



INDIA

- ❖ The benchmark 6.10% bond maturing in 2031 ended at 97.07 rupees, yielding 6.52%, its highest since Jan. 31, 2020 and against 97.47 rupees and a 6.46% yield yesterday. The 10-year yield posted its biggest single-session rise since Oct. 18.
- ❖ The 10-year U.S. Treasury yield jumped 12 basis points to a six-week high of 1.6420% yesterday as investors braced for an early interest rate hike by the Federal Reserve this year, despite the recent jump in Covid-19 cases.
- ❖ India's government will sell 240 billion rupees of debt this week, after two consecutive interventions by the central bank in the form of devolvments as well as not accepting bids.
- ❖ Today, Indian states sold 188.87 billion rupees of debt against the scheduled 193.40 billion rupees. States plan to borrow a total of 3.24 trillion rupees in January-March, sharply higher than market estimates of around 2.20 trillion rupees to 2.50 trillion rupees.
- ❖ India is witnessing a rise in coronavirus cases, with those of the highly contagious Omicron strain rising to 1,892, while active cases stand at 171,830. National capital Delhi today tightened social and movement curbs, including imposing a weekend curfew, amid a spike in cases fueled by the Omicron variant.
- ❖ Meanwhile, the benchmark Brent crude contract was 0.46% higher at \$79.34 a barrel ahead of a meeting of the Organisation of the Petroleum Exporting Countries and its allies today.
- ❖ The Indian rupee fell for the first time in four sessions, logging its worst one-day drop against the U.S. currency in three weeks, as prospects of an earlier-than-anticipated interest rate hike by the Federal Reserve lifted Treasury yields and the dollar index. The rupee was quoted at 74.55 per dollar at 3:30 p.m. in Mumbai compared with 74.26 yesterday. The unit fell 0.4% today, its biggest single-session fall since Dec. 15.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.28% vs 3.29% as on previous day, while that in the TREP segment decreased to 3.16% vs 3.25% as on previous day.

Market Observations

G-sec

- Auction cut off on SDLs came in line with market expectations.
- Yields settled higher for the second straight session, with the benchmark yield ending near its highest in almost two years, mirroring a spike in U.S. yields. A higher-than-expected cutoff yield at a state debt sale also weighed on investor sentiment.

Corporate Bonds

- Demand was muted across the yield curve. However, there were value picks seen in the 10 year segment.

CP

- The 1-3 month segment was most active.

CD

- 1- 3 month maturity papers were in demand.

GOI Yield	4-Jan	3-Jan	30-Nov	7-Dec
1 Year	4.230	4.250	4.110	4.140
5 Year	5.850	5.793	5.646	5.720
10 Year	6.517	6.460	6.326	6.391

AAA Bmk	4-Jan	3-Jan	30-Nov	7-Dec
1 Year	4.78	4.75	4.50	4.50
5 Year	6.22	6.20	6.00	6.00
10 Year	6.95	6.92	6.83	6.85

CD	4-Jan	3-Jan	30-Nov	7-Dec
3 Month	3.55	3.55	3.65	3.65
6 Month	4.00	4.00	3.95	3.95
1 Year	4.55	4.55	4.40	4.40

CP	4-Jan	3-Jan	30-Nov	7-Dec
3 Month	3.90	3.90	4.00	4.00
6 Month	4.50	4.50	4.55	4.55
1 Year	4.95	4.95	4.85	4.85

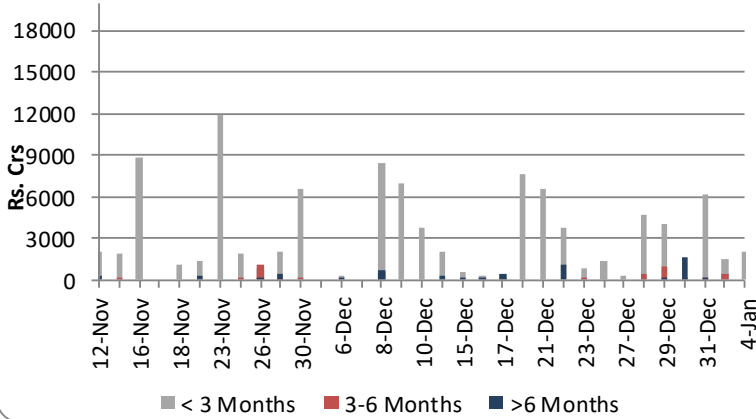
OIS Rate	4-Jan	3-Jan	30-Nov	7-Dec
1 Year	4.38	4.36	4.20	4.28
2 Year	4.92	4.87	4.69	4.78
3 Year	5.24	5.18	4.99	5.06
5 Year	5.51	5.41	5.30	5.34

