



INDIA

- ❖ The benchmark 6.54% bond maturing in 2032 ended at 99.04 rupees, yielding 6.67%, against 99.08 and a 6.67% yield at previous close. The yield had plunged to 6.62% in early trade, its lowest since Jan. 21, while it had dipped 22 basis points in six sessions up to yesterday. Yields on other liquid notes ended two-three basis points higher.
- ❖ Bond yields dropped earlier today as the Govt. cancelled its bond auction worth 240 billion rupees scheduled for Feb. 18, withdrawing the sale of government debt for a second straight week. The government will also not borrow 300 billion rupees that was cancelled in the recent past, a finance ministry official said earlier this month.
- ❖ Scrapping of the latest debt issuance has reduced the sovereign's borrowing by 780 billion rupees in this auction on Feb. 25. Market participants expect this auction also to be cancelled, considering the current cash balance position of the government.
- ❖ Meanwhile, the benchmark Brent crude contract declined 2.4% to \$94.20 a barrel, amid reports of de-escalation in geopolitical tensions between Russia and Ukraine.
- ❖ The Indian rupee rose for the first time in six sessions against the U.S. currency on reports of a de-escalation in the conflict between Russia and Ukraine. The rupee was at 75.33, compared with 75.61 yesterday. The unit rose 0.4% today, its biggest single-session rise since Jan. 31.
- ❖ Russia's Interfax news agency, citing the country's defence ministry, reported today that some troops in Russia's military districts adjacent to Ukraine are returning to bases after completing drills, according to Reuters. Russia has amassed over 100,000 troops near Ukraine's borders, prompting fears of an invasion. Today's move could potentially de-escalate the friction between the two sides.
- ❖ Repo: The weighted average call rates in the interbank segment remained unchanged at 3.27% as on previous day while that in the TREP segment decreased to 3.33% vs 3.37% as on previous day.

Market Observations

G-sec

- Bond yields ended higher for the first time in seven sessions, as traders booked profits following the recent fall in yields driven by auction cancellations and a dovish monetary policy.
- Cut off on SDLs came in line with market expectations.
- Insurance companies and corporate seen buying 2026-2027 maturity papers.

Corporate Bonds

- The 3-5-year segment witnessed most activity.
- Major traction was seen in the shorter segment.

CP

- Demand was seen in the 3month segment.

CD

- Secondary CD activity was seen in the shorter end of the curve. Banking system liquidity surplus is expected to ease this fortnight, amid tax outflows.

| GOI Yield | 15-Feb | 14-Feb | 9-Feb | 17-Jan |
|-----------|--------|--------|-------|--------|
| 1 Year | 4.430 | 4.440 | 4.580 | 4.360 |
| 5 Year | 5.884 | 5.855 | 6.095 | 6.035 |
| 10 Year | 6.673 | 6.668 | 6.820 | 6.636 |

| AAA Brmk | 15-Feb | 14-Feb | 9-Feb | 17-Jan |
|----------|--------|--------|-------|--------|
| 1 Year | 4.85 | 4.85 | 5.00 | 4.80 |
| 5 Year | 6.12 | 6.10 | 6.34 | 6.28 |
| 10 Year | 7.05 | 7.05 | 7.20 | 7.10 |

| CD | 15-Feb | 14-Feb | 9-Feb | 17-Jan |
|---------|--------|--------|-------|--------|
| 3 Month | 3.75 | 3.80 | 3.99 | 3.80 |
| 6 Month | 3.85 | 3.90 | 4.25 | 4.00 |
| 1 Year | 4.70 | 4.75 | 4.90 | 4.55 |

| CP | 15-Feb | 14-Feb | 9-Feb | 17-Jan |
|---------|--------|--------|-------|--------|
| 3 Month | 3.80 | 3.85 | 4.05 | 4.07 |
| 6 Month | 4.20 | 4.25 | 4.50 | 4.67 |
| 1 Year | 4.80 | 4.85 | 5.00 | 5.08 |

