



INDIA

- ❖ The benchmark 6.54% bond maturing in 2032 ended at 98.50 rupees, yielding 6.75%, its highest since Feb. 9, versus 98.90 rupees, and a yield of 6.69% yesterday.
- ❖ India's government plans to sell 230 billion rupees of bonds at its last scheduled debt auction for the current financial year this Friday. The auction includes 130 billion rupees of the 6.54% 2032 benchmark paper.
- ❖ The Govt. had cancelled the previous two debt sales totaling 480 billion rupees, and some investors had expected this week's auction to be cancelled as well.
- ❖ However, market sentiment was also impacted amid media reports that the government may go ahead with the earlier-cancelled auctions to fulfill its borrowing target for the year after this week's auction.
- ❖ Brent contract close to the \$100-per-barrel mark as geopolitical tensions between Russia and Ukraine escalated. Russian President Vladimir Putin ordered troops into two breakaway regions in eastern Ukraine, a move that has drawn international condemnation. It has also dented hopes of a diplomatic solution after U.S. President Joe Biden had agreed to a meeting with Putin, contingent upon Russia not invading Ukraine.
- ❖ The benchmark Brent contract was trading 3.6% higher at \$98.85 as per barrel, after jumping to \$99.50 a barrel, the highest since September, 2014 today
- ❖ The Indian rupee tumbled against the dollar, posting its biggest decline in nearly two weeks, as the Russia-Ukraine standoff escalated and oil prices spiked. The rupee was quoted at 74.88, down from 74.51 yesterday.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.32% vs 3.33% as on previous day while that in the TREP segment decreased to 3.45% vs 3.48% as on previous day.

Market Observations

G-sec

- Bond yields settled higher for the second straight day, with the benchmark yield posting its biggest rise since Budget day as the Govt. goes ahead with a debt auction this week, while rising crude oil prices kept investors jittery.
- Foreign banks and Corporates seen buying 1 to 3 years maturity papers.
- US bond yields fall on safe haven demand amid mounting Ukraine tensions while India bond yields track oil prices higher.

Corporate Bonds

- The 2023-2025 segment witnessed most activity. Corporates and banks were on the buying side in 2023 papers. Crude oil prices need to be watched as the rupee may extend its fall amidst the rising geopolitical situation further may push Brent Crude prices above \$100.

CP

- Mutual Funds were active in the 3-month segment.

CD

- Mutual Fund activity was seen in the 3month and 1 year CDs. Secondary market CD as well as CP yields have increased by 5 BPS after RBI announced USDINR 2-year Sell Buy swap auction.

GOI Yield	22-Feb	21-Feb	15-Feb	24-Jan
1 Year	4.490	4.450	4.430	4.470
5 Year	5.993	5.934	5.884	6.072
10 Year	6.781	6.728	6.673	6.659

AAA Brmk	22-Feb	21-Feb	15-Feb	24-Jan
1 Year	4.85	4.85	4.85	4.80
5 Year	6.15	6.12	6.12	6.25
10 Year	7.10	7.10	7.05	7.10

CD	22-Feb	21-Feb	15-Feb	24-Jan
3 Month	3.75	3.75	3.75	3.80
6 Month	3.85	3.85	3.85	4.00
1 Year	4.70	4.70	4.70	4.65

CP	22-Feb	21-Feb	15-Feb	24-Jan
3 Month	3.80	3.80	3.80	4.07
6 Month	4.20	4.20	4.20	4.67
1 Year	4.80	4.80	4.80	5.08

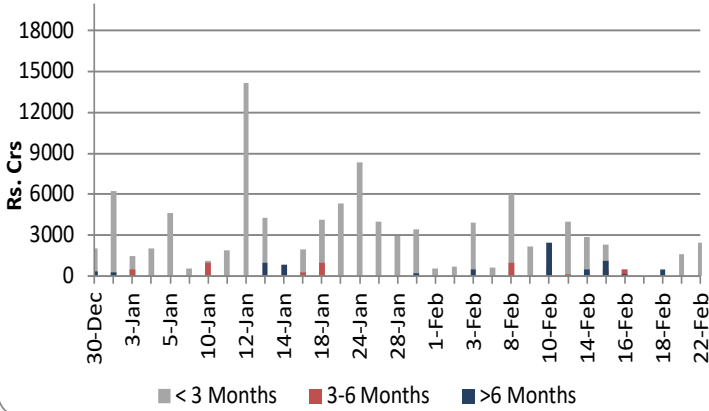
OIS Rate	22-Feb	21-Feb	15-Feb	24-Jan
1 Year	4.31	4.26	4.30	4.43
2 Year	4.84	4.79	4.82	4.96
3 Year	5.28	5.24	5.22	5.28
5 Year	5.76	5.72	5.64	5.61