	4-Jan	3-Jan	30-Nov	7-Dec
Sensex	59,856	59,183	57,065	57,634
Nifty	17,805	17,626	16,983	17,177
USD/INR	74.55	74.26	75.16	75.44
Gold (USD)	1,802	1,801	1,774	1,784
Oil (USD)	79.64	78.98	70.57	75.44

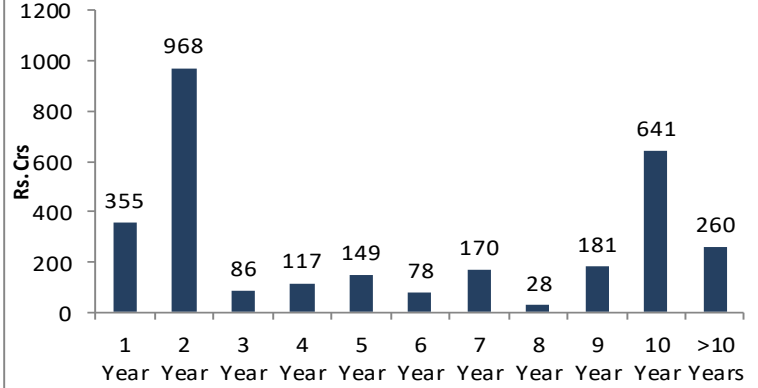
NDF	4-Jan	3-Jan	30-Nov	7-Dec
3 Month	75.45	75.19	75.67	75.99
1 Year	78.03	77.75	78.56	78.91
2 Year	81.56	81.29	81.90	82.34
3 Year	85.33	85.04	86.00	86.36



CP Primary Volume



Bonds Volume



10 Year Benchmarks	4-Jan	3-Jan	30-Nov	7-Dec
India	6.52	6.46	6.33	6.39
US	1.64	1.64	1.46	1.48
South Korea	2.31	2.32	2.22	2.24
Russia	8.35	8.36	8.35	8.59
Brazil	10.61	10.61	11.41	11.00
Germany	-0.14	-0.12	-0.34	-0.38
China	2.79	2.78	2.87	2.86

Top Traded Securities	Volume	4-Jan	3-Jan	30-Nov	7-Dec
5.15 GOI 2025	2,520	5.71	5.65	5.41	5.49
5.63 GOI 2026	560	5.85	5.79	5.65	5.72
5.74 GOI 2026	6,545	5.94	5.87	5.69	5.74
6.10 GOI 2031	180	6.52	6.46	6.33	6.39
6.64 GOI 2035	-	6.99	6.92	6.76	6.79
6.67 GOI 2035	60	6.98	6.92	6.73	6.77

