



## INDIA

- ❖ The benchmark 6.10% bond maturing in 2031 ended at 97.47 rupees, yielding 6.46%, against 97.51 rupees, yielding 6.45%, on Friday. The benchmark bond yield has risen 13 basis points last month and 23 basis points in October-December.
- ❖ Indian states will borrow 3.10 trillion rupees in January-March, sharply higher than market estimates of around 2.20 trillion rupees to 2.50 trillion rupees. They will borrow 168.40 billion rupees through bonds tomorrow. So far in this fiscal, Indian states have issued a total of 4.66 trillion rupees of bonds.
- ❖ The government will sell 240 billion rupees of debt this week, after two consecutive interventions in the form of devolvement as well as not accepting bids. On Friday, the Reserve Bank of India rejected all the bids for the benchmark and 2028 floating rate bonds. This was on the heels of the central bank devolving over 30% of the previous government debt sale to primary dealers.
- ❖ Meanwhile, the benchmark Brent crude contract rose 1.5% to \$78.95 a barrel amid tightened fuel supplies from Libya and ahead of a meeting of a major oil producing cartel tomorrow. Brent crude rose more than 50% in 2021.
- ❖ The Indian rupee rose for a third straight session against the U.S. currency tracking upbeat local equities. However, importers' dollar demand and speculation that the Reserve Bank of India would not allow the local currency to appreciate significantly from current levels prevented a sharp upside. The rupee was at the day's high of 74.26 at 3:30 p.m trading compared with 74.33 on Friday. The local currency had fallen to an intraday low of 74.46 today.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.29% vs 3.38% as on previous day, while that in the TREP segment decreased to 3.25% vs 3.45% as on previous day.

### Market Observations

#### G-sec

- Yields edged higher in the first trading session of 2022 as market participants awaited fresh triggers, after the central bank's intervention over the last two weekly auctions, while debt supply weighed on investor appetite.

#### Corporate Bonds

- Activity was witnessed across all segments.

#### CP

- The 3 month segment was most active.

#### CD

- 3 month maturity papers were in demand.

GOI Yield	3-Jan	31-Dec	29-Nov	6-Dec
1 Year	4.250	4.150	4.110	4.130
5 Year	5.793	5.791	5.661	5.690
10 Year	6.460	6.454	6.335	6.359

AAA Bmk	3-Jan	31-Dec	29-Nov	6-Dec
1 Year	4.75	4.65	4.35	4.50
5 Year	6.20	6.15	6.05	6.00
10 Year	6.92	6.90	6.90	6.83

CD	3-Jan	31-Dec	29-Nov	6-Dec
3 Month	3.55	3.65	3.65	3.65
6 Month	4.00	4.15	3.95	3.95
1 Year	4.55	4.60	4.40	4.40

CP	3-Jan	31-Dec	29-Nov	6-Dec
3 Month	3.90	4.05	4.00	4.00
6 Month	4.50	4.65	4.55	4.55
1 Year	4.95	4.95	4.85	4.85

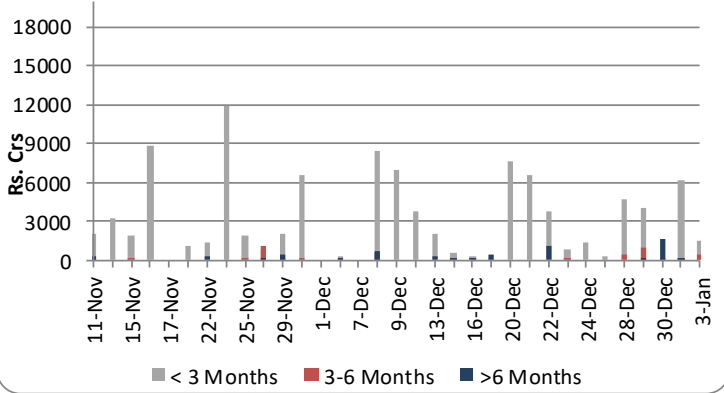
OIS Rate	3-Jan	31-Dec	29-Nov	6-Dec
1 Year	4.36	4.35	4.28	4.25
2 Year	4.87	4.87	4.77	4.75
3 Year	5.18	5.16	5.05	5.03
5 Year	5.41	5.38	5.39	5.30

	3-Jan	31-Dec	29-Nov	6-Dec
Sensex	59,183	58,254	57,261	56,747
Nifty	17,626	17,354	17,054	16,912
USD/INR	74.26	74.33	75.10	75.42
Gold (USD)	1,822	1,828	1,785	1,778
Oil (USD)	78.55	77.78	73.44	73.08