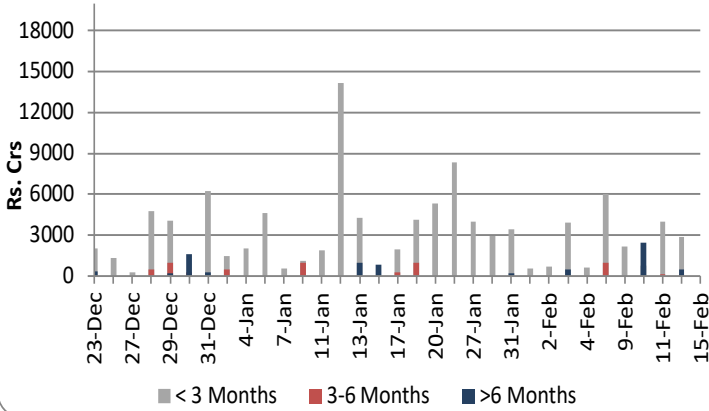
| OIS Rate | 15-Feb | 14-Feb | 9-Feb | 17-Jan |
|----------|--------|--------|-------|--------|
| 1 Year | 4.30 | 4.31 | 4.55 | 4.38 |
| 2 Year | 4.82 | 4.82 | 5.10 | 4.92 |
| 3 Year | 5.22 | 5.24 | 5.45 | 5.29 |
| 5 Year | 5.64 | 5.66 | 5.83 | 5.63 |

| | 15-Feb | 14-Feb | 9-Feb | 17-Jan |
|------------|--------|--------|--------|--------|
| Sensex | 58,142 | 56,406 | 58,466 | 61,309 |
| Nifty | 17,352 | 16,843 | 17,464 | 18,308 |
| USD/INR | 75.33 | 75.61 | 74.81 | 74.24 |
| Gold (USD) | 1,853 | 1,870 | 1,832 | 1,819 |
| Oil (USD) | 93.87 | 96.48 | 91.55 | 86.48 |

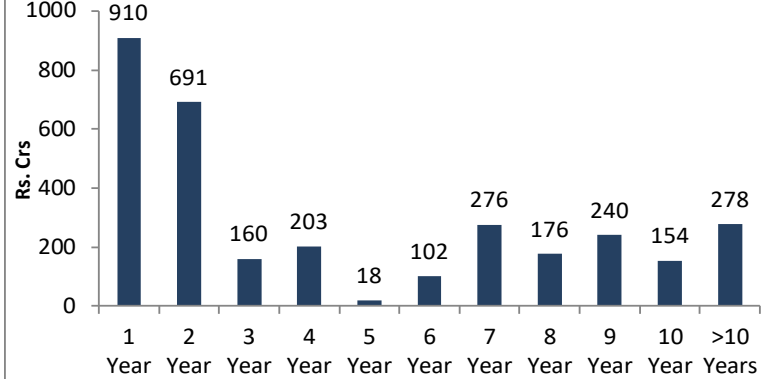
| NDF | 15-Feb | 14-Feb | 9-Feb | 17-Jan |
|---------|--------|--------|-------|--------|
| 3 Month | 76.05 | 76.36 | 75.58 | 75.14 |
| 1 Year | 78.20 | 78.39 | 78.04 | 77.66 |
| 2 Year | 82.25 | 81.46 | 81.47 | 80.92 |
| 3 Year | 84.77 | 85.02 | 84.55 | 84.42 |



CP Primary Volume



Bonds Volume



| 10 Year Benchmarks | 15-Feb | 14-Feb | 9-Feb | 17-Jan |
|--------------------|--------|--------|-------|--------|
| India | 6.68 | 6.67 | 6.80 | 6.64 |
| US | 2.04 | 1.99 | 1.95 | 1.79 |
| South Korea | 2.71 | 2.71 | 2.69 | 2.57 |
| Russia | 9.82 | 10.08 | 9.38 | 9.44 |
| Brazil | 11.62 | 11.62 | 11.50 | 11.55 |
| Germany | 0.31 | 0.27 | 0.22 | -0.03 |
| China | 2.80 | 2.80 | 2.73 | 2.79 |

| Top Traded Securities | Volume | 15-Feb | 14-Feb | 9-Feb | 17-Jan |
|-----------------------|--------|--------|--------|-------|--------|
| 5.15 GOI 2025 | 2490 | 5.67 | 5.62 | 5.89 | 5.81 |
| 5.63 GOI 2026 | 360 | 5.79 | 5.76 | 5.98 | 5.93 |
| 5.74 GOI 2026 | 12460 | 5.88 | 5.85 | 6.09 | 6.04 |
| 6.10 GOI 2031 | 310 | 6.70 | 6.68 | 6.82 | 6.64 |
| 6.64 GOI 2035 | 0 | 7.03 | 7.00 | 7.17 | 7.08 |
| 6.67 GOI 2035 | 30 | 7.01 | 6.99 | 7.16 | 7.08 |

