



INDIA

- ❖ The benchmark 6.54% bond maturing in 2032 ended at 97.58 rupees, yielding 6.88%, against 97.51 rupees, and a yield of 6.89%, yesterday. The yield rose 11 basis points this week, after rising an aggregate of 32 basis points in the first four weeks of 2022.
- ❖ The lack of an announcement of the timeline for including local bonds in global indexes has also dampened sentiment. Finance Ministry officials, including Seth, said the issue of taxing Indian sovereign bond deals between residents and non-residents is under consideration by the government.
- ❖ Most market participants including foreign investors were expecting some positive development towards index inclusion, and they had bought bonds worth around 60 billion rupees in January. They have also turned net sellers after the budget and traders expect more outflows in coming days.
- ❖ The 10-year Treasury yield was at 1.82%, up four basis points this week, after the Bank of England raised interest rates to check inflation, while the benchmark Brent crude contract was at \$92.50 per barrel, up 2.6% this week as a U.S. winter storm raised worries over supply disruptions.
- ❖ The Indian rupee snapped a two-week losing streak and logged its biggest weekly rise against the U.S. currency in five, tracking consistent losses on the dollar index. The rupee ended at 74.70 at 3:30 p.m. compared with 74.86 yesterday. The currency has gained 0.5% this week, its best such gain since Dec. 31. The unit had fallen by 1.2% in the last two weeks.
- ❖ Repo: The weighted average call rates in the interbank segment increased to 3.30% vs 3.23% as on previous day while that in the TREP segment increased to 3.33% vs 3.31 % as on previous day.

Market Observations

G-sec

- Bond yields jumped for the fifth straight week, as the govt. announced a record borrowing for the next financial year and delayed the process of inclusion of Indian debt in global indices.
- Cut off on the longer end of Gsec came better than market expectations.
- RBI has not accepted a single bid in 5.74% GOI 2026 and 6.67% GOI 2035.

Corporate Bonds

- Major buying activity was seen in the 5–10-year segment of the yield curve amidst an overall dull market. Higher crude oil prices amid geopolitical tensions can impact bond markets going forward.

CP

- Demand was seen in the 3month segment.

CD

- 3month maturity CDs saw some demand.

GOI Yield	4-Feb	3-Feb	28-Jan	7-Jan
1 Year	4.600	4.600	4.500	4.320
5 Year	6.194	6.240	6.120	5.907
10 Year	6.899	6.917	6.753	6.542

AAA Brmk	4-Feb	3-Feb	28-Jan	7-Jan
1 Year	4.94	4.90	4.80	4.80
5 Year	6.34	6.35	6.30	6.28
10 Year	7.19	7.15	7.17	7.00

CD	4-Feb	3-Feb	28-Jan	7-Jan
3 Month	4.02	4.02	3.95	3.85
6 Month	4.25	4.25	4.15	4.30
1 Year	4.90	4.90	4.80	4.60

CP	4-Feb	3-Feb	28-Jan	7-Jan
3 Month	4.10	4.10	4.22	4.05
6 Month	4.55	4.55	4.82	4.60
1 Year	5.05	5.05	5.23	5.00

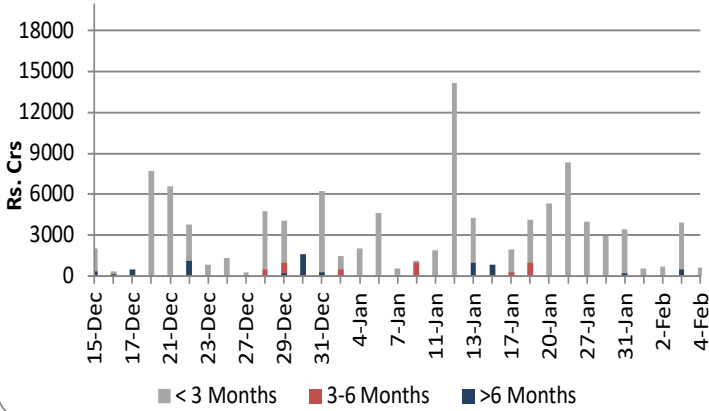
OIS Rate	4-Feb	3-Feb	28-Jan	7-Jan
1 Year	4.55	4.53	4.49	4.37
2 Year	5.12	5.10	5.05	4.90
3 Year	5.51	5.47	5.38	5.23
5 Year	5.91	5.85	5.70	5.58

	4-Feb	3-Feb	28-Jan	7-Jan
Sensex	58,645	58,788	57,200	59,745
Nifty	17,516	17,560	17,102	17,813
USD/INR	74.70	74.86	75.04	74.31
Gold (USD)	1,811	1,804	1,791	1,796
Oil (USD)	92.97	91.11	90.03	81.75

