



- ❖ The benchmark 6.54% bond maturing in 2032 ended at 98.07 rupees, yielding 6.81% against 97.91 rupees and a 6.83% yield yesterday. The yield traded in a 6.78% to 6.85% band and rose three basis points this week, after easing eight bps last week.
- ❖ The 10-year U.S. Treasury yield spiked to a near-three-year high of 2.42% this week, while the more-sensitive two-year yield soared to 2.20%, a level last seen in May 2019. The selloff in U.S. bonds came after Fed Chairman Jerome Powell said there “is an obvious need to move expeditiously” to return the stance of monetary policy to a more neutral level amid rising inflationary pressures. Policymakers could raise interest rates by 50 basis points at one or more upcoming meetings, he added.
- ❖ The last time the Fed raised rates by more than 25 basis points at a meeting was back in May 2000. Other policymakers have also backed Powell’s view and emphasized that the U.S. economy can withstand the rate hikes without falling into a recession.
- ❖ Still, considerable uncertainty persists with the war in Ukraine due to volatility in oil prices, and that has worsened the inflation outlook. The benchmark Brent crude oil contract had reached a 14-year high of nearly \$140 per barrel early this month. It is currently trading above \$117 per barrel and is up 8.5% this week.
- ❖ The Indian rupee lost ground slightly against the U.S. currency this week, largely due to the volatility in crude oil prices which dampened sentiment for risk assets in the region. The rupee ended at 76.20 a dollar, as of 3:30 p.m. in Mumbai, compared with 76.37 yesterday.
- ❖ Repo: The weighted average call rates in the interbank segment remained unchanged at 3.30% as on previous day while that in the TREP segment decreased to 3.30% vs 3.51% as on previous day.

GOI Yield	25-Mar	23-Mar	17-Mar	25-Feb
1 Year	4.570	4.560	4.580	4.490
5 Year	6.082	6.089	6.025	5.935
10 Year	6.812	6.831	6.779	6.765

AAA Brnk	25-Mar	23-Mar	17-Mar	25-Feb
1 Year	5.05	5.05	5.05	4.90
5 Year	6.40	6.45	6.45	6.20
10 Year	7.10	7.10	7.10	7.15

CD	25-Mar	23-Mar	17-Mar	25-Feb
3 Month	3.90	3.90	4.00	3.85
6 Month	4.65	4.65	4.52	4.30
1 Year	4.95	4.95	4.94	4.80

CP	25-Mar	23-Mar	17-Mar	25-Feb
3 Month	4.45	4.45	4.15	4.00
6 Month	5.00	5.00	4.72	4.55
1 Year	5.35	5.35	5.20	5.00

OIS Rate	25-Mar	23-Mar	17-Mar	25-Feb
1 Year	4.52	4.50	4.42	4.30
2 Year	5.12	5.11	4.99	4.85
3 Year	5.47	5.51	5.40	5.28
5 Year	6.03	6.00	5.89	5.76

	25-Mar	23-Mar	17-Mar	25-Feb
Sensex	57,362	57,685	57,864	55,859
Nifty	17,153	17,246	17,287	16,658
USD/INR	76.20	76.30	75.80	75.29
Gold (USD)	1,951	1,943	1,943	1,888
Oil (USD)	117.62	121.60	106.64	97.93

NDF	25-Mar	23-Mar	17-Mar	25-Feb
3 Month	77.03	77.19	76.74	75.90
1 Year	79.25	79.36	78.80	77.95
2 Year	83.20	82.73	82.12	81.46
3 Year	85.48	85.88	85.45	84.91

