



## INDIA

- ❖ The benchmark 6.10% bond maturing in 2031 ended at 97.14 rupees, yielding 6.51%, against 97.07 rupees, yielding 6.52% yesterday. The yield had jumped to 6.54% in early trades, the highest since Jan. 31, 2020.
- ❖ The U.S. 10-year Treasury yield jumped to a six-week high of 1.686% yesterday, as investors see the Omicron variant as less threatening than earlier mutations, and expect the economy to weather the latest wave of the pandemic.
- ❖ This boosted the odds of an early rate hike by the Federal Reserve once it concludes its bond buying programme in March. Minutes of the Fed's December meeting, due overnight, will help traders further assess what policymakers make of the inflation threat and how fast rates are likely to rise this year. The 10-year Treasury yield was down at 1.646%.
- ❖ Benchmark Brent crude futures were little changed at \$80 per barrel. The contract rose to an about-six-week high of \$80.55 a barrel yesterday, as the Organisation of the Petroleum Exporting Countries and its allies agreed to stick to the planned output increase in February, on indications that the Omicron variant would have a mild impact on fuel demand.
- ❖ Over the past year, India's central bank has been looking through several above target inflation readings to support growth in the economy ravaged by the coronavirus pandemic. Covid infections have recently spiked in Asia's third largest economy with the total active cases countrywide tripling to over 214,000 in a week. Tighter restrictions on mobility have also been put in place by several states to check the spread of the virus.
- ❖ Investors now await the 240-billion-rupee government debt sale on Friday. India's central bank had not accepted bids for some notes at last week's auction, while it devolved over 30% of the stock on primary dealers at an auction on Dec. 24.
- ❖ The Indian rupee ended higher against the U.S. currency, as foreign banks stepped up dollar sales amid fund inflows into local equities and on expected flows from offshore bond offerings. The rupee was quoted at 74.36 per dollar at 3.30 p.m. in Mumbai compared with 74.55 yesterday.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.21% vs 3.28% as on previous day, while that in the TREP segment increased to 3.17% vs 3.16% as on previous day.

GOI Yield	5-Jan	4-Jan	1-Dec	8-Dec
1 Year	4.220	4.230	4.120	4.120
5 Year	5.850	5.850	5.680	5.660
10 Year	6.508	6.517	6.353	6.347

AAA Bmk	5-Jan	4-Jan	1-Dec	8-Dec
1 Year	4.75	4.78	4.50	4.45
5 Year	6.22	6.22	6.00	5.98
10 Year	6.95	6.95	6.83	6.85

CD	5-Jan	4-Jan	1-Dec	8-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	5-Jan	4-Jan	1-Dec	8-Dec
3 Month	3.90	3.90	4.00	4.00
6 Month	4.50	4.50	4.55	4.65
1 Year	4.95	4.95	4.85	4.80

OIS Rate	5-Jan	4-Jan	1-Dec	8-Dec
1 Year	4.38	4.38	4.24	4.25
2 Year	4.90	4.92	4.74	4.75
3 Year	5.25	5.24	5.02	5.02
5 Year	5.55	5.51	5.33	5.32

	5-Jan	4-Jan	1-Dec	8-Dec
Sensex	60,223	59,856	57,685	58,650
Nifty	17,925	17,805	17,167	17,470
USD/INR	74.36	74.55	74.91	75.45
Gold (USD)	1,818	1,815	1,783	1,782
Oil (USD)	80.28	80.00	68.87	75.82

NDF	5-Jan	4-Jan	1-Dec	8-Dec
3 Month	75.24	75.35	75.79	76.09
1 Year	77.83	77.91	78.52	78.57
2 Year	81.36	81.57	82.31	82.42
3 Year	85.27	85.29	86.10	86.26

### Market Observations

#### G-sec

- Cut off on 3M maturity bills came better than market expectations. However that of 6 months and 1 year came in line with market expectations.
- Yields ended largely flat after a brief early spike as investors continued to monitor movements in crude oil prices and U.S. Treasury yields, which have risen recently.

#### Corporate Bonds

- Demand was seen across the yield curve.

