



INDIA

- ❖ The benchmark 6.10% bond maturing in 2031 ended at 97.40 rupees, yielding 6.47%, compared with 97.46 rupees, and a yield of 6.46%, yesterday.
- ❖ The yield on the 10-year U.S. Treasury touched 1.56% yesterday, the highest in a month, following weak demand from investors, while concerns over U.S. headline inflation persisted. The benchmark yield was trading around 1.52% today.
- ❖ The benchmark Brent crude contract was little changed at \$79 a barrel, after rising above \$80 per barrel yesterday as data showed U.S. crude and fuel inventories fell last week
- ❖ Speculation about the Operation Twist or special open market operation rose after the Reserve Bank of India devolved over 30% of last Friday's government debt issue on primary dealers, a first in five months, which investors broadly interpreted as an indication of the central bank's discomfort over rising bond yields.
- ❖ A special OMO allows the central bank to buy longer-tenor notes and sell the same quantum of shorter-maturity securities at the same time to cool longer-tenor yields
- ❖ The Govt. plans to sell bonds totaling 240 billion rupees on Friday, including 130 billion rupees of the 2031 note. The proposed issuance will increase the outstanding of the 2031 security to 1.61 trillion rupees, taking it above the 1.5-trillion-rupee ad hoc limit for issuance of a security.
- ❖ The market also remains concerned about any potential additional borrowing, if the government misses its ambitious revenue target through disinvestment.
- ❖ The Indian rupee hit its highest in five weeks and also logged its eighth rise against the U.S. currency in the last nine days, amid continuous dollar sales from foreign banks and equity-related inflows.
- ❖ The rupee was quoted at 74.41 per dollar, at 3:30 p.m., its highest since Nov. 24, as compared with 74.74 yesterday. The currency rose 0.4% today, and has gained an aggregate of 2.2% in the last nine sessions.
- ❖ Repo: The weighted average call rates in the interbank segment increased to 3.33% vs 3.28% as on previous day, while that in the TREP segment increased to 3.40% vs 3.36% as on previous day.

Market Observations

G-sec

- Yields ended marginally higher as rising U.S. Treasury yields as well as oil prices hurt sentiment, while traders hoped for a twist operation from the central bank to ease investor worries.

- Mutual funds seen buying up to 3 months maturity papers.

Corporate Bonds

- Activity was witnessed across all segments.

CP

- The 3 month segment was most active.

CD

- The 3 month maturity papers were in demand.

GOI Yield	30-Dec	29-Dec	25-Nov	1-Dec
1 Year	4.220	4.230	4.110	4.120
5 Year	5.818	5.806	5.693	5.680
10 Year	6.469	6.461	6.367	6.353

AAA Bmk	30-Dec	29-Dec	25-Nov	1-Dec
1 Year	4.65	4.65	4.35	4.50
5 Year	6.15	6.15	6.05	6.00
10 Year	6.90	6.90	6.90	6.83

CD	30-Dec	29-Dec	25-Nov	1-Dec
3 Month	3.60	3.60	3.65	3.65
6 Month	3.95	3.95	3.95	3.95
1 Year	4.50	4.50	4.40	4.40

CP	30-Dec	29-Dec	25-Nov	1-Dec
3 Month	4.20	4.20	4.00	4.00
6 Month	4.70	4.70	4.55	4.55
1 Year	4.90	4.90	4.85	4.85

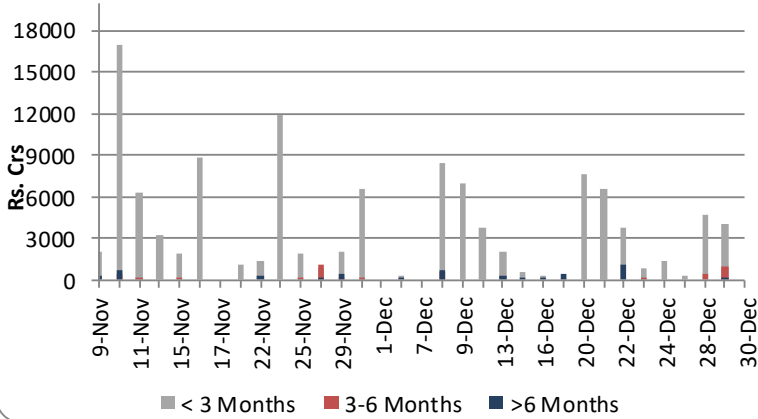
OIS Rate	30-Dec	29-Dec	25-Nov	1-Dec
1 Year	4.34	4.35	4.36	4.24
2 Year	4.85	4.84	4.86	4.74
3 Year	5.14	5.11	5.17	5.02
5 Year	5.37	5.39	5.50	5.33

	30-Dec	29-Dec	25-Nov	1-Dec
Sensex	57,794	57,806	58,795	57,685
Nifty	17,204	17,214	17,536	17,167
USD/INR	74.41	74.74	74.51	74.91
Gold (USD)	1,803	1,804	1,788	1,783
Oil (USD)	79.08	79.23	82.22	68.87