Market Observations

G-sec

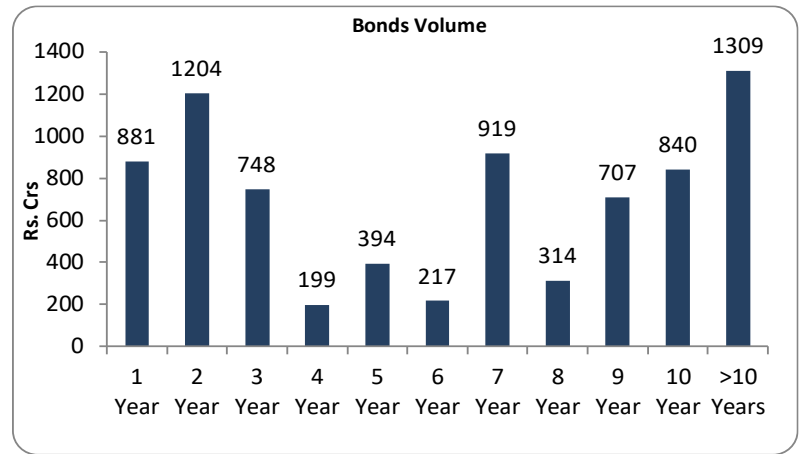
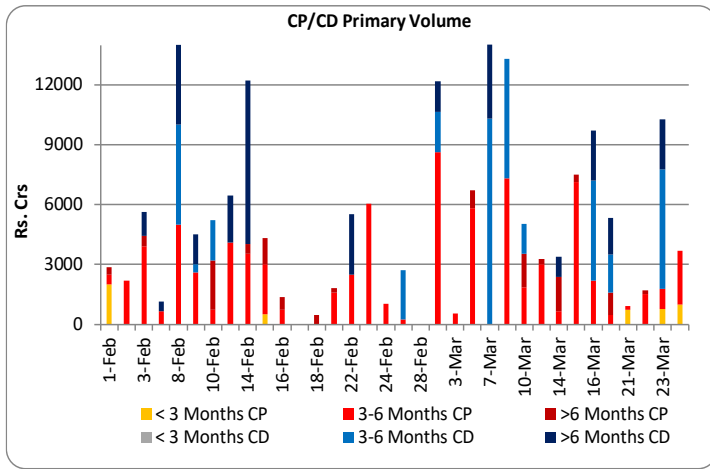
- Bond yields rose in a volatile trading week as prospects of aggressive monetary tightening by the Federal Reserve lifted U.S. Treasury rates, while elevated crude oil prices also dented appetite for local papers.
- Ahead of the policy, investors await the borrowing calendar for the first half of the next financial year, which is likely to be released later this month.

Corporate Bonds

- Activity seen in the longer end.
- Insurances and Pension funds active in the longer end of the curve.
- Some insurance companies were active in shorter end.
- The spread between dated securities and 10 Yr. bonds has been narrowing due to demand supply mismatches.

CP/CD

- Demand was witnessed in the 1-6month segment of the curve.
- CD issuances were Rs. 1800 Cr in the 6month to 1 year maturity papers.



10 Year Benchmarks	25-Mar	23-Mar	17-Mar	25-Feb
India	6.81	6.83	6.78	6.75
US	2.38	2.29	2.17	1.97
South Korea	2.87	2.83	2.70	2.67
Russia	13.63	13.85	12.46	12.46
Brazil	11.91	11.76	12.07	11.32
Germany	0.51	0.48	0.39	0.22
China	2.81	2.84	2.81	2.79

Top Traded Securities	Volume	25-Mar	23-Mar	17-Mar	25-Feb
5.15 GOI 2025	515	5.83	5.85	5.79	5.76
5.63 GOI 2026	205	6.02	6.04	5.94	5.94
5.74 GOI 2026	3310	6.08	6.09	6.03	6.01
6.54 GOI 2032	15	6.81	6.83	6.78	6.75
6.64 GOI 2035	0	7.12	7.16	#N/A	7.02
6.67 GOI 2035	0	7.12	7.15	7.11	6.99

