



INDIA

- ❖ The benchmark 6.10% bond maturing in 2031 ended at 97.40 rupees, yielding 6.47%, its highest closing level since Apr. 13, 2020, and compared with 97.63 rupees and a yield of 6.44% yesterday.
- ❖ Indian states today raised 151 billion rupees through a debt sale, which was dominated by duration papers, and the cutoff yield saw a spike of nearly 10 basis points as compared to last week. The Govt. is set to raise 240 billion rupees through a bond auction on Friday.
- ❖ The Reserve Bank of India has been removing surplus cash from the banking system through various variable rate reverse repo auctions. Yesterday it spooked the market by announcing a surprise three-day VRRR auction worth two trillion rupees, and this was followed by another seven-day VRRR for the same amount today. The three-day auction saw offers of around 812 billion rupees, while the seven-day auction witnessed subscription of 1.55 trillion rupees, the first under-subscription in three months.
- ❖ Last week, the RBI held a 6.50-trillion-rupee 14-day VRRR auction, which was undersubscribed by over 50%. The central bank aims to withdraw 7.50 trillion rupees through a 14-day VRRR on Dec. 31.
- ❖ Cash availability in the local banking system has declined since last week amid outflows for payment of advance taxes and Goods and Service Tax payments and withdrawals for funding needs towards the end of the quarter.
- ❖ Benchmark Brent crude futures were little changed at \$71.50 per barrel after declining almost 5% in the last two sessions.
- ❖ The Indian rupee logged its biggest single-session rise against the U.S. currency in six weeks, as traders continued to unwind their long dollar positions, while a recovery in local equities from the Omicron-induced selloff also helped. The rupee ended at 75.60, its highest since Dec. 9, compared with 75.91 yesterday.
- ❖ Repo: The weighted average call rates in the interbank segment increased to 3.54% vs 3.39% as on previous day, while that in the TREP segment increased to 3.56% vs 3.47% as on previous day.

| GOI Yield | 21-Dec | 20-Dec | 16-Nov | 23-Nov |
|-----------|--------|--------|--------|--------|
| 1 Year | 4.170 | 4.170 | 4.050 | 4.070 |
| 5 Year | 5.826 | 5.760 | 5.713 | 5.697 |
| 10 Year | 6.469 | 6.435 | 6.364 | 6.365 |

| AAA Bmk | 21-Dec | 20-Dec | 16-Nov | 23-Nov |
|---------|--------|--------|--------|--------|
| 1 Year | 4.65 | 4.60 | 4.35 | 4.35 |
| 5 Year | 6.15 | 6.10 | 6.00 | 6.00 |
| 10 Year | 6.90 | 6.90 | 6.87 | 6.87 |

| CD | 21-Dec | 20-Dec | 16-Nov | 23-Nov |
|---------|--------|--------|--------|--------|
| 3 Month | 3.65 | 3.65 | 3.65 | 3.65 |
| 6 Month | 3.95 | 3.95 | 3.95 | 3.95 |
| 1 Year | 4.40 | 4.40 | 4.15 | 4.40 |

| CP | 21-Dec | 20-Dec | 16-Nov | 23-Nov |
|---------|--------|--------|--------|--------|
| 3 Month | 4.30 | 4.30 | 4.15 | 4.20 |
| 6 Month | 4.75 | 4.75 | 4.60 | 4.60 |
| 1 Year | 4.90 | 4.90 | 4.90 | 4.90 |

| OIS Rate | 21-Dec | 20-Dec | 16-Nov | 23-Nov |
|----------|--------|--------|--------|--------|
| 1 Year | 4.39 | 4.32 | 4.35 | 4.38 |
| 2 Year | 4.86 | 4.81 | 4.91 | 4.89 |
| 3 Year | 5.12 | 5.06 | 5.21 | 5.18 |
| 5 Year | 5.35 | 5.32 | 5.51 | 5.51 |

