



INDIA

- ❖ The benchmark 6.54% bond maturing in 2032 ended at 98.07 rupees, yielding 6.81%, compared with 97.58 rupees and a yield of 6.88% on Friday.
- ❖ The Govt. yesterday cancelled the weekly debt sale of 240 billion rupees, scheduled for Feb. 11, after a review of its cash balances. The government is not planning to auction 300 billion rupees of bonds that it has not sold so far this fiscal.
- ❖ The government, which plans to raise 10.47 billion rupees via bonds in this financial year, is due to gross borrow a record 14.31 trillion rupees in the next fiscal year.
- ❖ The three-day meeting of the RBI-led-MPC begins today. A Reuters poll of economists had forecast the central bank raising the reverse repo rate to 3.55% from 3.35% at this meeting. However, the central bank has been withdrawing excess liquidity from the banking system via various variable reverse repo operations and has also stopped its secondary market debt purchases.
- ❖ Meanwhile, the yield on the 10-year U.S. Treasury traded around 1.95%, near its highest since November, 2019, as stronger-than-forecast jobs data from the world's largest economy raised expectations the Federal Reserve may hike benchmark rates by as much as 50 basis points in March.
- ❖ Benchmark Brent crude futures declined 0.84% to \$91.91 a barrel, after gaining 3.6% last week amid concerns of supply disruptions following geopolitical tensions between Russia and Ukraine.
- ❖ The Indian rupee erased early gains to close lower against the dollar today, after U.S. yields soared to fresh multi-year highs on prospects of aggressive interest rate hikes by the Federal Reserve. Importer dollar demand also weighed on the local unit. The rupee, resuming trade after yesterday's unscheduled holiday, ended at 74.75 to a dollar compared with 74.70 on Friday.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.26% vs 3.30% as on previous day while that in the TREP segment increased to 3.40% vs 3.33% as on previous day.

Market Observations

G-sec

- Higher demand seen in 4-5 year maturity papers.
- Cut off on SDLs came in line with market expectations.

Corporate Bonds

- Yields on corporate bonds were trading in a fine range today as market participants avoided placing large bets ahead of the Reserve Bank of India's monetary policy statement on Wednesday.

CP

- Demand was seen in the 3 and 6 month segment.

CD

- 3month maturity CDs saw some demand. India's banking system liquidity surplus rose most in six months last week on heavy government spending. Average surplus at INR6.4 trillion last week, up INR1.11 trillion on week. Surplus to average in INR6.0 trillion-INR6.3 trillion this week amid indirect tax outflows. India's one-day call money rate at 3.40% against 3.25% previous close.

GOI Yield	8-Feb	4-Feb	1-Feb	11-Jan
1 Year	4.620	4.600	4.550	4.330
5 Year	6.123	6.194	6.131	6.008
10 Year	6.832	6.899	6.846	6.570

AAA Brmk	8-Feb	4-Feb	1-Feb	11-Jan
1 Year	5.00	4.94	4.90	4.80
5 Year	6.34	6.34	6.40	6.28
10 Year	7.19	7.19	7.18	7.00

CD	8-Feb	4-Feb	1-Feb	11-Jan
3 Month	4.02	4.02	3.95	3.80
6 Month	4.25	4.25	4.15	4.00
1 Year	4.90	4.90	4.80	4.60

CP	8-Feb	4-Feb	1-Feb	11-Jan
3 Month	4.10	4.10	4.22	4.10
6 Month	4.55	4.55	4.82	4.70
1 Year	5.05	5.05	5.23	5.10

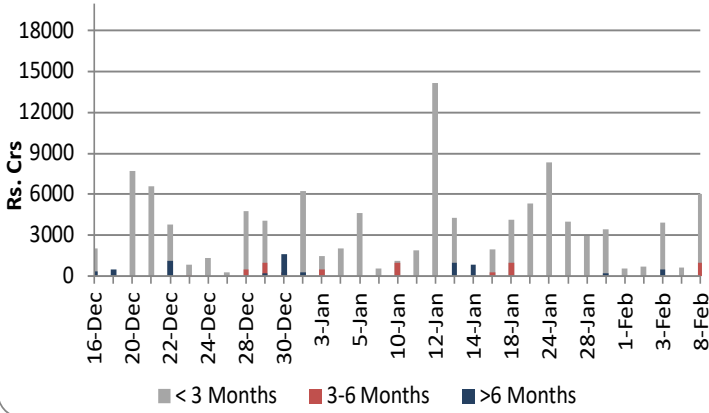
OIS Rate	8-Feb	4-Feb	1-Feb	11-Jan
1 Year	4.56	4.55	4.51	4.38
2 Year	5.13	5.12	5.07	4.91
3 Year	5.47	5.51	5.44	5.23
5 Year	5.86	5.91	5.76	5.57