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
24-Mar-22	3324	3769	-444

EQUITY		
Gross Purchase	Gross Sales	Net Investment
9546	7609	1937

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
12871	11378	1493

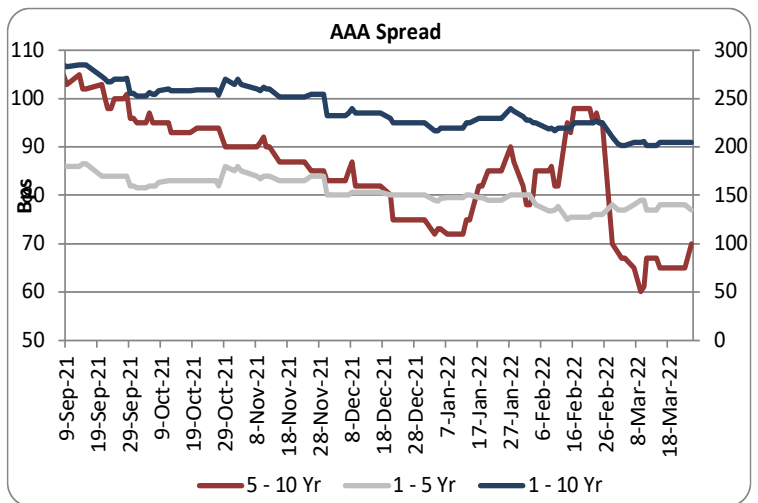