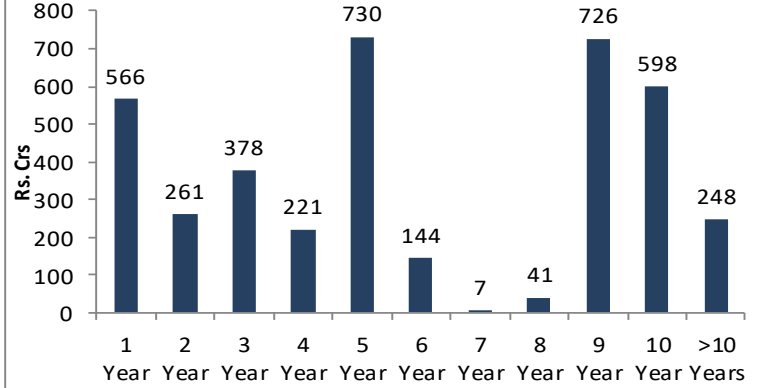
NDF	30-Dec	29-Dec	25-Nov	1-Dec
3 Month	75.26	75.02	75.24	75.79
1 Year	77.81	77.70	78.01	78.52
2 Year	81.33	81.48	81.55	82.31
3 Year	85.12	85.32	85.16	86.10



CP Primary Volume



Bonds Volume(29-12)



10 Year Benchmarks	30-Dec	29-Dec	25-Nov	1-Dec
India	6.47	6.46	6.37	6.35
US	1.52	1.56	1.64	1.40
South Korea	2.25	2.18	2.35	2.18
Russia	8.42	8.43	8.42	8.35
Brazil	10.85	10.44	11.77	11.46
Germany	-0.20	-0.18	-0.25	-0.33
China	2.78	2.79	2.89	2.88

Top Traded Securities	Volume	30-Dec	29-Dec	25-Nov	1-Dec
5.15 GOI 2025	1,625	5.67	5.66	5.45	5.44
5.63 GOI 2026	345	5.82	5.81	5.69	5.68
5.74 GOI 2026	5,620	5.88	5.86	5.74	5.72
6.10 GOI 2031	255	6.47	6.46	6.37	6.35
6.64 GOI 2035	-	6.92	6.90	6.79	6.77
6.67 GOI 2035	60	6.91	6.89	6.77	6.75

MF	DEBT		
	Gross Purchase	Gross Sales	Net Investment
22-Dec-21	2908	1959	949

EQUITY	Gross Purchase	Gross Sales	Net Investment
	2311	1732	579

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
5219	3691	1528

FII	DEBT		
	Gross Purchase	Gross Sales	Net Investment
30-Dec-21	687	949	-261

EQUITY	Gross Purchase	Gross Sales	Net Investment
	3629	4376	-747

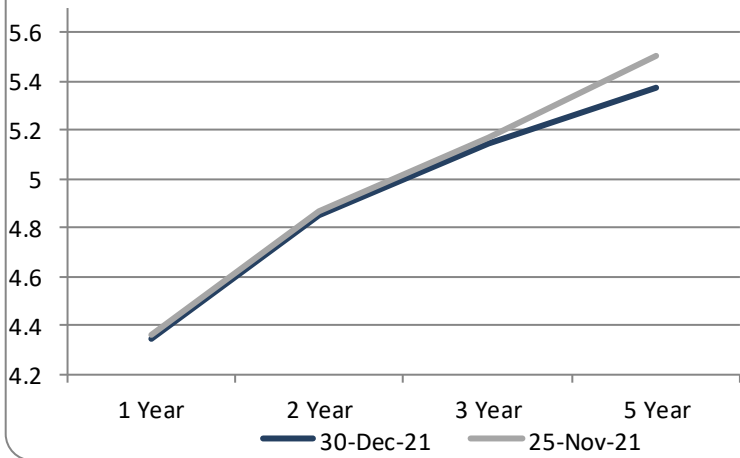
TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
4317	5325	-1008

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quaterly (%)	Sep-21	8.4	20.1
CAD (\$ Bn)	Jun-21	6.5	-8.1
Trade Deficit (\$ Bn)	Jun-21	-30.7	-41.7
WPI (%)	Nov-21	14.2	12.5
CPI (%)	Nov-21	4.9	4.5
IIP (%)	Oct-21	3.2	3.3
PMI Manufacturing	Nov-21	57.6	55.9
PMI Service	Nov-21	58.1	58.4

Economic Calender	Country	Date	Poll	Prior
Unemployment Rate	Japan	28-Dec-21	2.70	2.70
Unemployment Rate	Russia	29-Dec-21	-	4.30
Industrial Output	South Korea	30-Dec-21	3.20	4.50
Industrial Output	Brazil	06-Jan-22	-	(7.80)
Retail Sales	Euro Zone	07-Jan-22	5.60	1.40
CPI	China	10-Jan-22	-	2.30
Unemployment Rate	Euro Zone	10-Jan-22	-	7.30
CPI	Russia	10-Jan-22	8.20	8.40