| DEBT | | | |
|----------|----------------|-------------|----------------|
| MF | Gross Purchase | Gross Sales | Net Investment |
| 8-Feb-22 | 2902 | 2233 | 669 |

| EQUITY | | |
|----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 1898 | 973 | 925 |

| TOTAL (Rs.Crs) | | |
|----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 4801 | 3206 | 1594 |

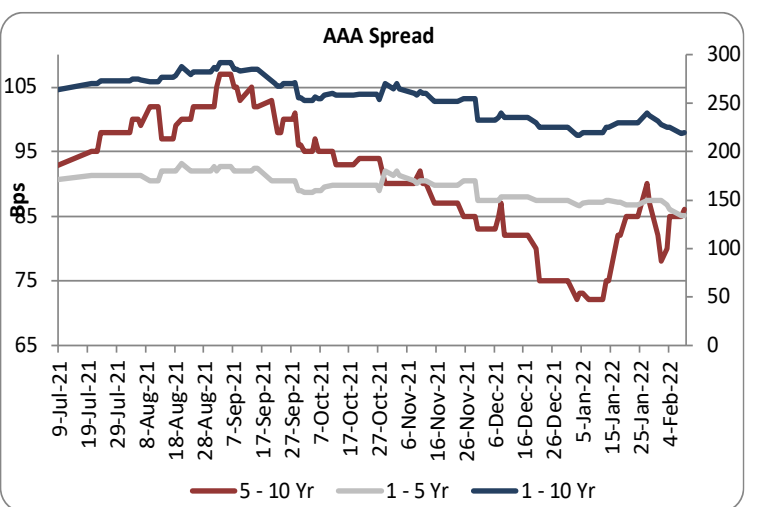