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

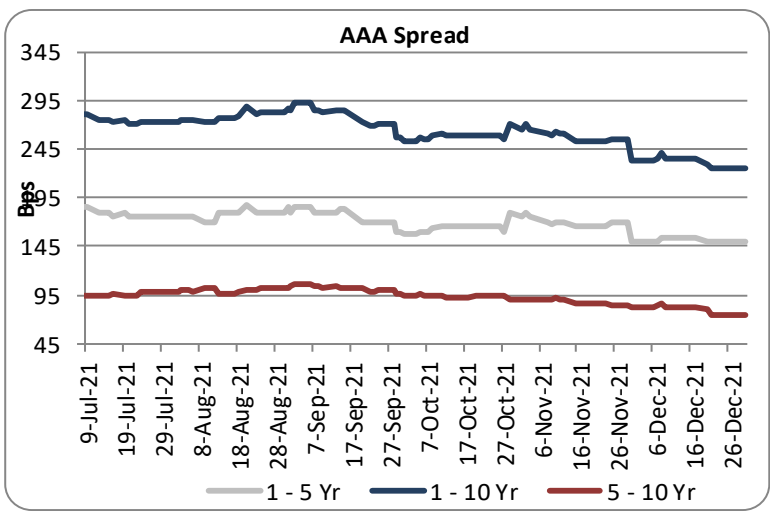
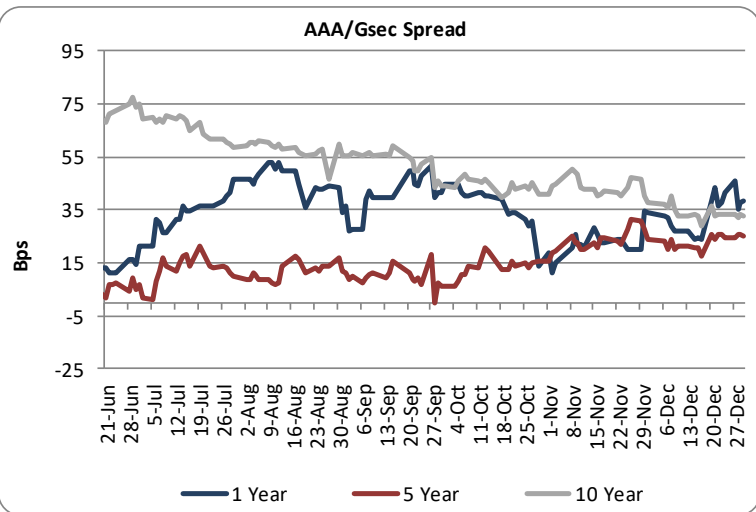
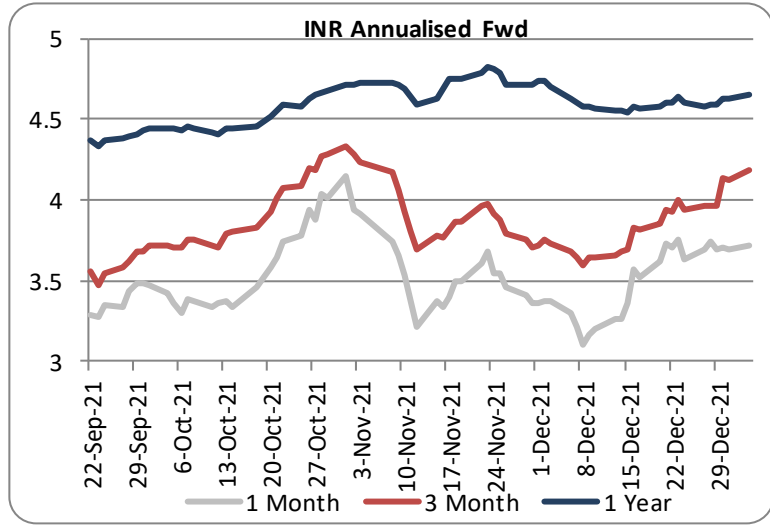
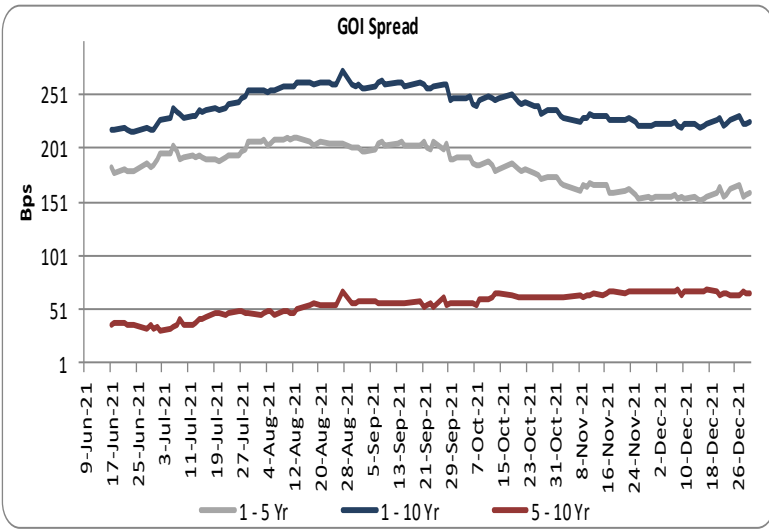
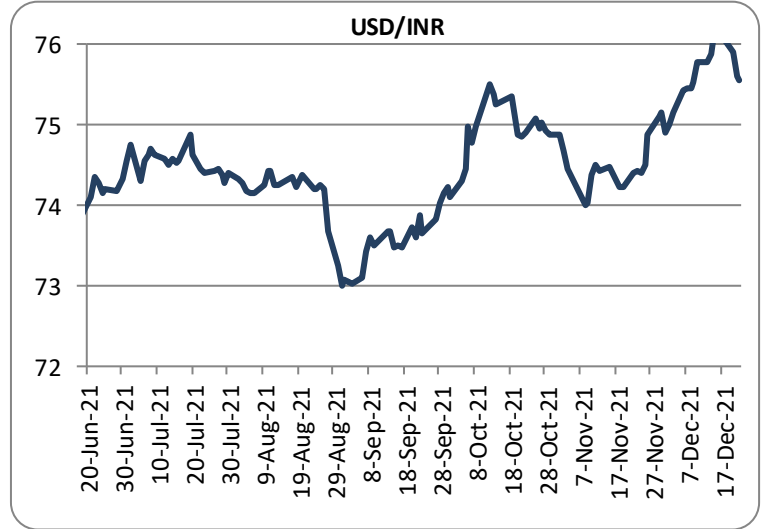
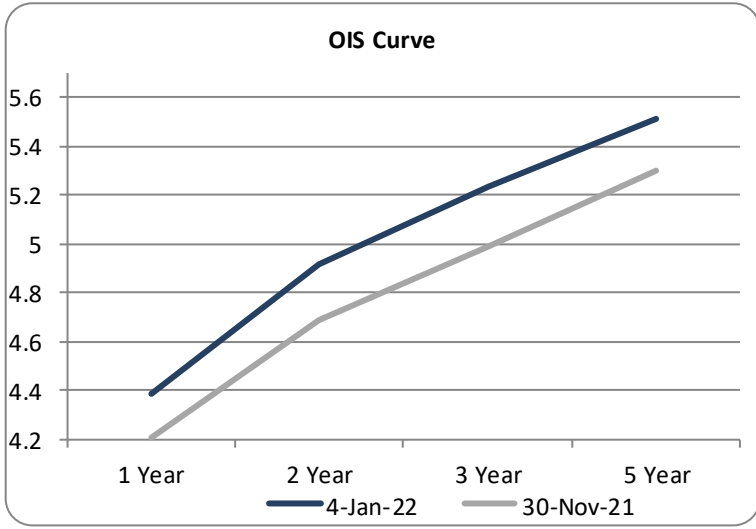
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
4-Jan-22	260	480	-220

