



INDIA

- ❖ The benchmark 6.10% bond maturing in 2031 ended at 96.12 rupees, yielding 6.66%, the highest since Jan. 14, 2020, and against 96.34 rupees and 6.63% Friday.
- ❖ The Federal Reserve's two-day policy meeting begins tomorrow amid expectation of a hawkish stance to quell record inflation. Most market participants have priced in multiple rate hikes starting as early as March, after the Fed winds up its asset purchase programme. The benchmark 10-year U.S. Treasury yield was at 1.7280%.
- ❖ The Govt. aims to shrink the budget deficit to 6.8% this financial year after the gap had widened to 9.3% in the previous year. It could lower this fiscal deficit to 6.5% of GDP this fiscal year and aim for a 6% budget gap next fiscal, ICICI Securities Primary Dealership said today. The bond house expects the borrowing to rise to 12.7 trillion rupees next fiscal from 12.05 trillion rupees this year.
- ❖ Meanwhile, the benchmark Brent crude futures rose 0.3% to \$88.15 a barrel, amid geopolitical tensions over Ukraine and the Middle East.
- ❖ The Indian rupee fell against the dollar today, tracking a sharp selloff in local equities amid speculations that a hawkish Federal Reserve will prompt foreign fund outflows. The rupee ended at 74.56 to a dollar, compared with 74.42 on Friday.
- ❖ India's equity market selloff accelerated today, with the benchmark BSE Sensex falling 2.1%, to end at its lowest level in a month. The gauge fell for the fifth straight day today and logged its biggest single-session fall in two months. Foreign investors have pulled out \$1.7 billion from Indian stocks so far in January.
- ❖ Repo: The weighted average call rates in the interbank segment remained unchanged at 3.99% as on 20th Jan, while that in the TREP segment decreased to 4.20% vs 4.22 % as on 20th Jan.

Market Observations

G-sec

- Bond yields rose for the second straight session as investors braced for U.S. central bank's meeting this week amid expectations of a rates liftoff from March.
- Mutual Funds seen selling longer dated Gsec.
- Cut off on SDLs came in line with market expectations.
- State bond yields are expected to stay higher due to excessive supply.

Corporate Bonds

- Activity was witnessed in the 1-3 year segments. Mutual funds were mainly active in switches in similar papers or short versus longer maturities.
- Pension funds have been keen on buying longer tenure papers.

CP

- Demand was seen in the 3 month segment.

CD

- 3 month maturity papers were in demand. Weighted average overnight call money rate at 4.41%.

GOI Yield	24-Jan	20-Jan	17-Jan	27-Dec
1 Year	4.470	4.460	4.360	4.150
5 Year	6.072	6.050	6.035	5.821
10 Year	6.659	6.614	6.636	6.465

AAA Bmk	24-Jan	20-Jan	17-Jan	27-Dec
1 Year	4.80	4.80	4.80	4.65
5 Year	6.25	6.25	6.28	6.15
10 Year	7.10	7.10	7.10	6.90

CD	24-Jan	20-Jan	17-Jan	27-Dec
3 Month	3.80	3.80	3.80	3.60
6 Month	4.00	4.00	4.00	3.95
1 Year	4.65	4.65	4.55	4.50

CP	24-Jan	20-Jan	17-Jan	27-Dec
3 Month	4.07	4.07	4.07	4.20
6 Month	4.67	4.67	4.67	4.70
1 Year	5.08	5.08	5.08	4.90

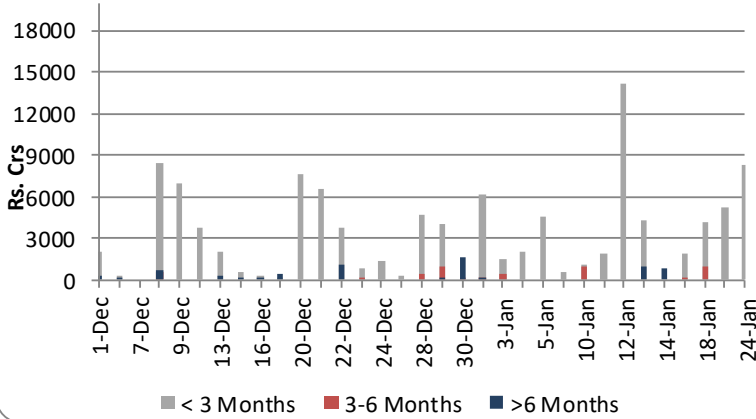
OIS Rate	24-Jan	20-Jan	17-Jan	27-Dec
1 Year	4.43	4.44	4.38	4.34
2 Year	4.96	4.98	4.92	4.83
3 Year	5.28	5.29	5.29	5.09
5 Year	5.61	5.64	5.63	5.33