#### CP

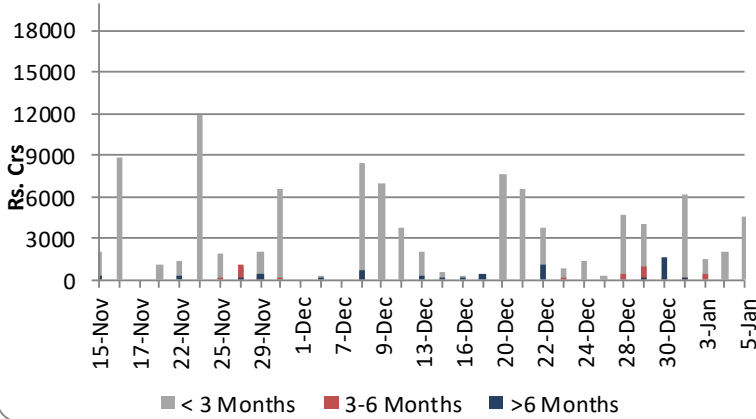
- The 1-3 month segment was most active.

#### CD

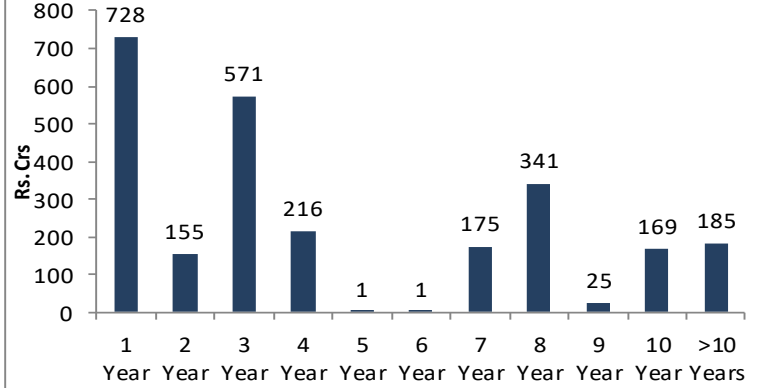
- 1- 3 month maturity papers were in demand.



**CP Primary Volume**



**Bonds Volume**



10 Year Benchmarks	5-Jan	4-Jan	1-Dec	8-Dec
India	6.51	6.52	6.35	6.35
US	1.65	1.65	1.40	1.53
South Korea	2.38	2.31	2.18	2.19
Russia	8.37	8.37	8.35	8.61
Brazil	11.30	11.30	11.46	10.85
Germany	-0.13	-0.13	-0.33	-0.31
China	2.81	2.79	2.88	2.86

Top Traded Securities	Volume	5-Jan	4-Jan	1-Dec	8-Dec
5.15 GOI 2025	1,345	5.71	5.71	5.44	5.44
5.63 GOI 2026	270	5.85	5.85	5.68	5.66
5.74 GOI 2026	3,940	5.93	5.94	5.72	5.69
6.10 GOI 2031	165	6.51	6.52	6.35	6.35
6.64 GOI 2035	-	6.98	6.99	6.77	6.77
6.67 GOI 2035	40	6.98	6.98	6.75	6.74