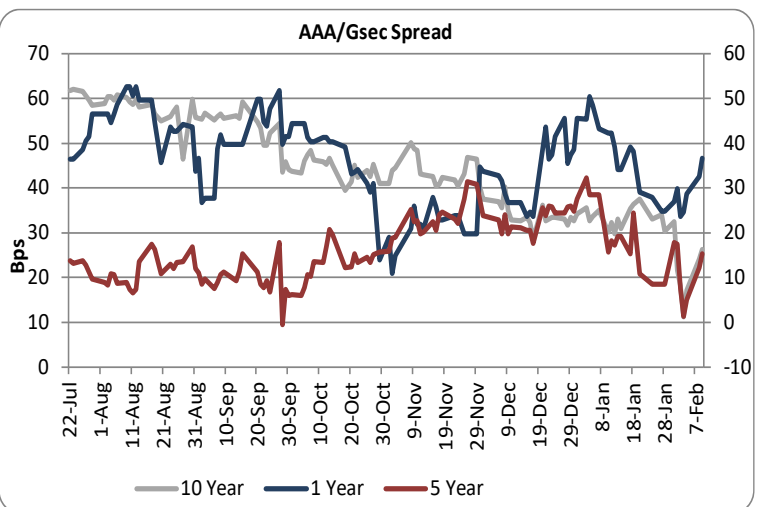
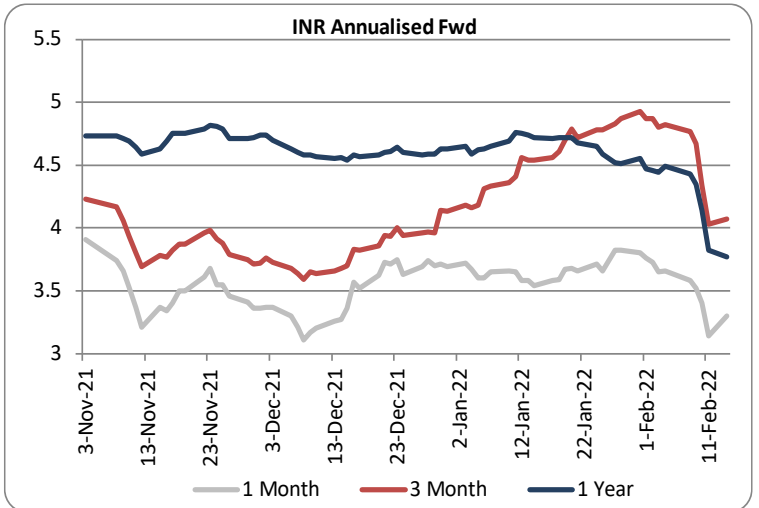
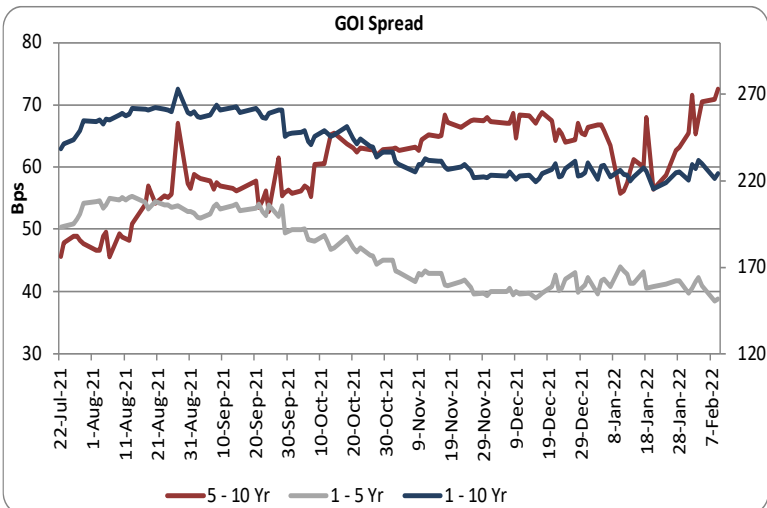
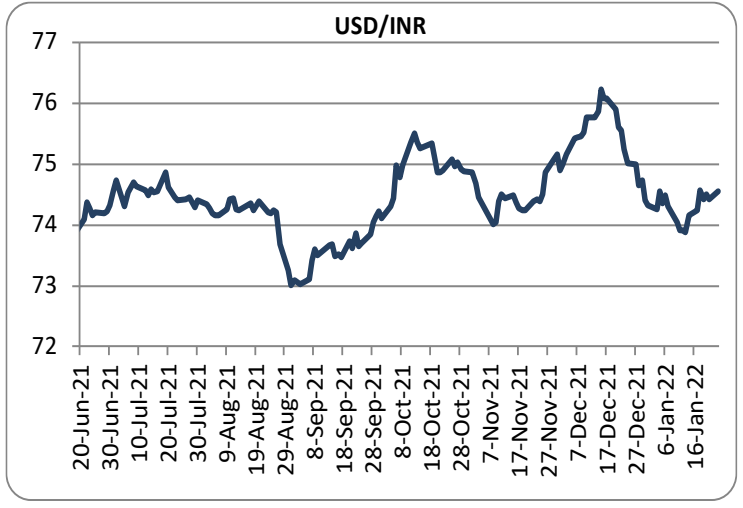
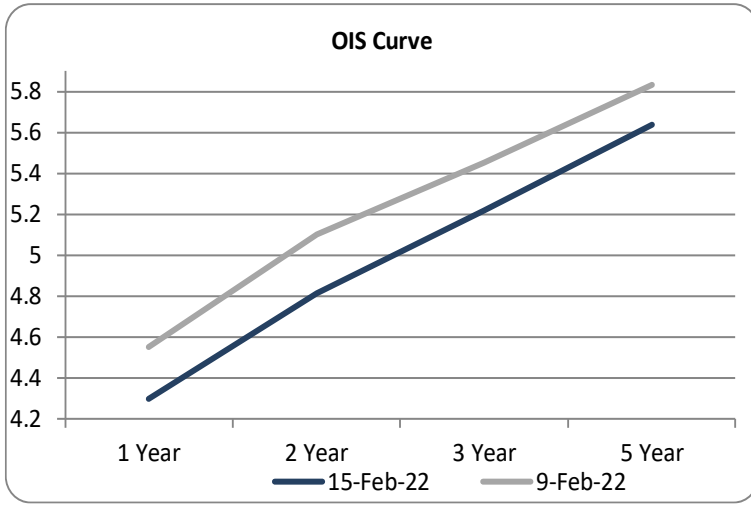
| DEBT | | | |
|-----------|----------------|-------------|----------------|
| FII | Gross Purchase | Gross Sales | Net Investment |
| 15-Feb-22 | 744 | 428 | 317 |