	24-Jan	20-Jan	17-Jan	27-Dec
Sensex	57,492	59,465	61,309	57,420
Nifty	17,149	17,757	18,308	17,086
USD/INR	74.56	74.50	74.24	75.00
Gold (USD)	1,837	1,838	1,819	1,811
Oil (USD)	86.83	88.38	86.48	78.60

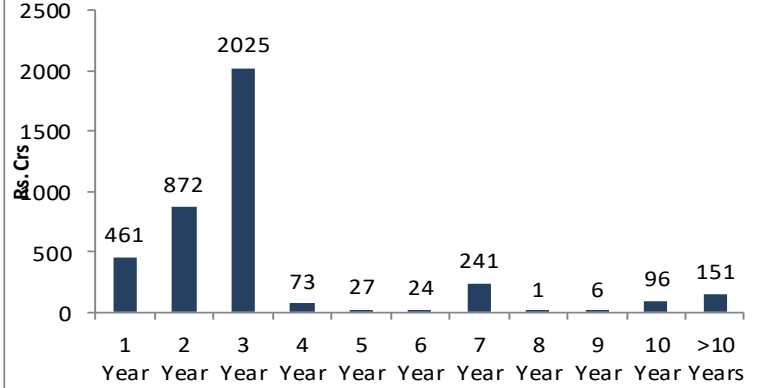
NDF	24-Jan	20-Jan	17-Jan	27-Dec
3 Month	75.57	75.27	75.14	75.44
1 Year	78.09	77.82	77.66	78.15
2 Year	81.13	81.15	80.92	81.91
3 Year	85.35	85.14	84.42	85.75



CP Primary Volume



Bonds Volume



10 Year Benchmarks	24-Jan	20-Jan	17-Jan	27-Dec
India	6.66	6.61	6.64	6.47
US	1.72	1.81	1.79	1.48
South Korea	2.54	2.56	2.57	2.21
Russia	9.75	9.34	9.44	8.43
Brazil	11.54	11.03	11.55	10.35
Germany	-0.10	-0.03	-0.03	-0.24
China	2.69	2.73	2.79	2.81

Top Traded Securities	Volume	24-Jan	20-Jan	17-Jan	27-Dec
5.15 GOI 2025	625	#N/A	5.80	5.81	5.66
5.63 GOI 2026	45	5.94	5.94	5.93	5.82
5.74 GOI 2026	6,020	6.07	6.05	6.04	5.86
6.10 GOI 2031	-	6.66	6.61	6.64	6.46
6.64 GOI 2035	-	7.11	7.07	7.08	6.91
6.67 GOI 2035	10	7.11	7.08	7.08	6.90

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
19-Jan-22	5075	3684	1390

EQUITY		
Gross Purchase	Gross Sales	Net Investment
4062	5009	-947

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
9137	8693	444

DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
24-Jan-22	1236	1288	-52

EQUITY		
Gross Purchase	Gross Sales	Net Investment
7558	10633	-3075

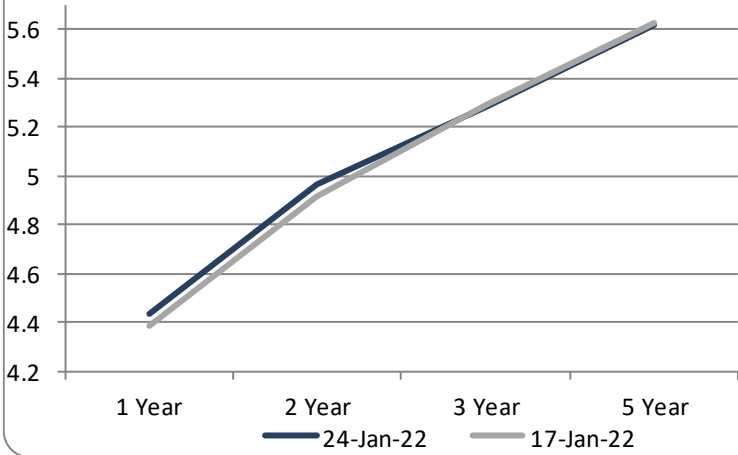
TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
8794	11921	-3127