	8-Feb	4-Feb	1-Feb	11-Jan
Sensex	57,809	58,645	58,863	60,617
Nifty	17,267	17,516	17,577	18,056
USD/INR	74.75	74.70	74.79	73.91
Gold (USD)	1,818	1,807	1,801	1,822
Oil (USD)	90.99	93.27	89.16	83.72

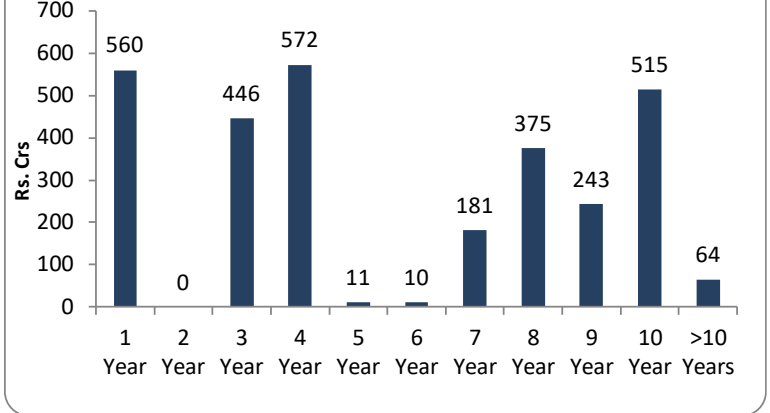
NDF	8-Feb	4-Feb	1-Feb	11-Jan
3 Month	75.58	75.48	75.60	74.49
1 Year	77.98	77.76	77.99	77.09
2 Year	81.43	79.43	81.38	80.62
3 Year	85.10	85.11	85.43	83.85



CP Primary Volume



Bonds Volume



10 Year Benchmarks	8-Feb	4-Feb	1-Feb	11-Jan
India	6.81	6.88	6.83	6.57
US	1.94	1.92	1.79	1.75
South Korea	2.73	2.62	2.59	2.49
Russia	9.37	9.36	9.44	8.69
Brazil	11.45	11.20	11.29	11.54
Germany	0.23	0.21	0.04	-0.03
China	2.72	2.72	2.72	2.80

Top Traded Securities	Volume	8-Feb	4-Feb	1-Feb	11-Jan
5.15 GOI 2025	3190	5.90	5.94	5.90	5.79
5.63 GOI 2026	430	6.00	6.05	6.00	5.93
5.74 GOI 2026	10385	6.12	6.19	6.13	6.01
6.10 GOI 2031	205	6.83	6.90	6.85	6.57
6.64 GOI 2035	0	7.19	7.28	7.26	7.04
6.67 GOI 2035	80	7.17	7.27	7.26	7.03