	22-Feb	21-Feb	15-Feb	24-Jan
Sensex	57,301	57,684	58,142	57,492
Nifty	17,092	17,207	17,352	17,149
USD/INR	74.88	74.51	75.33	74.56
Gold (USD)	1,894	1,906	1,853	1,843
Oil (USD)	97.98	95.39	93.28	86.27

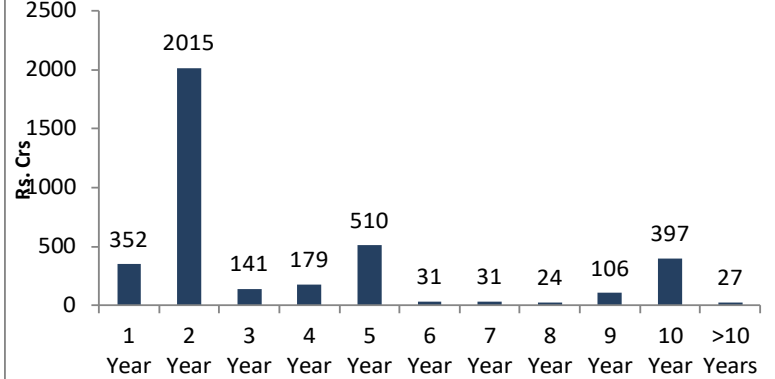
NDF	22-Feb	21-Feb	15-Feb	24-Jan
3 Month	75.53	75.42	75.92	75.20
1 Year	77.95	77.66	78.07	77.93
2 Year	81.74	81.12	81.08	81.26
3 Year	84.59	84.37	84.63	85.33



CP Primary Volume



Bonds Volume



10 Year Benchmarks	22-Feb	21-Feb	15-Feb	24-Jan
India	6.75	6.69	6.67	6.65
US	1.93	1.93	2.04	1.78
South Korea	2.72	2.77	2.71	2.54
Russia	10.63	10.60	9.74	9.75
Brazil	11.45	11.45	11.28	11.54
Germany	0.21	0.20	0.31	-0.10
China	2.84	2.84	2.80	2.69

Top Traded Securities	Volume	22-Feb	21-Feb	15-Feb	24-Jan
5.15 GOI 2025	1455	5.76	5.69	5.67	#N/A
5.63 GOI 2026	200	5.91	5.85	5.79	5.94
5.74 GOI 2026	7170	5.99	5.93	5.88	6.07
6.10 GOI 2031	100	6.78	6.73	6.70	6.66
6.64 GOI 2035	0	7.04	7.01	7.03	7.11
6.67 GOI 2035	125	7.02	6.99	7.01	7.11