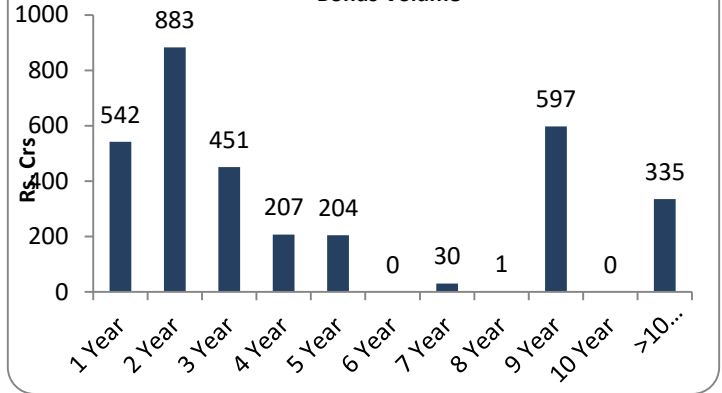
NDF	3-Jan	31-Dec	29-Nov	6-Dec
3 Month	75.17	75.31	75.79	76.08
1 Year	77.68	77.79	78.55	78.89
2 Year	81.17	81.51	82.32	82.54
3 Year	84.93	85.33	86.05	86.36



CP Primary Volume



Bonds Volume



10 Year Benchmarks	3-Jan	31-Dec	29-Nov	6-Dec
India	6.46	6.45	6.34	6.36
US	1.53	1.51	1.50	1.43
South Korea	2.32	2.26	2.27	2.21
Russia	8.37	8.42	8.33	8.52
Brazil	10.31	10.31	11.60	11.07
Germany	-0.17	-0.18	-0.32	-0.39
China	2.78	2.78	2.86	2.83

Top Traded Securities	Volume	3-Jan	31-Dec	29-Nov	6-Dec
5.15 GOI 2025	1,240	5.65	5.65	5.42	5.46
5.63 GOI 2026	275	5.79	5.79	5.66	5.69
5.74 GOI 2026	3,925	5.87	5.86	5.71	5.71
6.10 GOI 2031	30	6.46	6.45	6.34	6.36
6.64 GOI 2035	-	6.92	6.90	6.76	6.77
6.67 GOI 2035	30	6.92	6.90	6.74	6.75

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
22-Dec-21	2908	1959	949

EQUITY		
Gross Purchase	Gross Sales	Net Investment
2311	1732	579

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
5219	3691	1528

DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
3-Jan-22	235	205	29

EQUITY		
Gross Purchase	Gross Sales	Net Investment
4077	3442	634

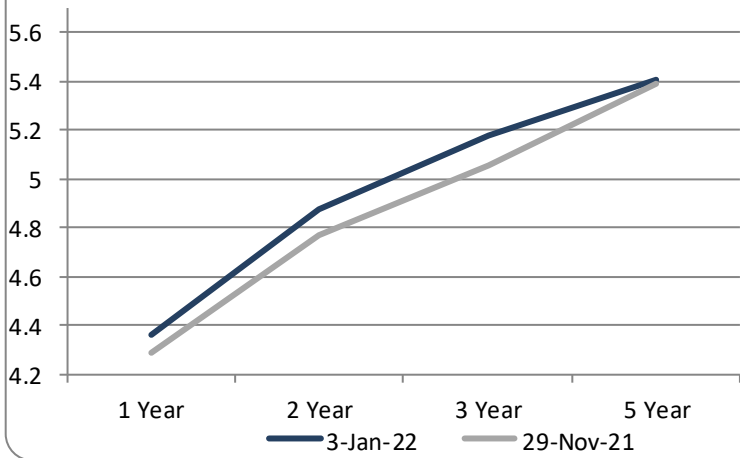
TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
4311	3648	664

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Sep-21	8.4	20.1
CAD (\$ Bn)	Sep-21	-9.6	6.6
Trade Deficit (\$ Bn)	Sep-21	-44.4	-30.7
WPI (%)	Nov-21	14.2	12.5
CPI (%)	Nov-21	4.9	4.5
IIP (%)	Oct-21	3.2	3.3
PMI Manufacturing	Dec-21	55.5	57.6
PMI Service	Nov-21	58.1	58.4