| | 21-Dec | 20-Dec | 16-Nov | 23-Nov |
|------------|--------|--------|--------|--------|
| Sensex | 56,319 | 55,822 | 60,322 | 58,664 |
| Nifty | 16,771 | 16,614 | 17,999 | 17,503 |
| USD/INR | 75.60 | 75.91 | 74.37 | 74.42 |
| Gold (USD) | 1,797 | 1,789 | 1,850 | 1,790 |
| Oil (USD) | 72.59 | 71.52 | 82.43 | 82.31 |

| NDF | 21-Dec | 20-Dec | 16-Nov | 23-Nov |
|---------|--------|--------|--------|--------|
| 3 Month | 76.30 | 76.39 | 75.16 | 75.18 |
| 1 Year | 79.05 | 79.11 | 77.92 | 77.94 |
| 2 Year | 82.64 | 82.83 | 81.37 | 81.73 |
| 3 Year | 86.52 | 86.76 | 85.36 | 85.51 |

Market Observations

G-sec

- Yields climbed and the benchmark yield rose for a fifth consecutive session, as aggressive moves by the central bank to squeeze out banking system liquidity cramped investor appetite further.

Corporate Bonds

- Activity was witnessed across 2-5 year segments.

CP

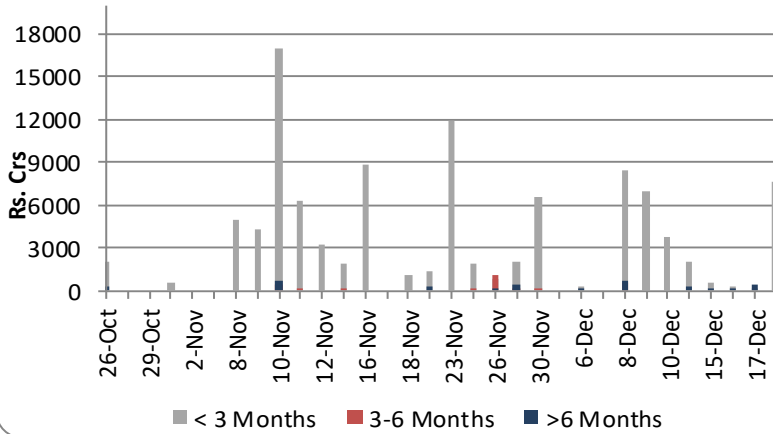
- Volumes of about Rs. 6600 Cr was traded in the 1-3 month segment.

CD

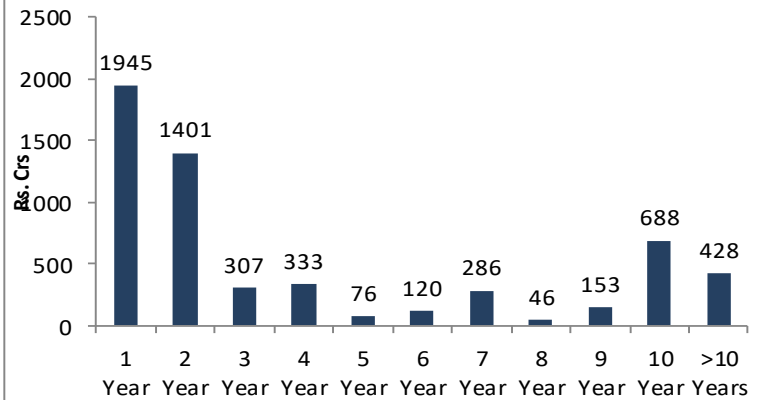
- The 3 month maturity papers were in demand.



CP Primary Volume



Bonds Volume



| 10 Year Benchmarks | 21-Dec | 20-Dec | 16-Nov | 23-Nov |
|--------------------|--------|--------|--------|--------|
| India | 6.47 | 6.44 | 6.36 | 6.36 |
| US | 1.45 | 1.43 | 1.64 | 1.68 |
| South Korea | 2.10 | 2.11 | 2.34 | 2.40 |
| Russia | 8.44 | 8.45 | 8.26 | 8.66 |
| Brazil | 10.67 | 10.67 | 11.68 | 11.66 |
| Germany | -0.34 | -0.37 | -0.24 | -0.23 |
| China | 2.86 | 2.86 | 2.93 | 2.92 |