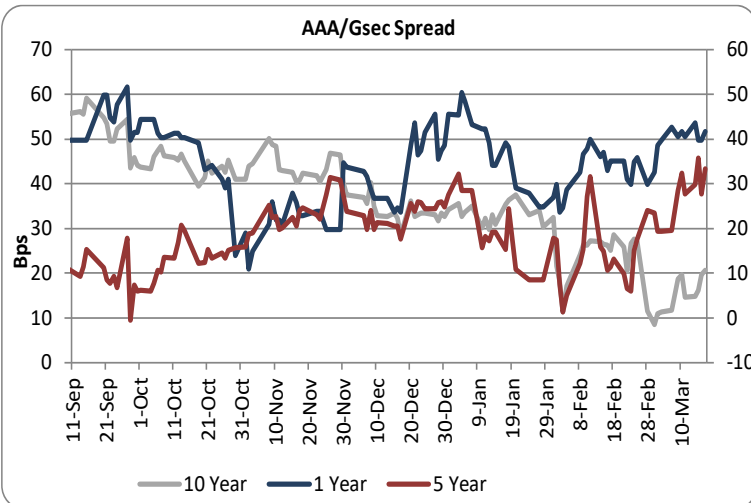
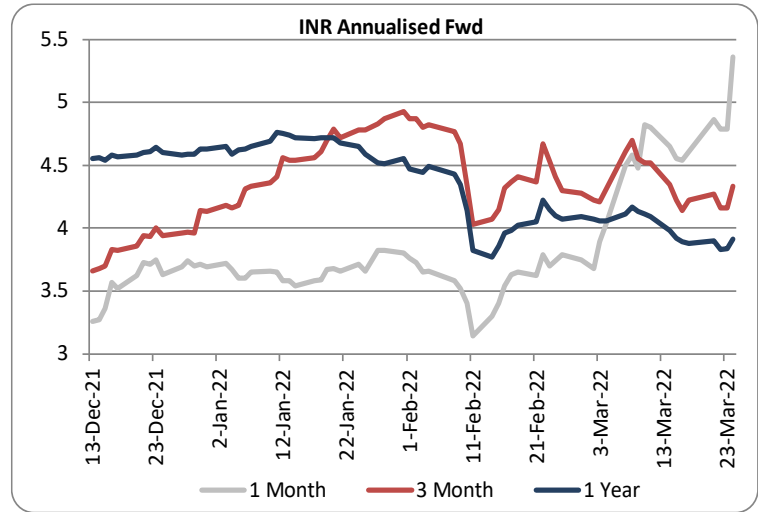
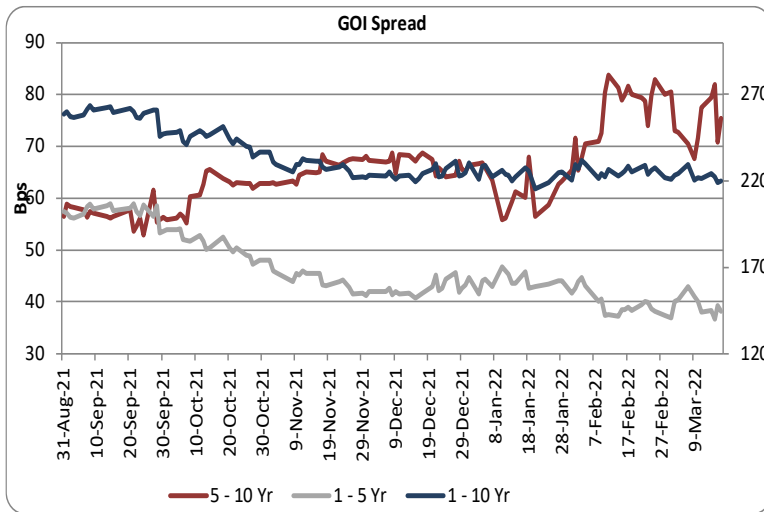
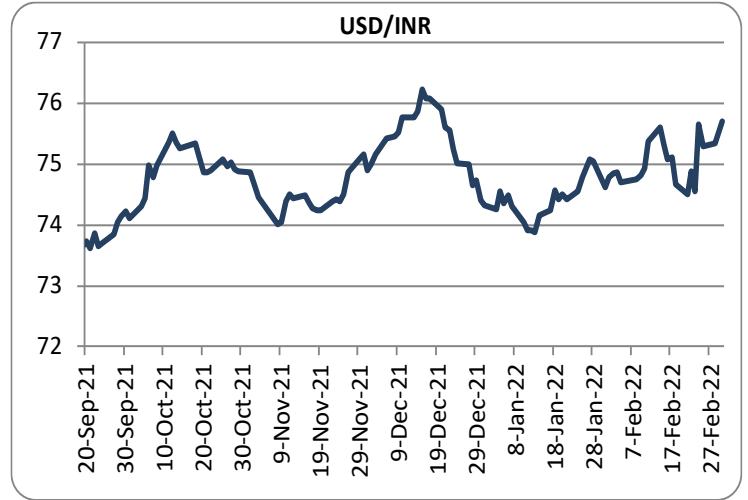
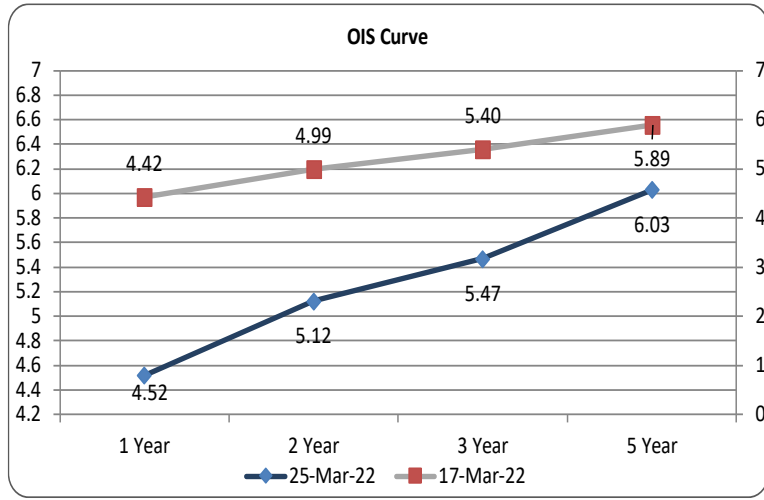
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
25-Mar-22	571	686	-115