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

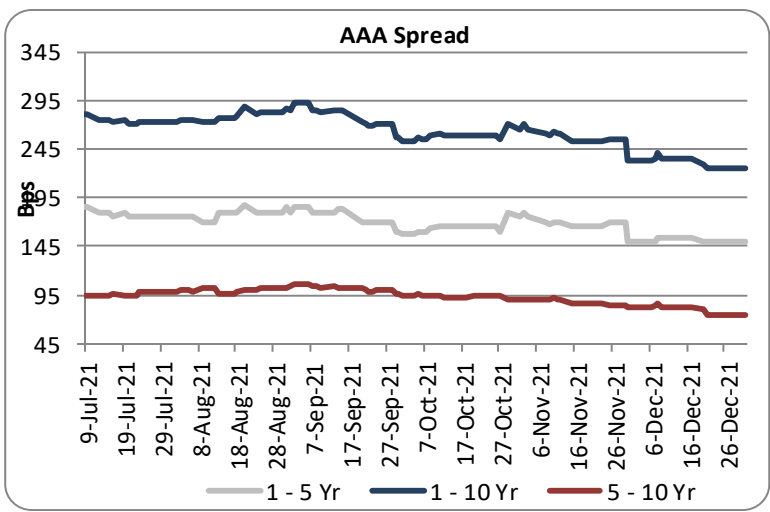
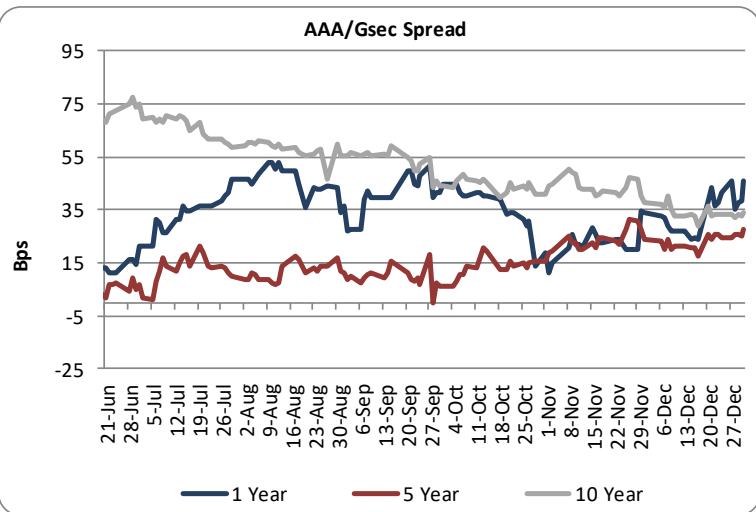
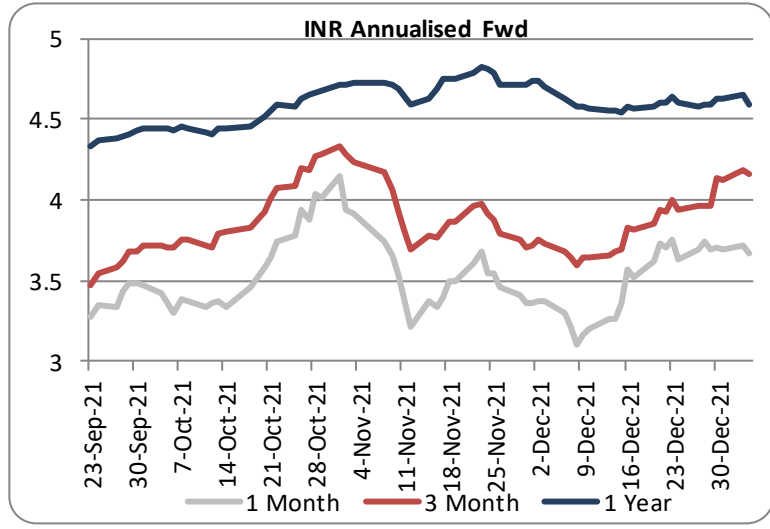
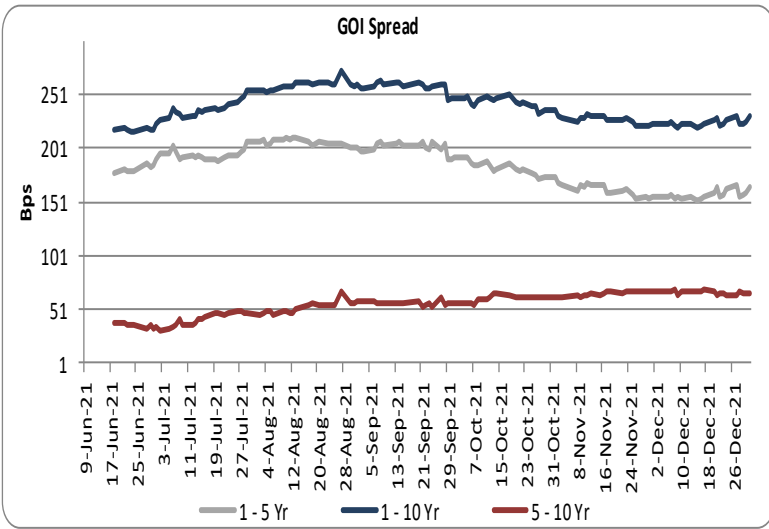
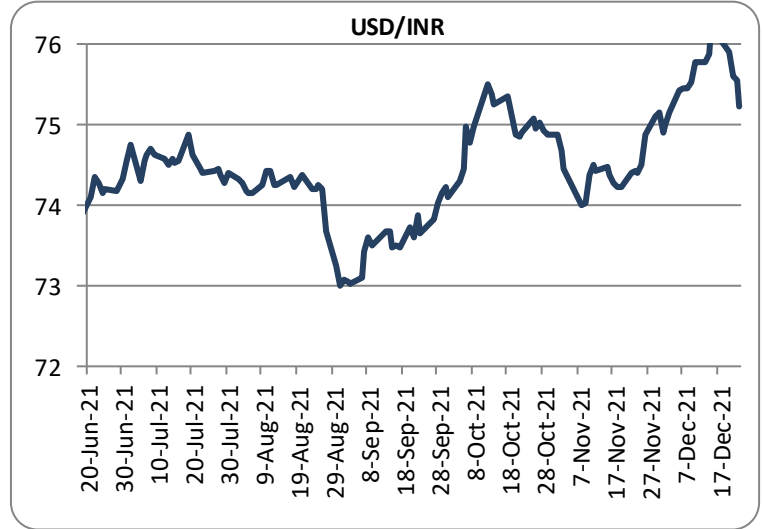
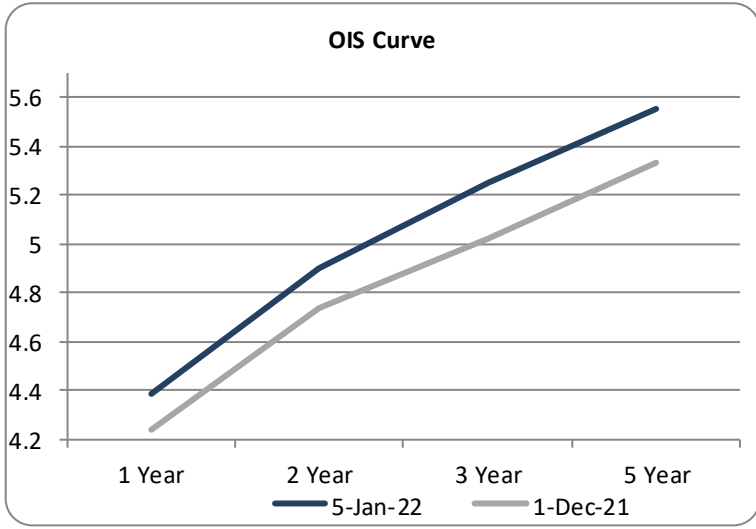
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
5-Jan-22	98	224	-126