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

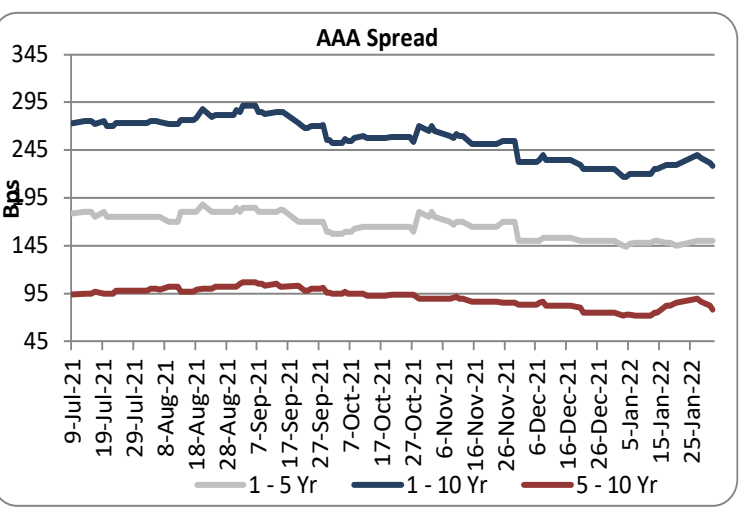
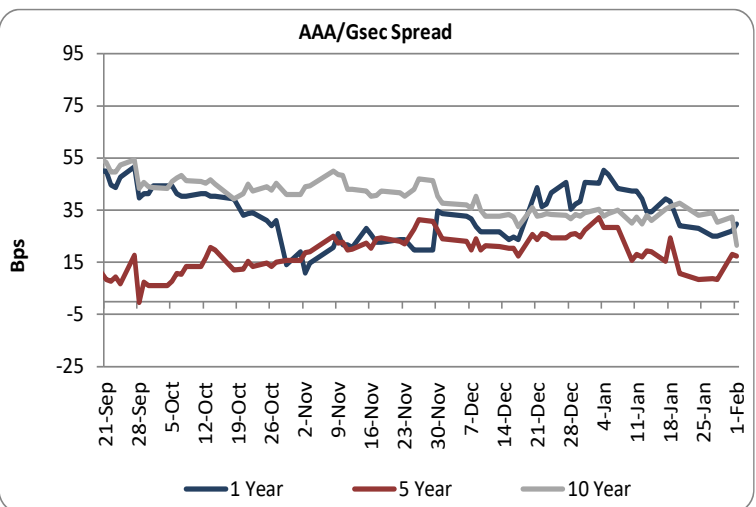
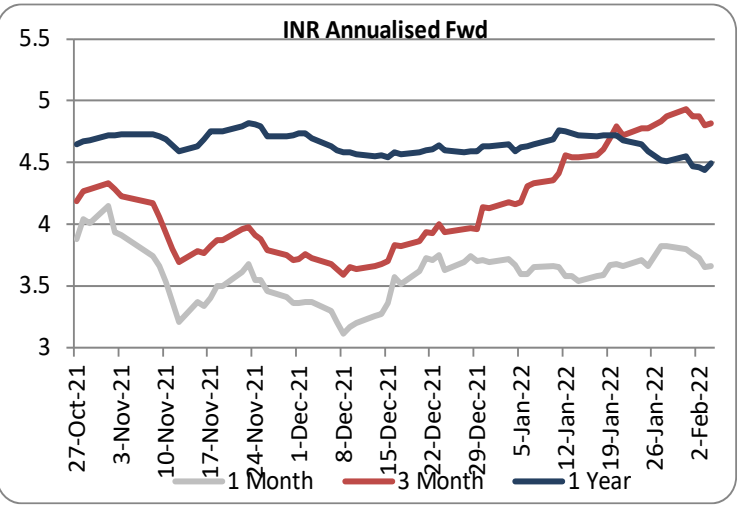
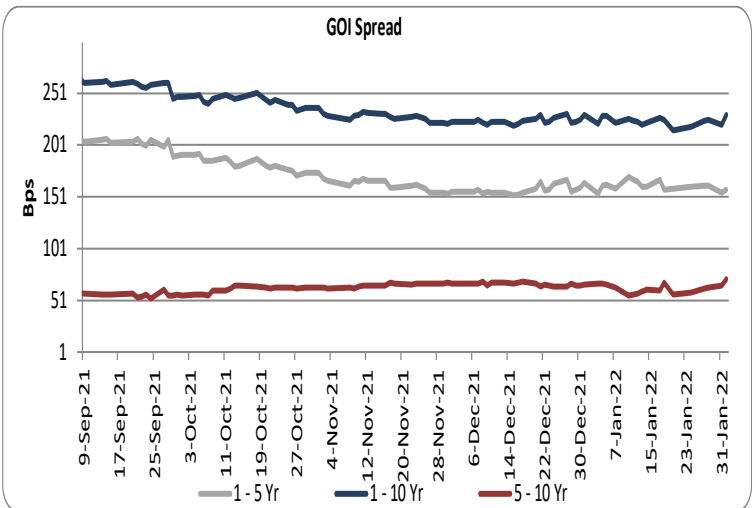
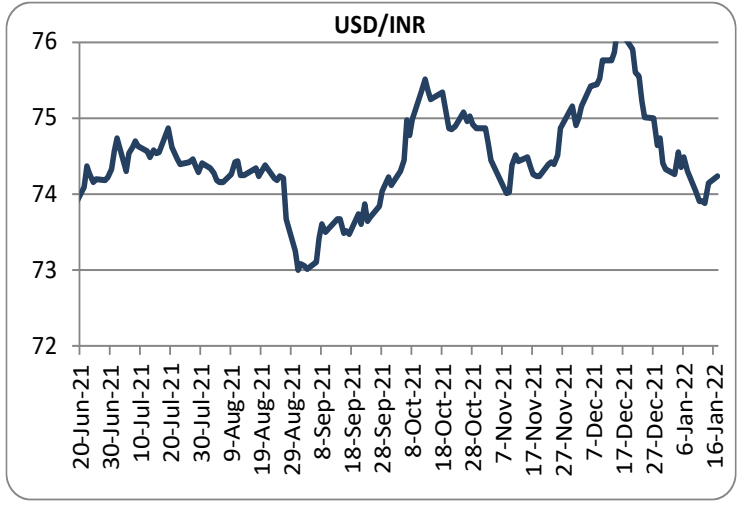
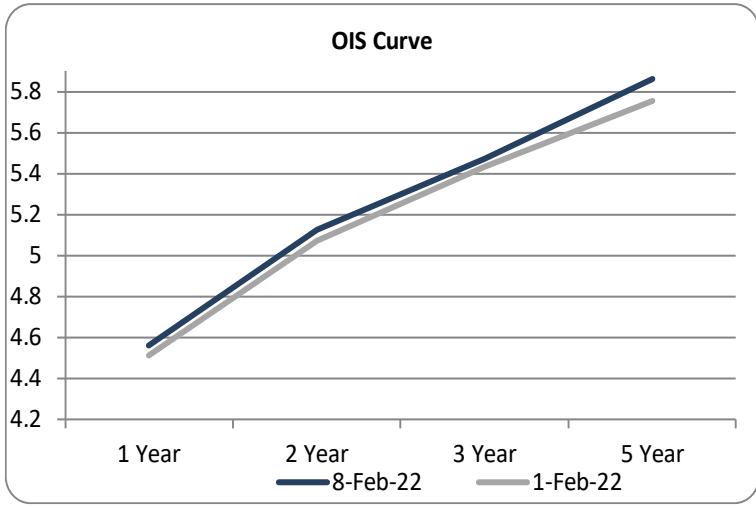
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
8-Feb-22	536	1101	-565

