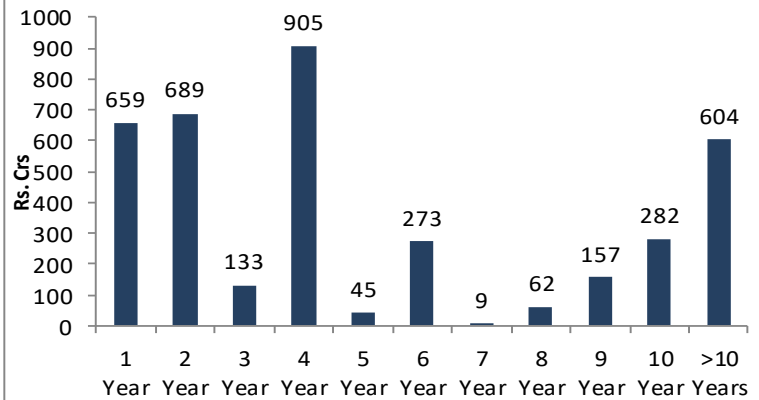
- The 3 month maturity papers were in demand.



**CP Primary Volume**



**Bonds Volume**



10 Year Benchmarks	17-Dec	16-Dec	12-Nov	18-Nov
India	6.41	6.37	6.37	6.35
US	1.40	1.42	1.57	1.59
South Korea	2.15	2.15	2.34	2.34
Russia	8.52	8.53	8.09	8.33
Brazil	10.67	10.67	11.58	11.80
Germany	-0.38	-0.35	-0.26	-0.28
China	2.86	2.86	2.94	2.92

Top Traded Securities	Volume	17-Dec	16-Dec	12-Nov	18-Nov
5.15 GOI 2025	2,715	5.54	5.50	5.45	5.43
5.63 GOI 2026	300	5.72	5.69	5.72	5.67
5.74 GOI 2026	9,715	5.76	5.74	5.75	5.73
6.10 GOI 2031	25	6.41	6.37	6.37	6.35
6.64 GOI 2035	-	6.80	6.78	6.81	6.76
6.67 GOI 2035	170	6.80	6.77	6.79	6.75