Economic Calender	Country	Date	Poll	Prior
Unemployment Rate	Japan	28-Dec-21	2.70	2.70
Unemployment Rate	Russia	29-Dec-21	-	4.30
Industrial Output	South Korea	30-Dec-21	3.20	4.50
Industrial Output	Brazil	06-Jan-22	-	(7.80)
Retail Sales	Euro Zone	07-Jan-22	5.60	1.40
CPI	China	10-Jan-22	-	2.30
Unemployment Rate	Euro Zone	10-Jan-22	-	7.30
CPI	Russia	10-Jan-22	8.20	8.40



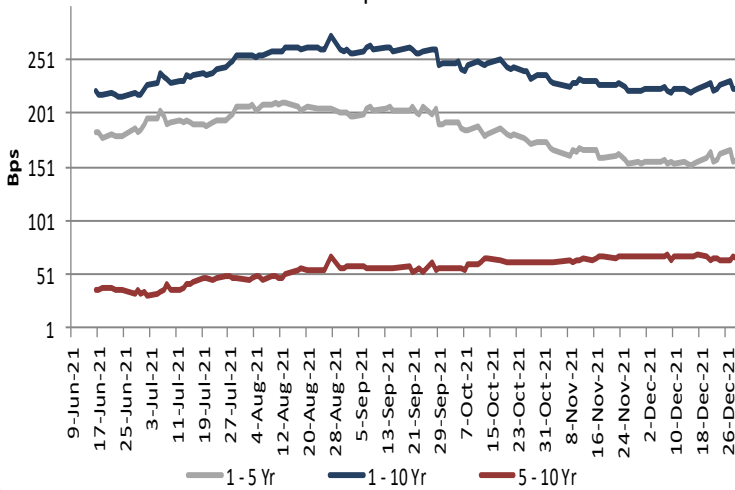
**OIS Curve**



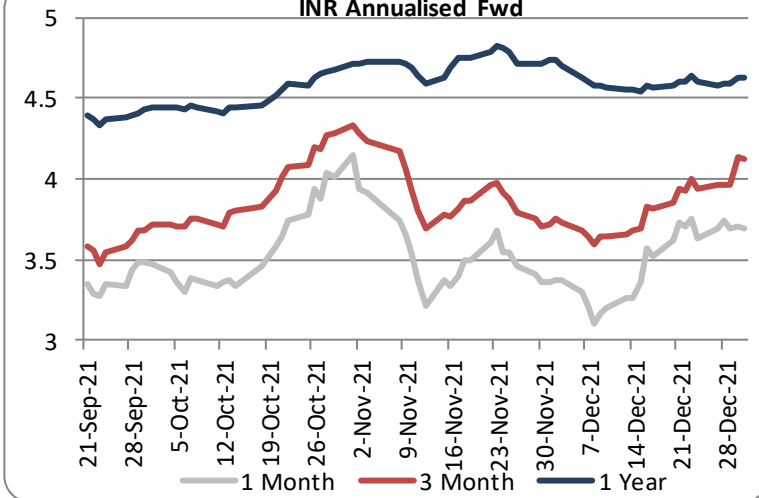
**USD/INR**



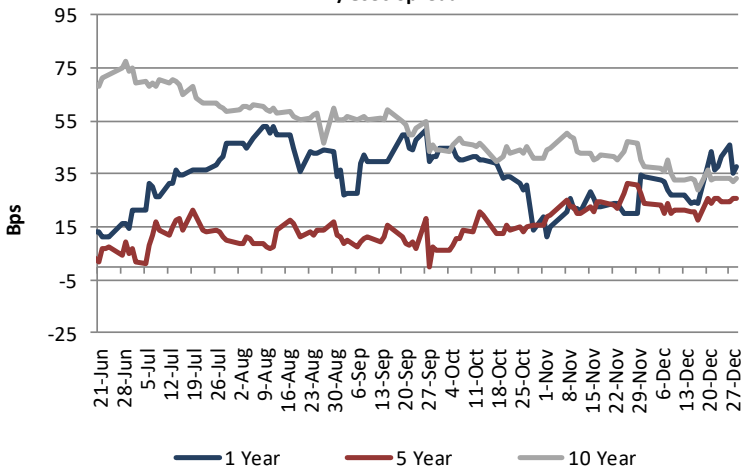
**GOI Spread**



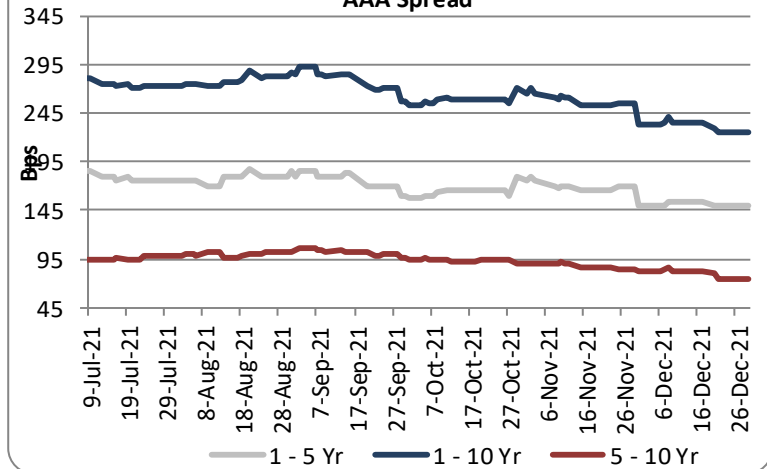
**INR Annualised Fwd**

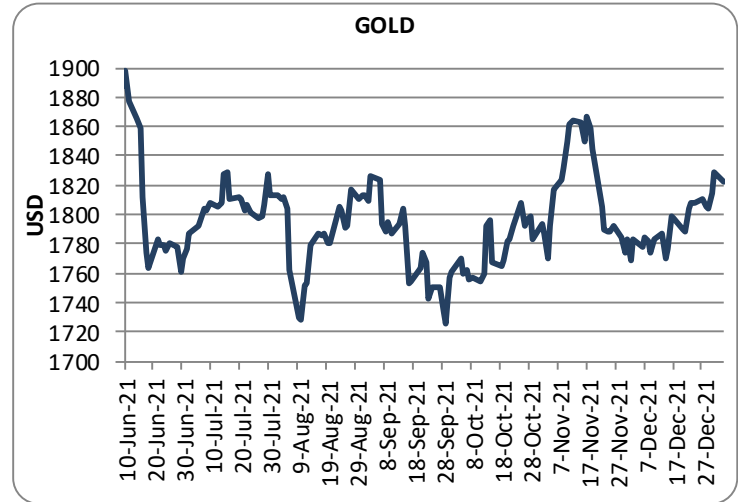
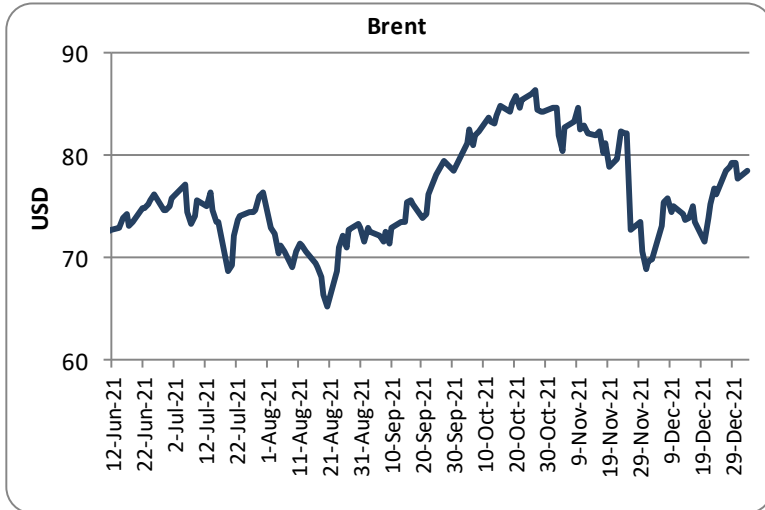


**AAA/Gsec Spread**



**AAA Spread**





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

**LKP SECURITIES LTD.**, 203, Embassy Centre, Nariman Point, Mumbai- 400021

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true and is for general guidance only. While every effort is made to ensure the accuracy and completeness of information contained, the company makes no guarantee and assumes no liability for any errors or omissions of the information. No one can use the information as the basis for any claim, demand or cause of action. Nothing contained in this publication shall constitute an offer to sell/purchase or an invitation/ solicitation to do so for any Government Security, Currency, Security, and Equity. LKP Securities Ltd. accepts no liability whatsoever for any loss, howsoever arising, from any use of this document, its contents or otherwise arising in connection therewith. For any queries contact - LKP Securities Ltd. Ph: (91-22) 66306555 Fax: (91-22) 2284 2415 E Mail: FixedIncomeResearch@lkpsec.com

Visit our website - <http://www.lkpsec.com/>