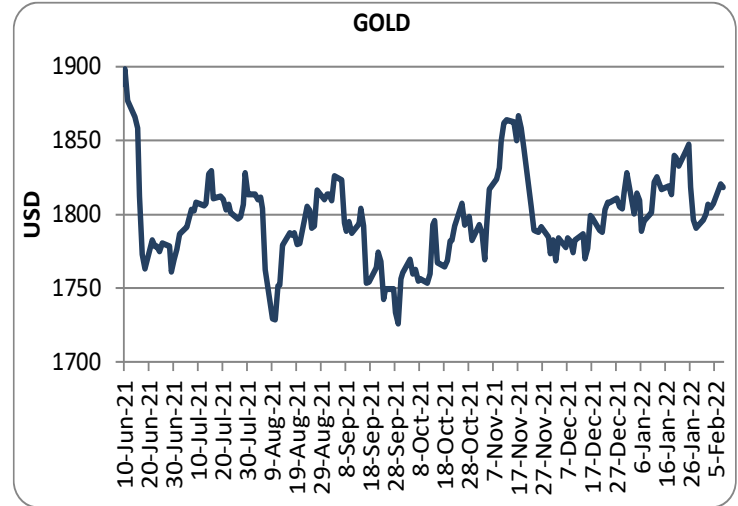
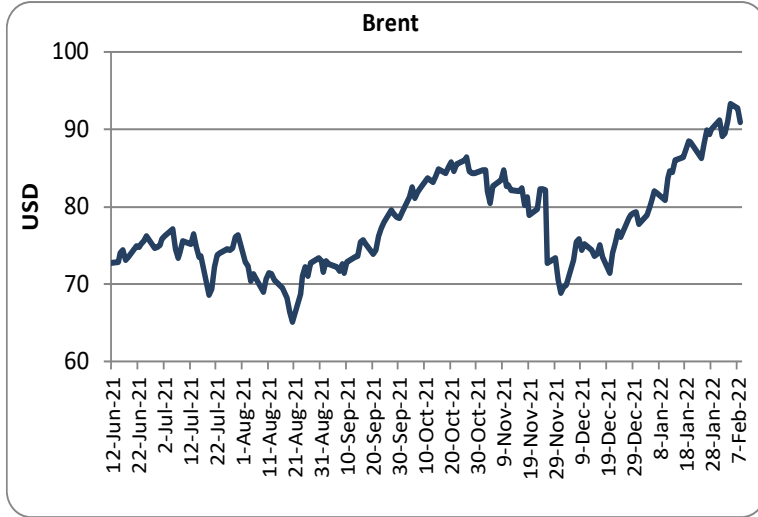
EQUITY		
Gross Purchase	Gross Sales	Net Investment
2719	7871	-5153

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
3254	8973	-5718

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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