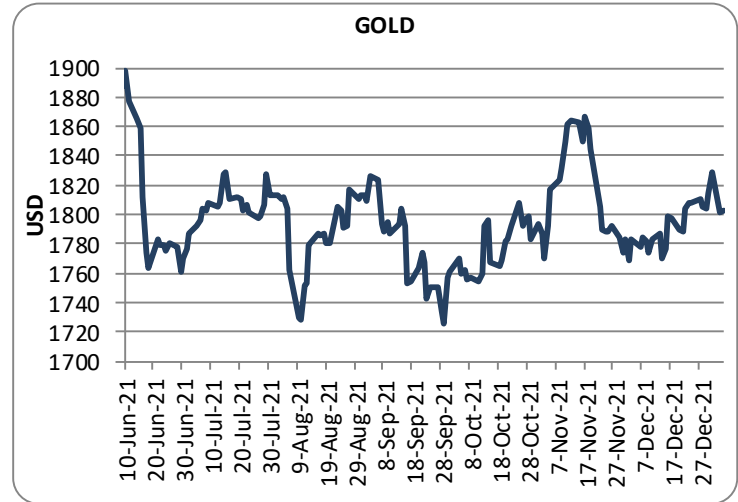
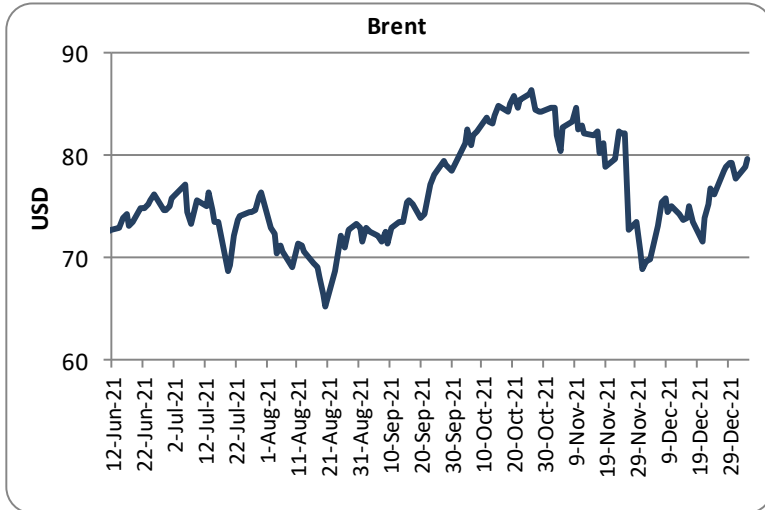
EQUITY		
Gross Purchase	Gross Sales	Net Investment
6107	3790	2317

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
6366	4270	2096

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





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

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