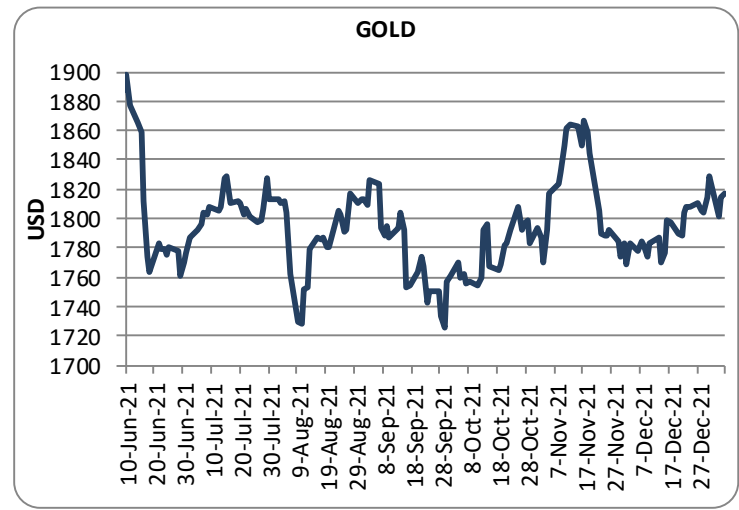
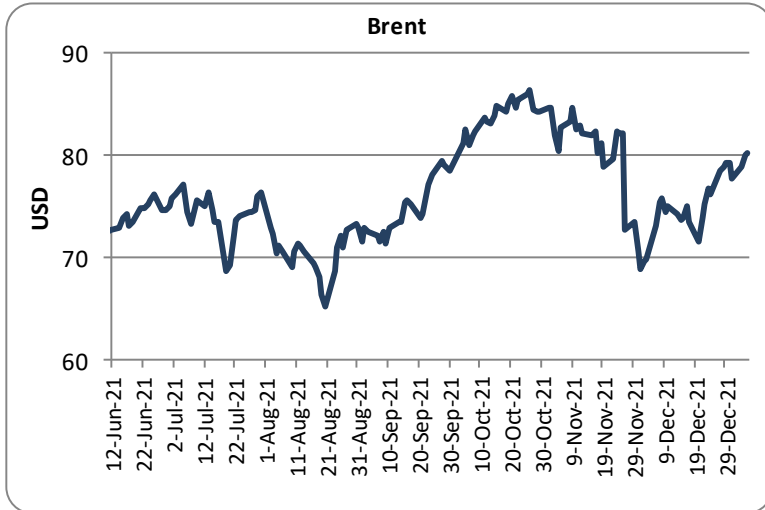
EQUITY		
Gross Purchase	Gross Sales	Net Investment
5778	4422	1357

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
5877	4646	1231

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	Dec-21	55.5	58.1

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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