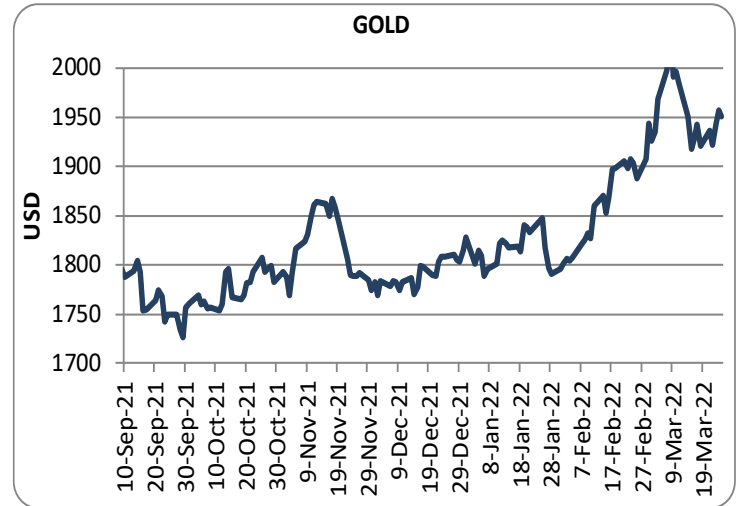
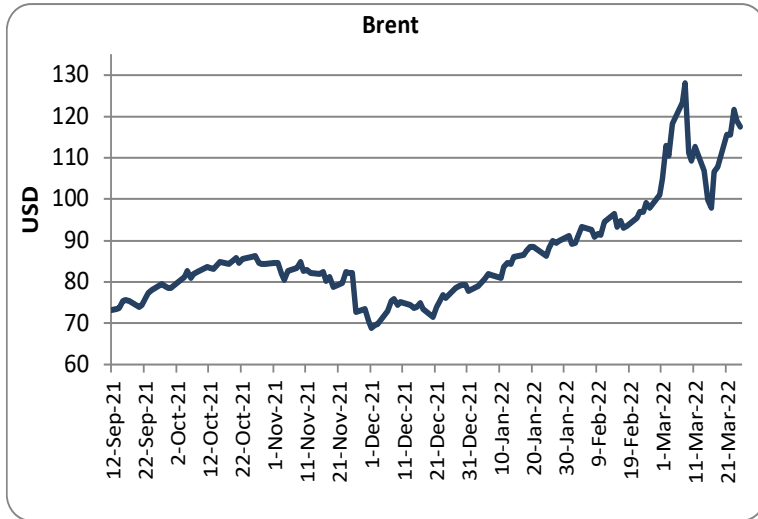
EQUITY		
Gross Purchase	Gross Sales	Net Investment
13104	14451	-1347

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
13675	15137	-1462

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Dec-21	5.4	8.4
CAD (\$ Bn)	Sep-21	-9.6	6.6
Trade Deficit (\$ Bn)	Sep-21	-44.4	-30.7
WPI (%)	Feb-22	13.1	13.0
CPI (%)	Feb-22	6.1	6.0
IIP (%)	Jan-22	1.3	0.4
PMI Manufacturing	Feb-22	54.9	54
PMI Service	Feb-22	51.8	51.5

Economic Calender	Country	Date	Poll	Prior
Unemployment Rate	Japan	29-Mar-22	-	2.80
GDP	UK	30-31-Mar-22	-	6.50
GDP Final	USA	30-Mar-22	7.10	7.00
Industrial Output	South Korea	31-Mar-22	-	4.30
Unemployment Rate	USA	01-Apr-22	3.70	3.80
Reverse Repo Rate	India	08-Apr-22	-	3.35
Repo Rate	India	08-Apr-22	-	4.00
Retail Sales	Euro Zone	06-Apr-22	-	0.20





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

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