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
18-Feb-22	2067	1353	714

EQUITY		
Gross Purchase	Gross Sales	Net Investment
2004	696	1308

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
4071	2049	2022

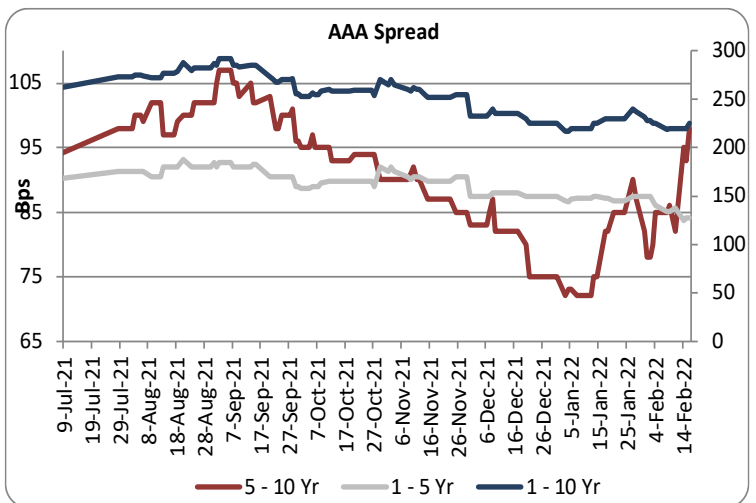
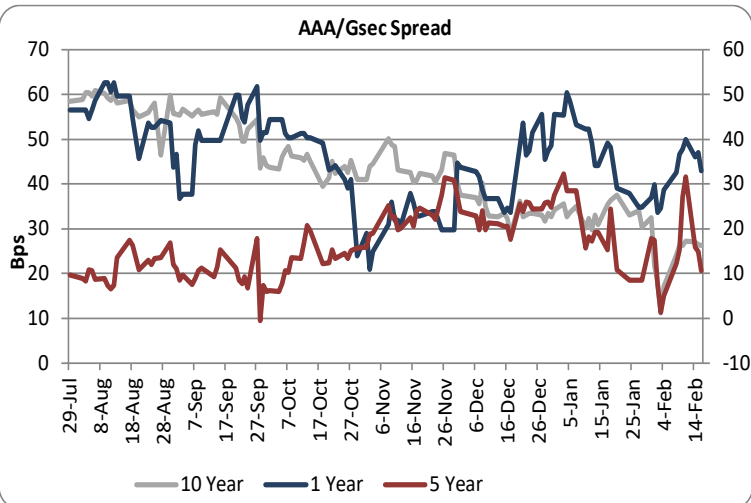
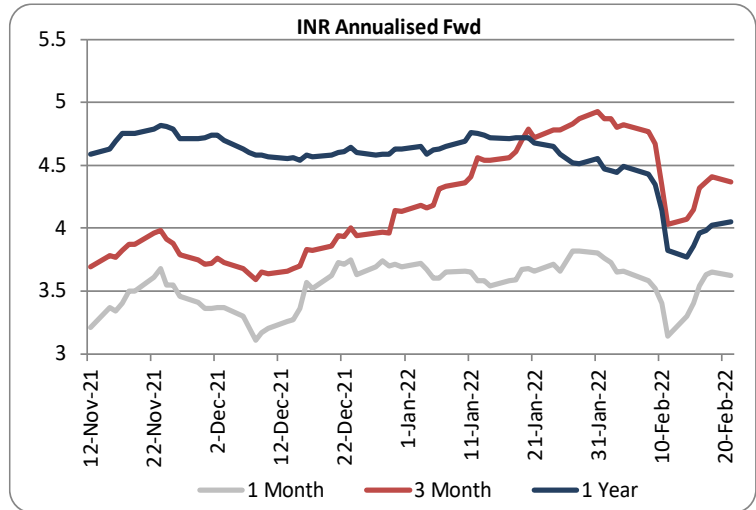
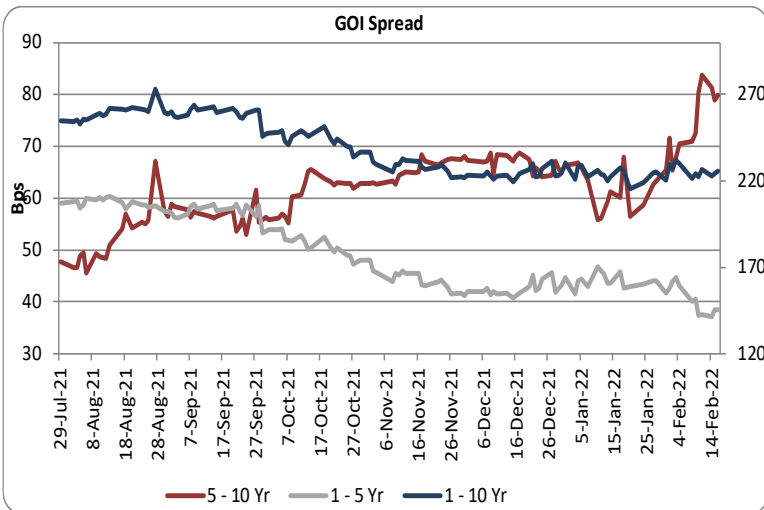
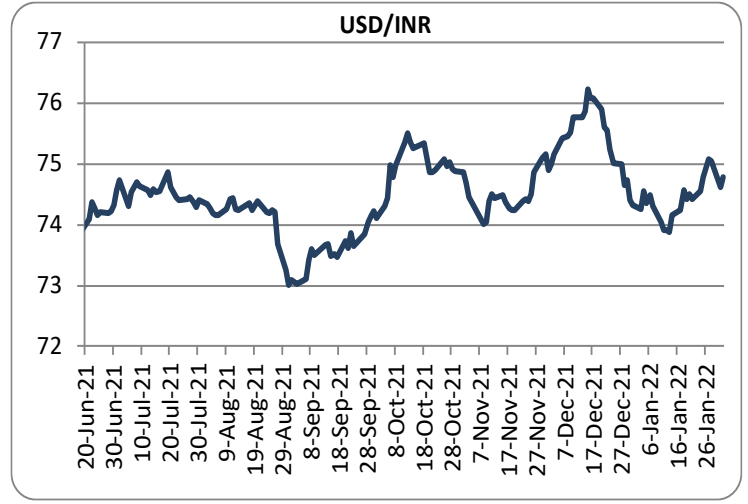
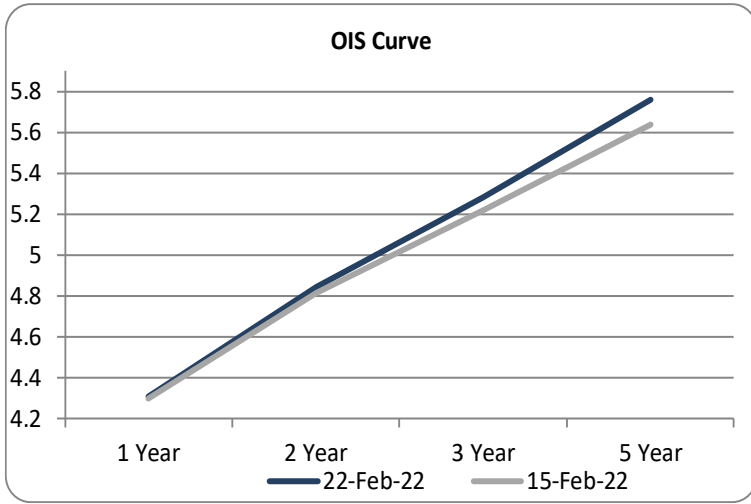
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
22-Feb-22	333	909	-576

