



INDIA

- ❖ The benchmark 6.54% bond maturing in 2032 ended at 98.95 rupees, yielding 6.69%, against 99.04 rupees, and a yield of 6.67% on Tuesday. The yield had fallen to 6.65% earlier in the session, tracking a fall in oil prices.
- ❖ The minutes of the Federal Reserve's January meeting may provide more details on policy normalisation in the world's largest economy.
- ❖ India's benchmark bond yield has traded in a wide 33 basis points range this month, after showing a spike in the beginning of the month when the government announced a record high borrowing programme for the next fiscal and also failed to provide a timeline for the inclusion of Indian debt in global indices.
- ❖ However, yields had declined in the last few sessions after the government cancelled a few scheduled auctions and as the central bank's monetary policy displayed a dovish tilt.
- ❖ The government is scheduled to auction notes worth 230 billion rupees in the last scheduled auction of the year on Feb. 25. Market participants expect this auction to be cancelled as well, considering the current cash balance position of the government.
- ❖ The benchmark Brent crude contract was 0.8% higher at \$94 per barrel, after crashing 3.3% yesterday, as the Russian defence ministry published footage to show it was returning some troops to base after exercises near the Ukrainian border.
- ❖ The Indian rupee rose for a second day against the U.S. currency, tracking broad advances in regional currencies as the likelihood of a Russian invasion of Ukraine receded. The rupee ended at 75.07 per dollar, compared with 75.33 in the previous session.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.24% vs 3.27% as on previous day while that in the TREP segment decreased to 3.27% vs 3.33% as on previous day.

Market Observations

G-sec

- Bond yields ended marginally higher, as traders continued to book profits in a volatile session. Traders also await the minutes of the Federal Reserve's latest meeting, due overnight.

- 9-to-10-year SDLs were in demand due to attractive spread over 5 year SDLs.

- Cut off on 3 month dated T-bill came better than market expectations. However, cut off on 6 month and 1 year bills came as per market expectation.

Corporate Bonds

- The 3-5-year segment witnessed most activity. Oil prices remain high and aggressive Fed rate hike expectations are a concern going forward.

CP

- Demand was seen across all segments.

- NBFC CPs were more in demand in comparison to Manufacturing papers.

CD

- Secondary CD activity was seen across all maturities.

- Weighted average TREPS rate at 3.31% in last four trading sessions since the monetary policy decision, against 3.42% previously. Mutual Funds have been active in overnight markets and thus yields have fallen.

GOI Yield	16-Feb	15-Feb	10-Feb	18-Jan
1 Year	4.470	4.430	4.500	4.370
5 Year	5.926	5.884	5.921	5.947
10 Year	6.725	6.673	6.725	6.626

AAA Brnk	16-Feb	15-Feb	10-Feb	18-Jan
1 Year	4.85	4.85	4.93	4.80
5 Year	6.12	6.12	6.28	6.28
10 Year	7.10	7.05	7.10	7.10

CD	16-Feb	15-Feb	10-Feb	18-Jan
3 Month	3.75	3.75	3.89	3.80
6 Month	3.85	3.85	4.14	4.00
1 Year	4.70	4.70	4.80	4.55

CP	16-Feb	15-Feb	10-Feb	18-Jan
3 Month	3.80	3.80	3.94	4.07
6 Month	4.20	4.20	4.40	4.67
1 Year	4.80	4.80	4.89	5.08

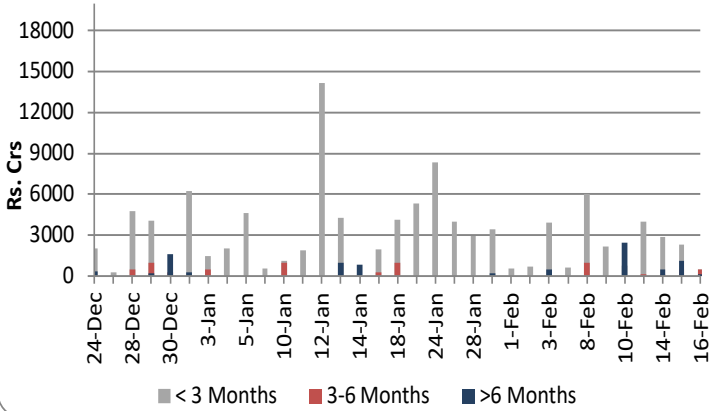
OIS Rate	16-Feb	15-Feb	10-Feb	18-Jan
1 Year	4.29	4.30	4.43	4.41
2 Year	4.81	4.82	4.98	4.97
3 Year	5.23	5.22	5.31	5.34
5 Year	5.67	5.64	5.73	5.69