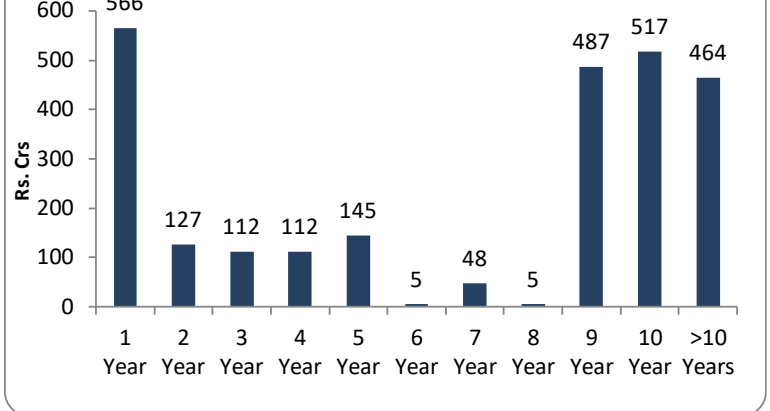
NDF	4-Feb	3-Feb	28-Jan	7-Jan
3 Month	75.56	75.51	75.93	75.13
1 Year	77.96	77.94	78.45	77.66
2 Year	79.51	81.30	81.77	81.25
3 Year	85.13	85.18	85.62	84.92



CP Primary Volume



Bonds Volume



10 Year Benchmarks	4-Feb	3-Feb	28-Jan	7-Jan
India	6.87	6.89	6.77	6.54
US	1.81	1.84	1.78	1.77
South Korea	2.62	2.57	2.59	2.46
Russia	9.33	9.39	9.51	8.44
Brazil	11.20	11.20	11.47	11.39
Germany	0.17	0.16	-0.05	-0.03
China	2.72	2.72	2.72	2.82

Top Traded Securities	Volume	4-Feb	3-Feb	28-Jan	7-Jan
5.15 GOI 2025	2715	5.94	5.93	5.85	5.78
5.63 GOI 2026	85	6.05	6.08	5.98	5.91
5.74 GOI 2026	9180	6.19	6.24	6.12	5.99
6.10 GOI 2031	65	6.90	6.92	6.75	6.54
6.64 GOI 2035	0	7.28	7.30	7.18	7.02
6.67 GOI 2035	0	7.27	7.32	7.18	7.02