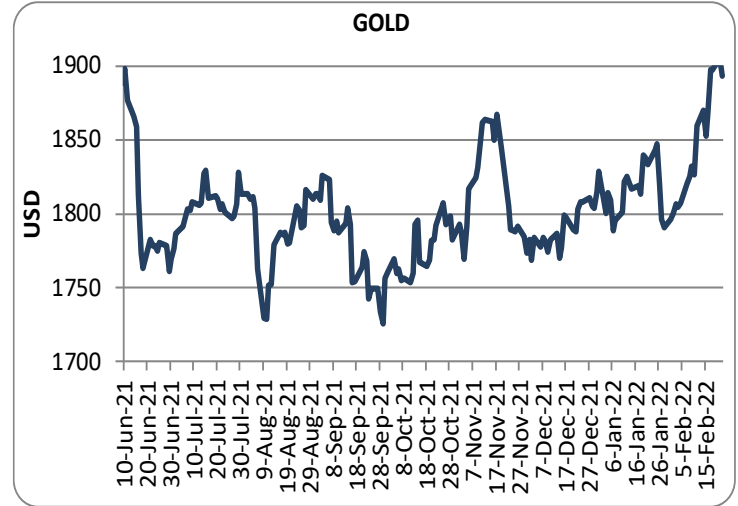
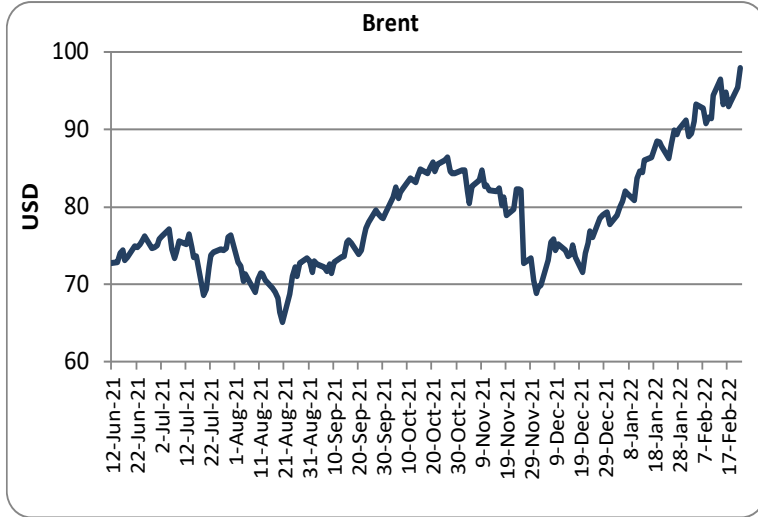
EQUITY		
Gross Purchase	Gross Sales	Net Investment
5103	5878	-774

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
5437	6787	-1350

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





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/>