| Top Traded Securities | Volume | 21-Dec | 20-Dec | 16-Nov | 23-Nov |
|-----------------------|--------|--------|--------|--------|--------|
| 5.15 GOI 2025 | 6,025 | 5.63 | 5.58 | 5.45 | 5.45 |
| 5.63 GOI 2026 | 220 | 5.79 | 5.76 | 5.71 | 5.70 |
| 5.74 GOI 2026 | 8,020 | 5.83 | 5.80 | 5.76 | 5.74 |
| 6.10 GOI 2031 | 450 | 6.47 | 6.44 | 6.36 | 6.36 |
| 6.64 GOI 2035 | - | 6.86 | 6.84 | 6.79 | 6.79 |
| 6.67 GOI 2035 | 200 | 6.87 | 6.83 | 6.78 | 6.77 |

| DEBT | | | |
|----------|----------------|-------------|----------------|
| MF | 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 |

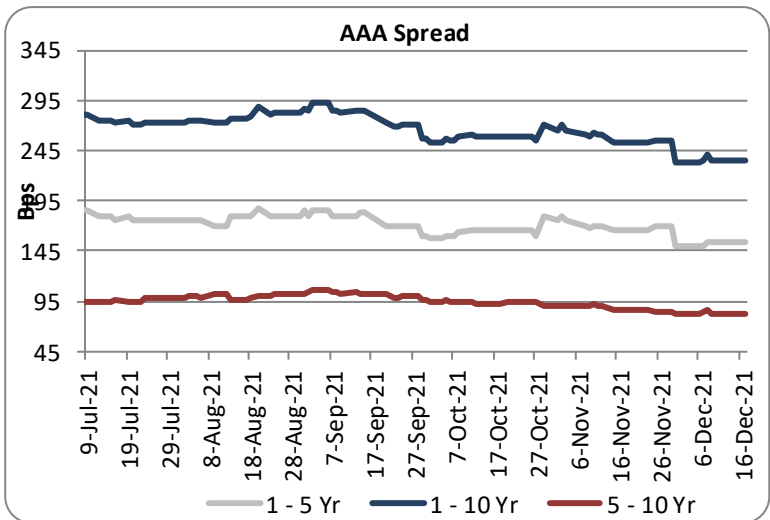
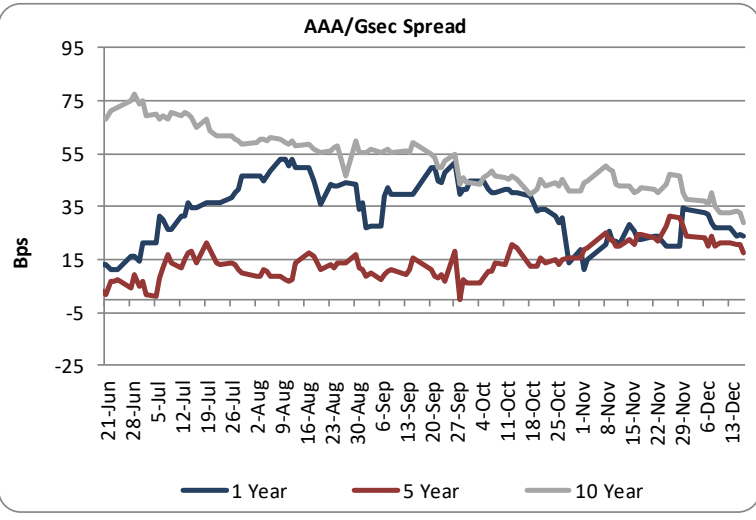
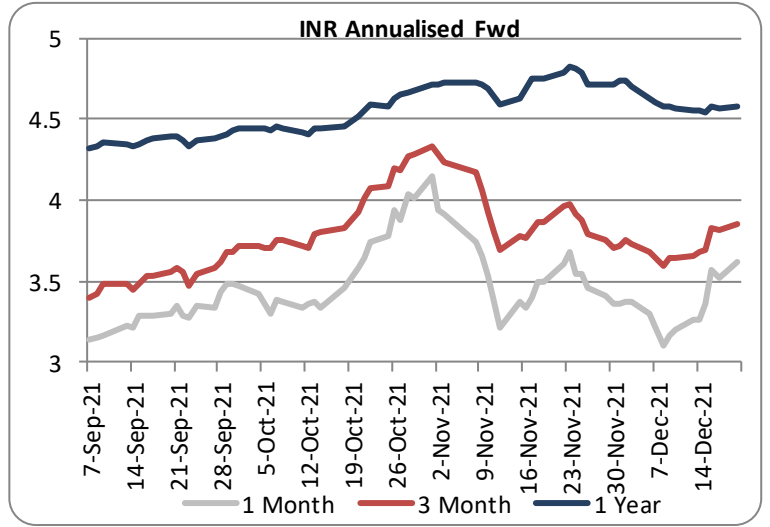
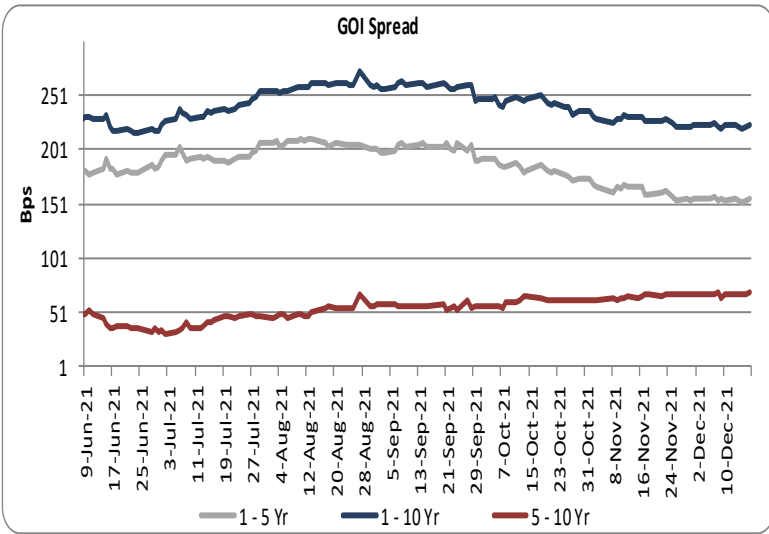
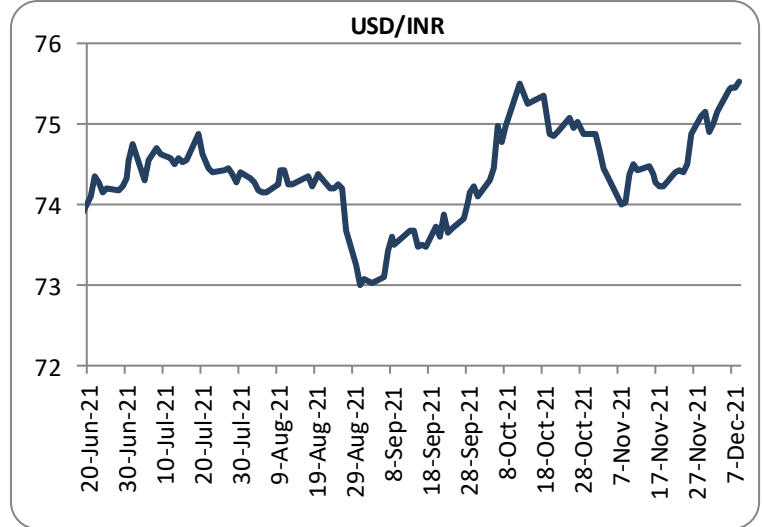
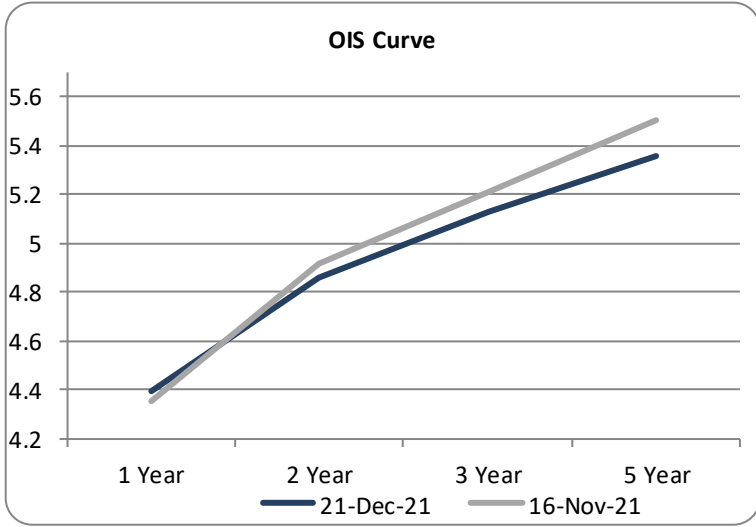
| DEBT | | | |
|-----------|----------------|-------------|----------------|
| FII | Gross Purchase | Gross Sales | Net Investment |
| 21-Dec-21 | 275 | 2734 | -2460 |