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
31-Jan-22	7518	4200	3318

EQUITY		
Gross Purchase	Gross Sales	Net Investment
8475	8779	-304

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
15994	12979	3014

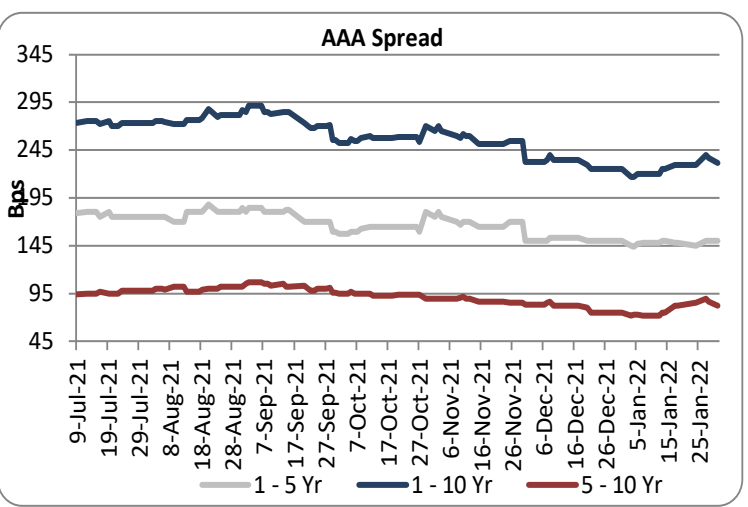
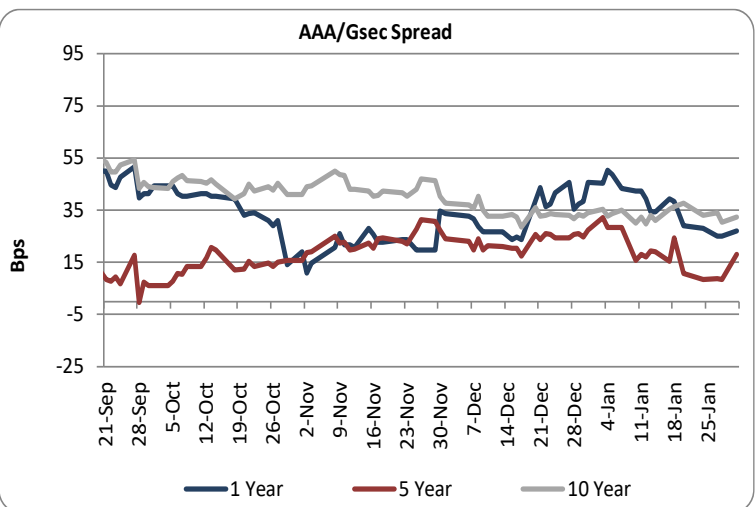
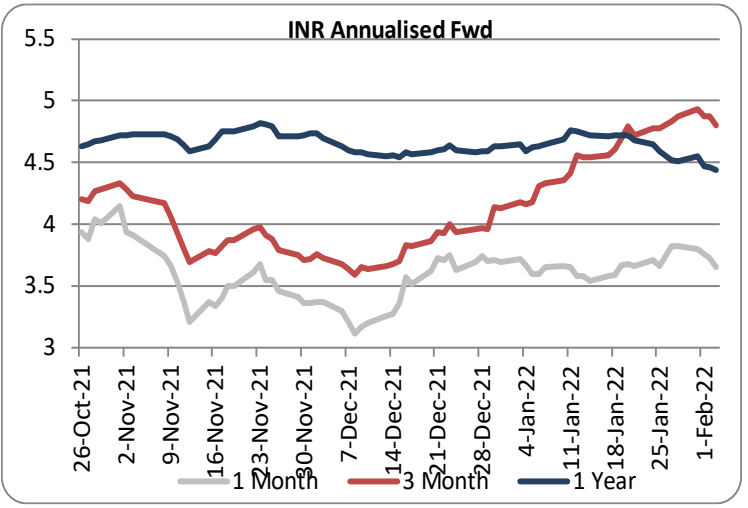
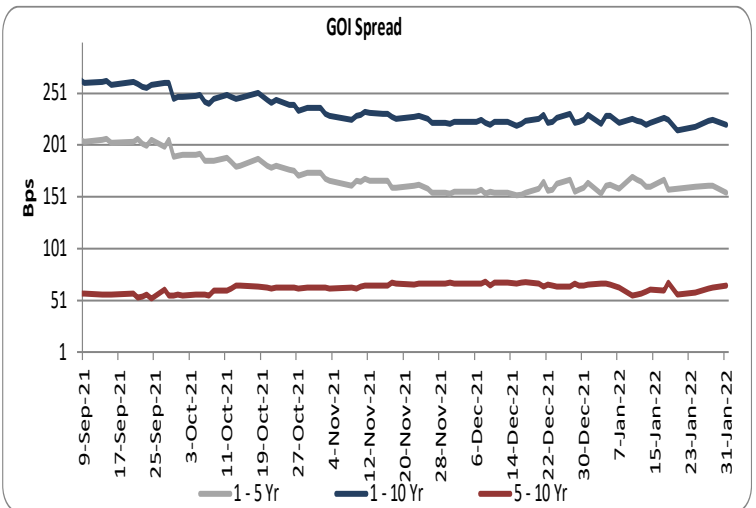
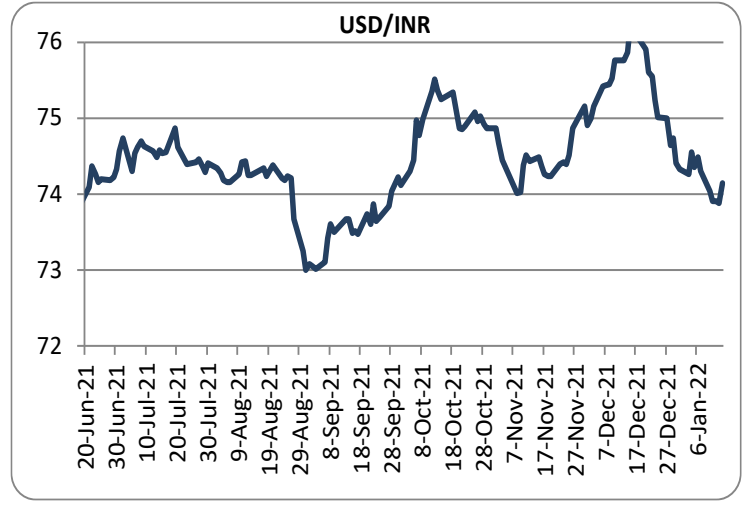
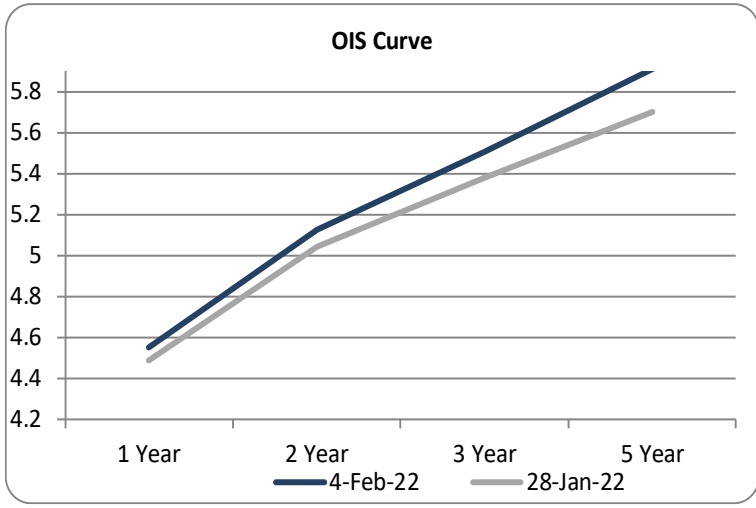
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
4-Feb-22	1268	1209	59