	16-Feb	15-Feb	10-Feb	18-Jan
Sensex	57,997	58,142	58,926	60,755
Nifty	17,322	17,352	17,606	18,113
USD/INR	75.07	75.33	74.94	74.57
Gold (USD)	1,856	1,853	1,827	1,814
Oil (USD)	94.64	93.28	91.41	87.51

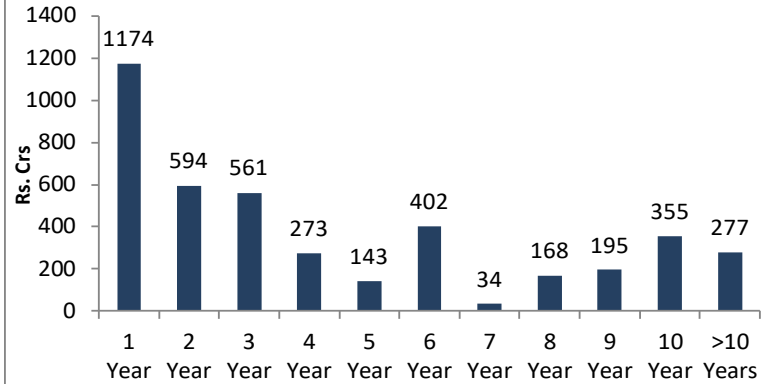
NDF	16-Feb	15-Feb	10-Feb	18-Jan
3 Month	75.83	75.92	75.90	75.53
1 Year	77.96	78.07	78.26	78.09
2 Year	81.15	81.08	81.32	81.63
3 Year	84.73	84.63	84.58	85.38



CP Primary Volume



Bonds Volume



10 Year Benchmarks	16-Feb	15-Feb	10-Feb	18-Jan
India	6.69	6.67	6.73	6.63
US	2.03	2.04	2.04	1.88
South Korea	2.70	2.71	2.69	2.55
Russia	9.61	9.74	9.44	9.40
Brazil	11.52	11.28	11.57	11.60
Germany	0.30	0.31	0.29	-0.02
China	2.79	2.80	2.75	2.76

Top Traded Securities	Volume	16-Feb	15-Feb	10-Feb	18-Jan
5.15 GOI 2025	2375	5.70	5.67	5.73	5.81
5.63 GOI 2026	55	5.84	5.79	5.82	5.95
5.74 GOI 2026	7495	5.93	5.88	5.92	6.06
6.10 GOI 2031	110	6.72	6.70	6.75	6.63
6.64 GOI 2035	0	7.04	7.03	7.10	7.08
6.67 GOI 2035	90	7.02	7.01	7.08	7.08

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
15-Feb-22	1351	385	966

EQUITY		
Gross Purchase	Gross Sales	Net Investment
967	508	460

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
2318	893	1425

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

EQUITY		
Gross Purchase	Gross Sales	Net Investment
6266	9411	-3144

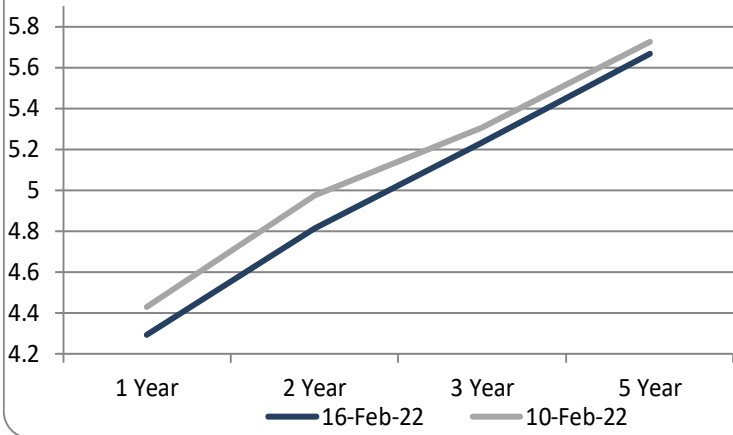
TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
7011	9838	-2828