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
8-Dec-21	4674	3760	915

EQUITY		
Gross Purchase	Gross Sales	Net Investment
9485	6341	3144

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
14159	10100	4059

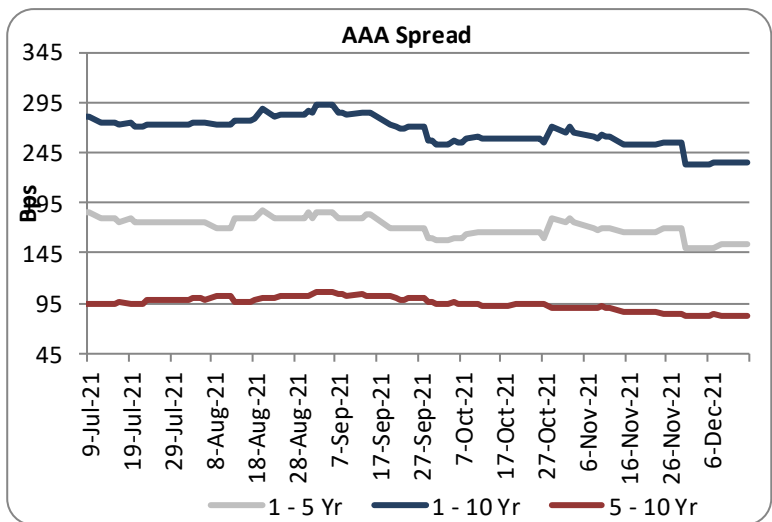
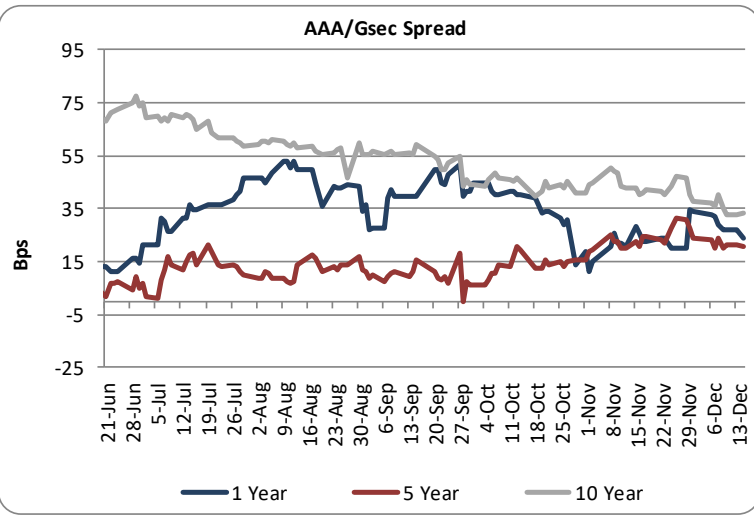
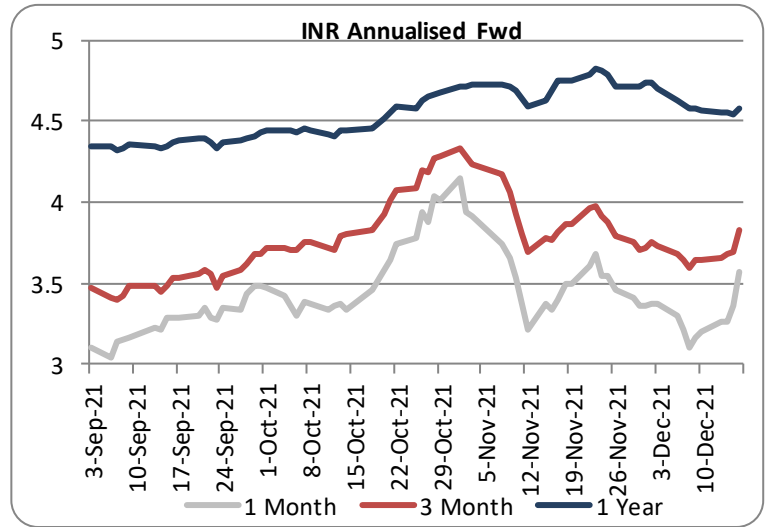
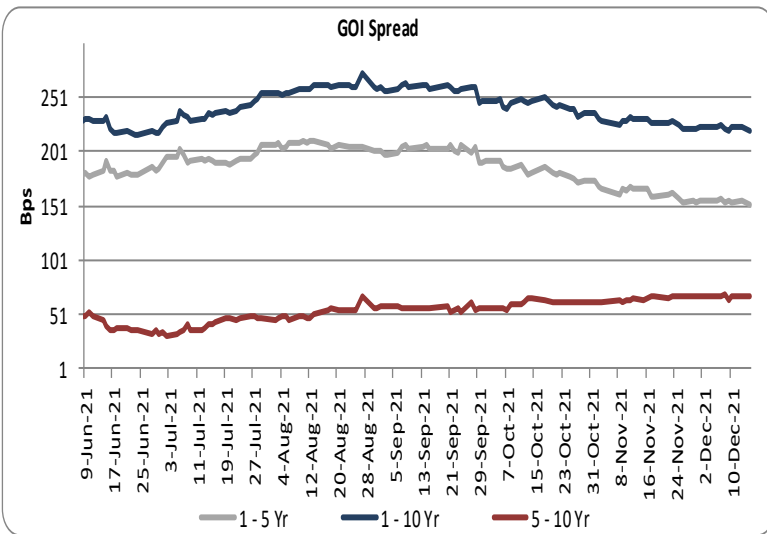
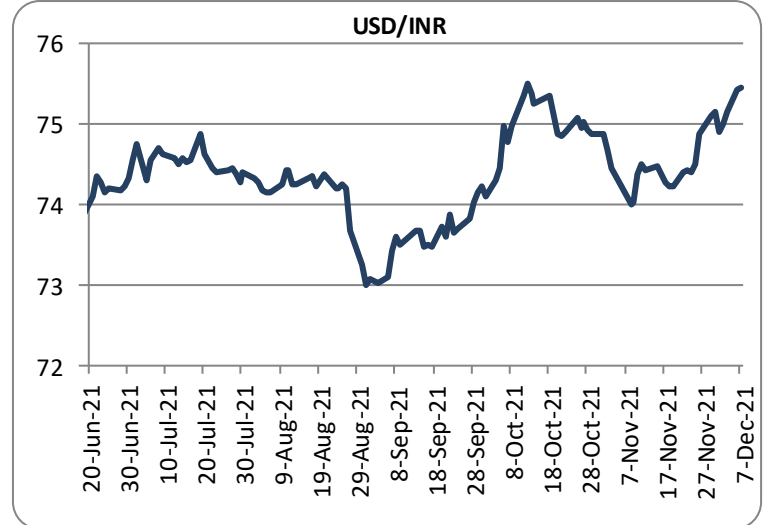
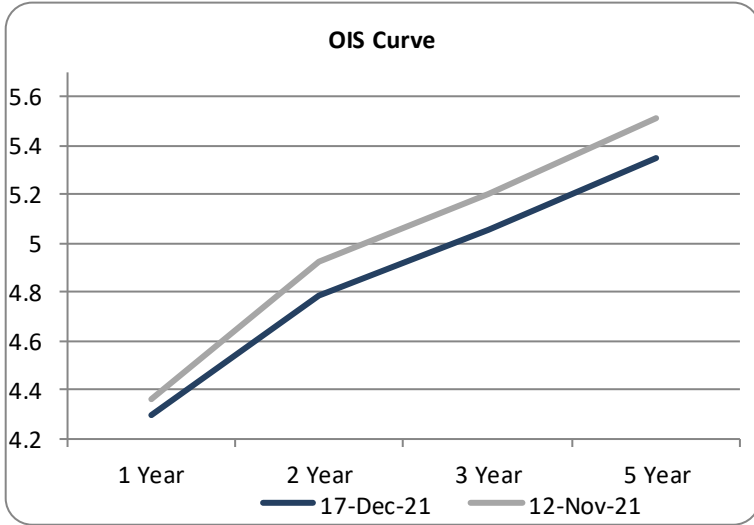
FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
17-Dec-21	179	791	-611