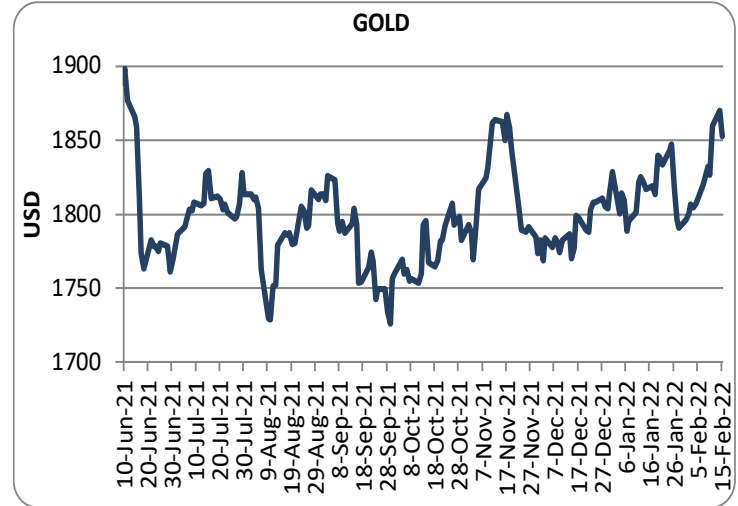
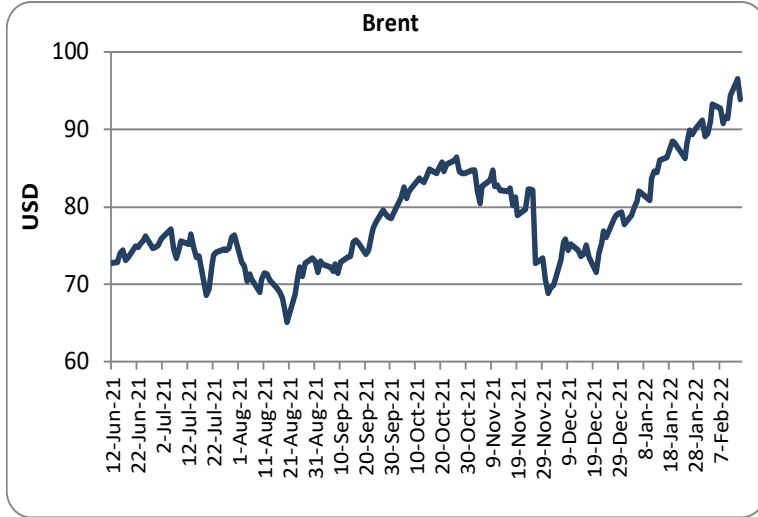
| EQUITY | | |
|----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 6266 | 9411 | -3144 |

| TOTAL (Rs. Crs) | | |
|-----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 7011 | 9838 | -2828 |

| 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 (%) | Jan-22 | 13.0 | 13.6 |
| CPI (%) | Jan-22 | 6.0 | 5.7 |
| IIP (%) | Dec-21 | 0.4 | 1.4 |
| PMI Manufacturing | Jan-22 | 54 | 55.5 |
| PMI Service | Jan-22 | 51.5 | 55.5 |

| Economic Calender | Country | Date | Poll | Prior |
|-------------------|---------|-----------|------|-------|
| Reverse Repo | India | 10-Feb-22 | 3.55 | 3.35 |
| Repo Rate | India | 10-Feb-22 | 4.00 | 4.00 |
| CRR | India | 10-Feb-22 | 4.00 | 4.00 |
| CPI | USA | 10-Feb-22 | 7.30 | 7.00 |
| Industrial Output | India | 11-Feb-22 | - | 1.40 |
| CPI | India | 14-Feb-22 | - | 5.59 |
| Unemployment Rate | UK | 15-Feb-22 | - | 4.10 |
| CPI | UK | 16-Feb-22 | - | 5.40 |





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/>