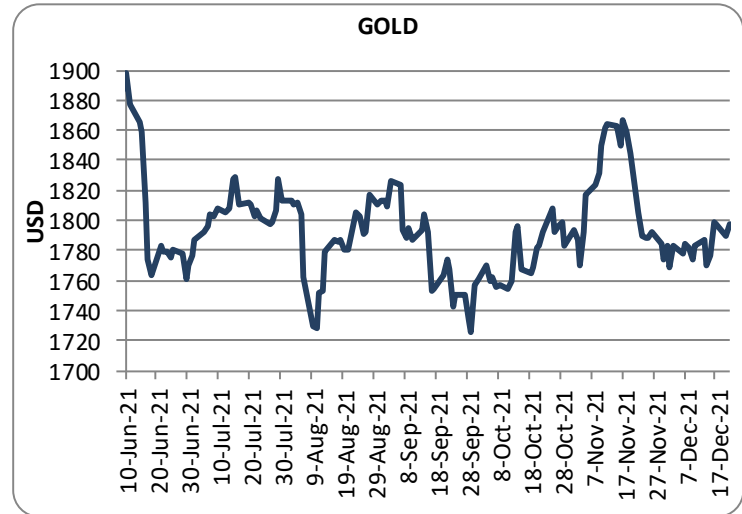
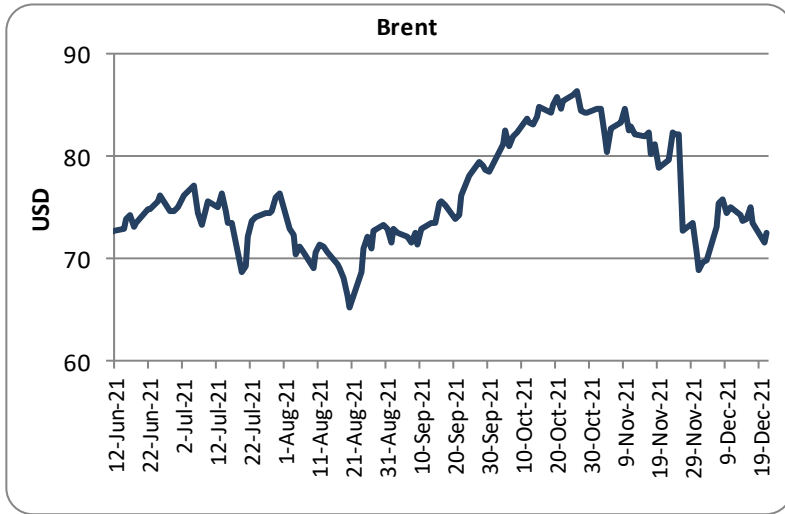
| EQUITY | | |
|----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 7064 | 10128 | -3064 |

| TOTAL (Rs. Crs) | | |
|-----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 7339 | 12862 | -5523 |

| 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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