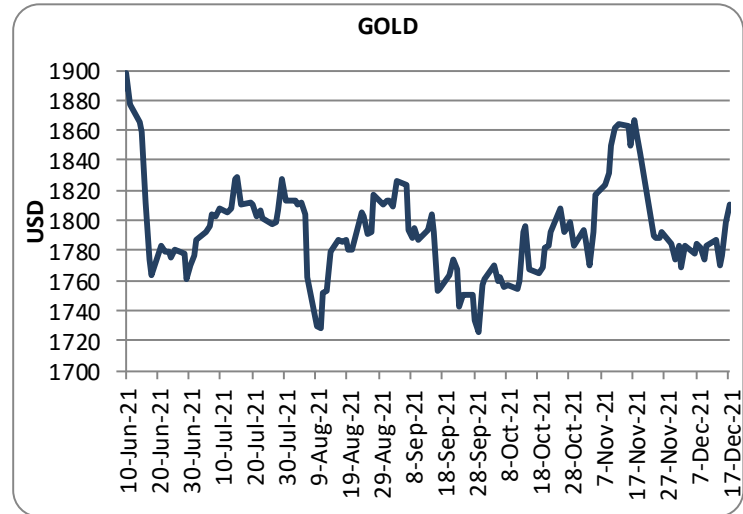
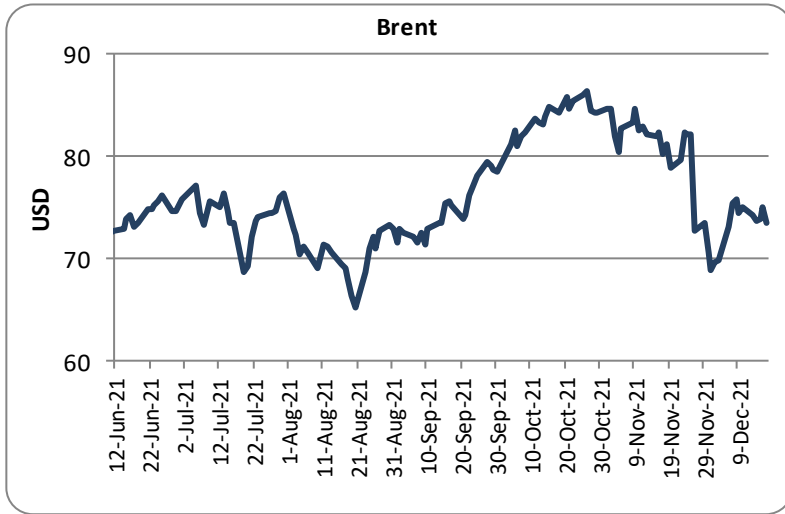
EQUITY		
Gross Purchase	Gross Sales	Net Investment
8013	8497	-484

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
8193	9287	-1095

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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