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	Dec-21	55.5	57.6
PMI Service	Dec-21	55.5	58.1

Economic Calender	Country	Date	Poll	Prior
Employment Rate	UK	18-Jan-22	4.20	4.20
CPI	UK	19-Jan-22	5.20	5.10
CPI	South Africa	19-Jan-22	5.70	5.50
Exports	Japan	20-Jan-22	16.00	20.50
Retail Sales	UK	21-Jan-22	3.40	4.70
Fed Policy Rate	USA	27-Jan-22	-	0-0.25
GDP Advance	USA	27-Jan-22	5.80	2.30
Industrial Ouput	South Korea	28-Jan-22	-	5.90



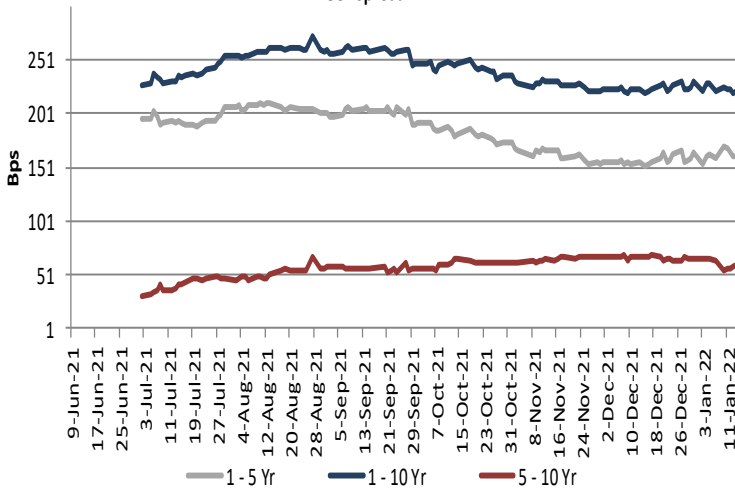
OIS Curve



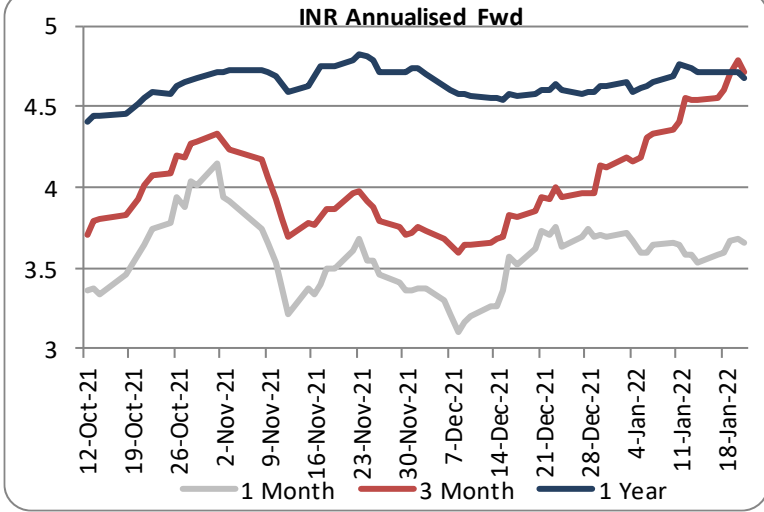
USD/INR



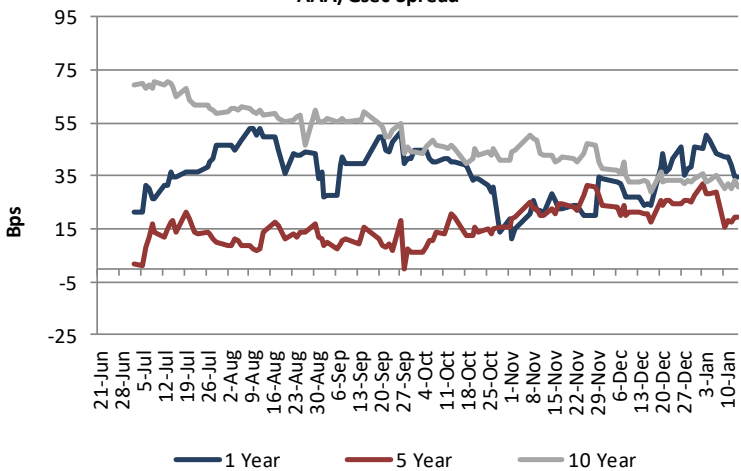
GOI Spread



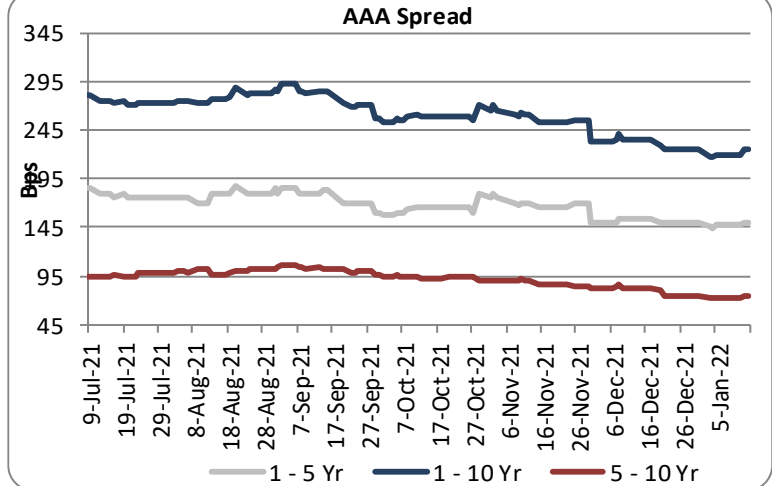
INR Annualised Fwd

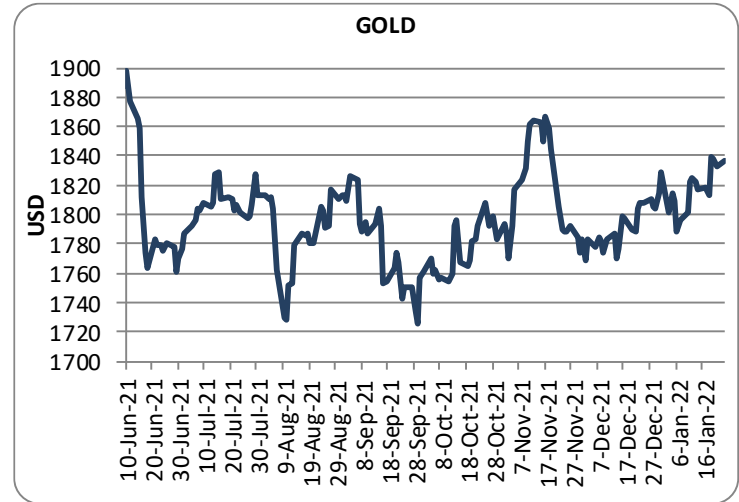
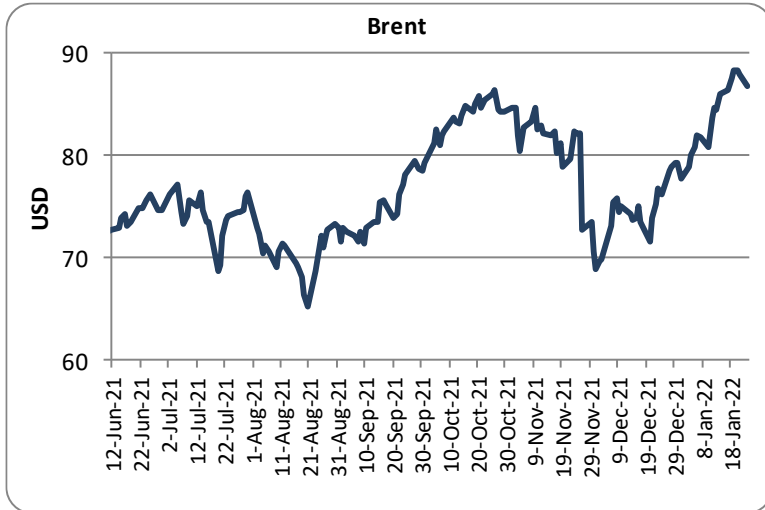


AAA/Gsec Spread



AAA Spread





Sources: Reserve Bank of India, Bloomberg, Reuters, CCIL and FIMMDA.

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