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
Exports	Japan	17-Feb-22	16.50	17.50
Retail Sales	UK	18-Feb-22	8.70	(0.90)
Industrial Output	Poland	18-Feb-22	14.80	16.70
Unemployment Rate	Poland	23-Feb-22	5.60	5.40
Exports	Thailand	28-Feb-22	-	23.00
GDP	India	28-Feb-22	-	8.40
Inflation YY	Indonesia	01-Mar-22	-	2.18
Unemployment Rate	Japan	04-Mar-22	-	2.70



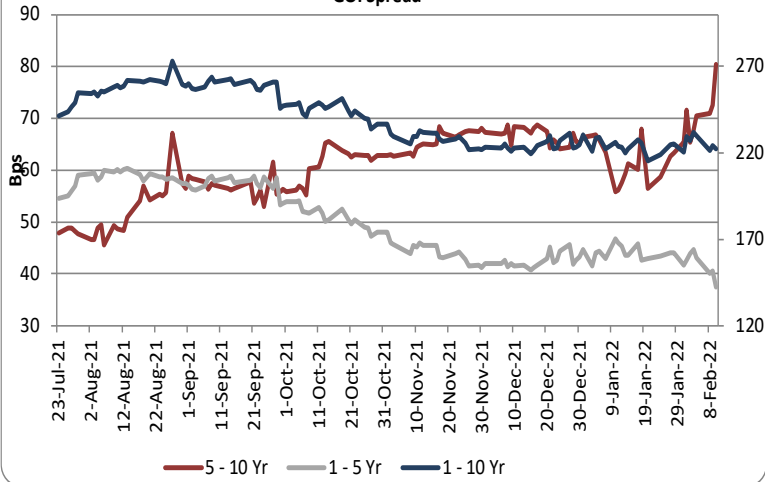
OIS Curve



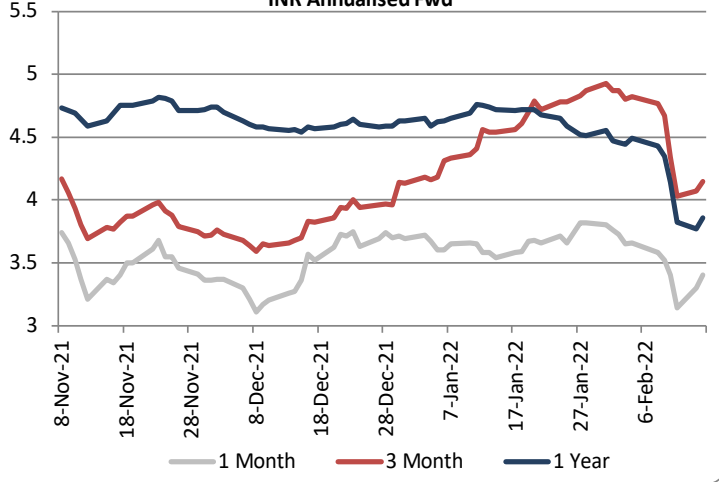
USD/INR



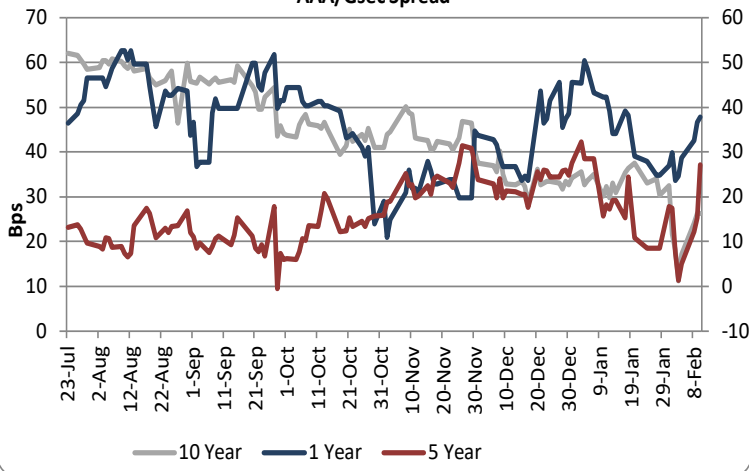
GOI Spread



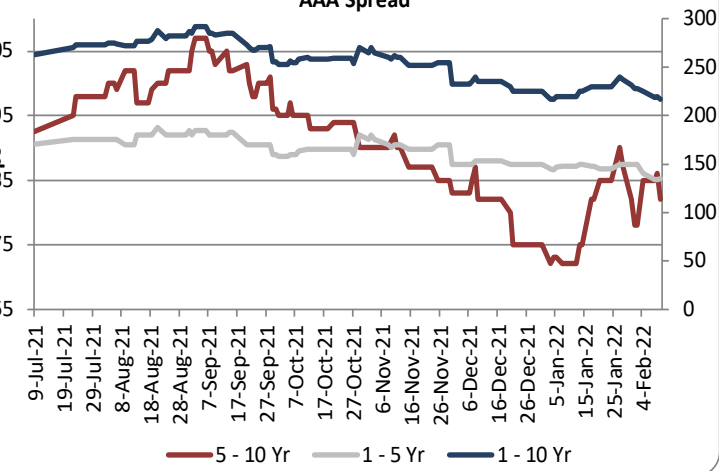
INR Annualised Fwd

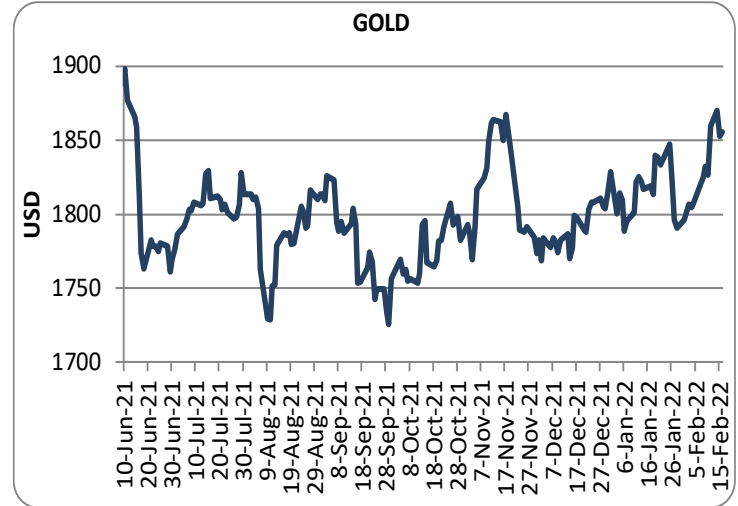
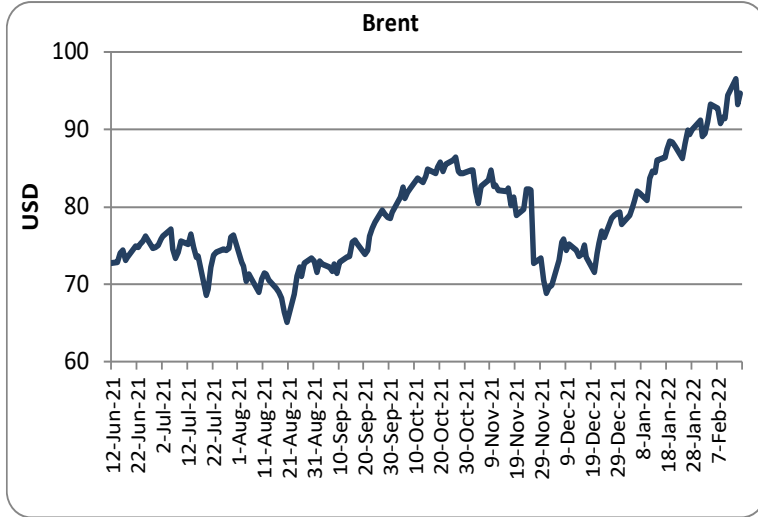


AAA/Gsec Spread



AAA Spread





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/>