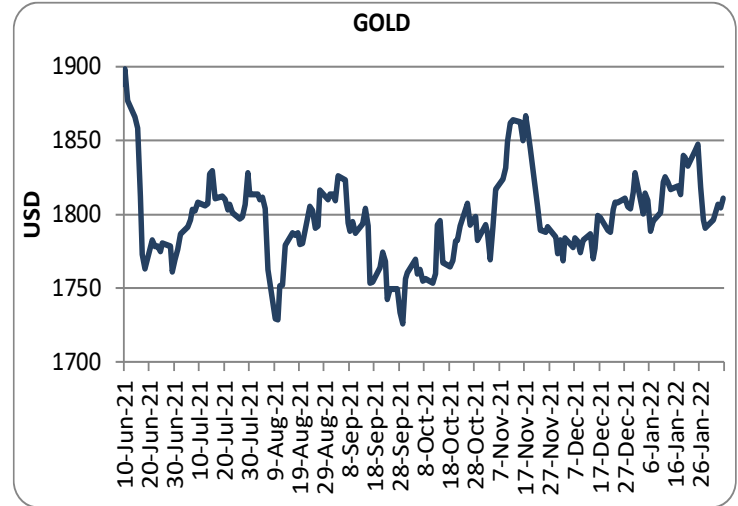
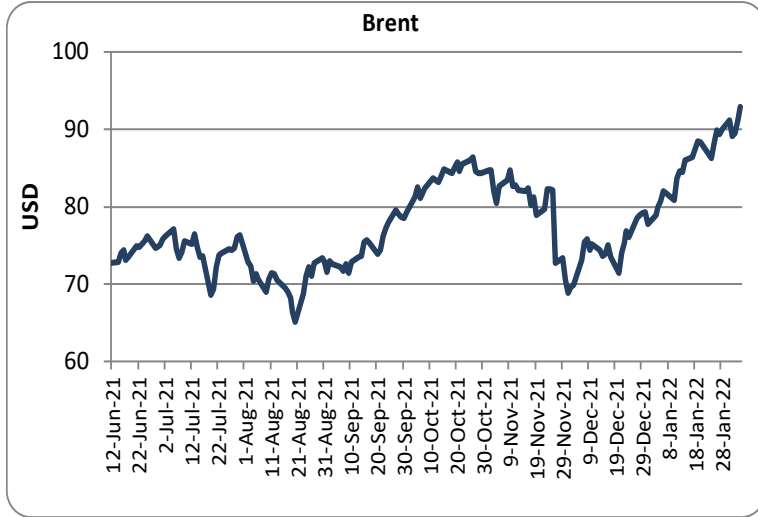
EQUITY		
Gross Purchase	Gross Sales	Net Investment
4752	6849	-2096

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
6020	8058	-2038

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 (%)	Dec-21	13.6	14.2
CPI (%)	Dec-21	5.6	4.9
IIP (%)	Nov-21	1.4	3.2
PMI Manufacturing	Jan-22	54	55.5
PMI Service	Jan-22	51.5	55.5

Economic Calender	Country	Date	Poll	Prior
Bank Rate	UK	03-Feb-22	0.50	0.25
CPI	Phillippines	03-Feb-22	3.10	3.60
Retail Sales	Euro Zone	04-Feb-22	5.10	7.80
Unemployment Rate	US	04-Feb-22	3.90	3.90
Repo	India	09-Feb-22	-	4.00
CRR	India	09-Feb-22	-	4.00
Retail Sales	Brazil	09-Feb-22	-	(4.20)
CPI	Russia	09-Feb-22	8.80	8.40





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

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