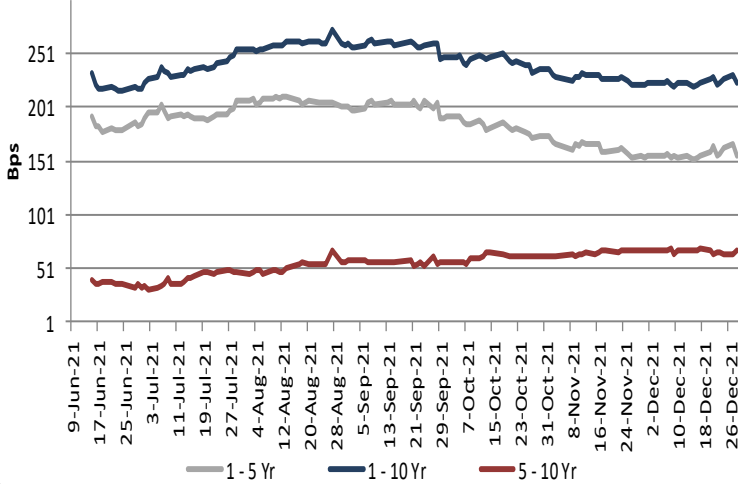
OIS Curve



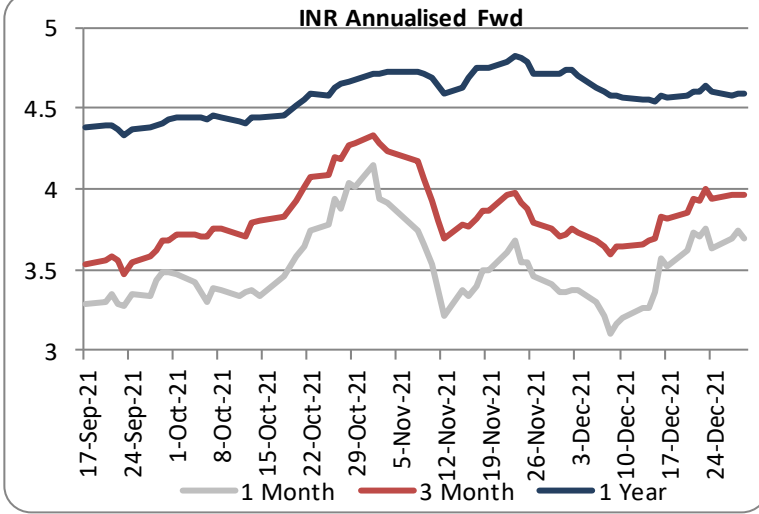
USD/INR



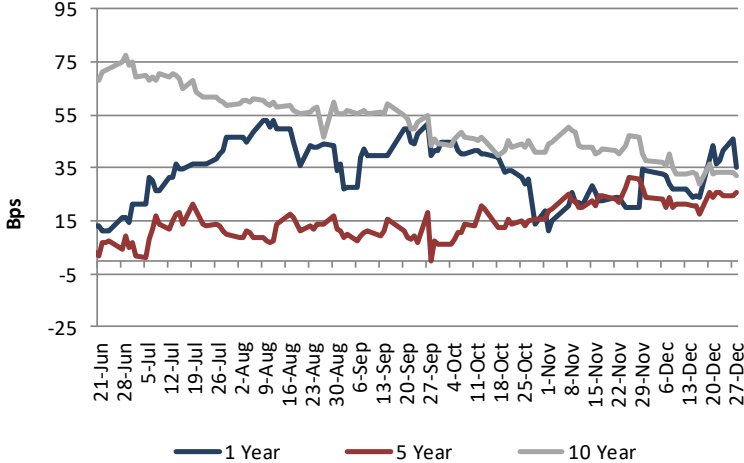
GOI Spread



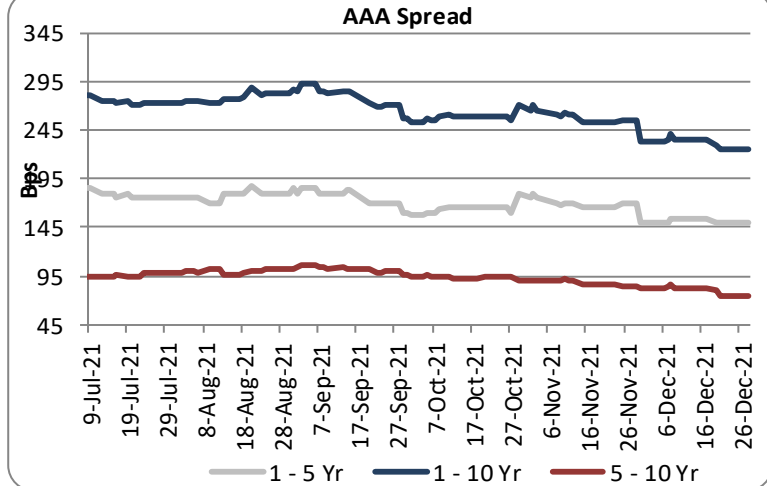
INR Annualised Fwd

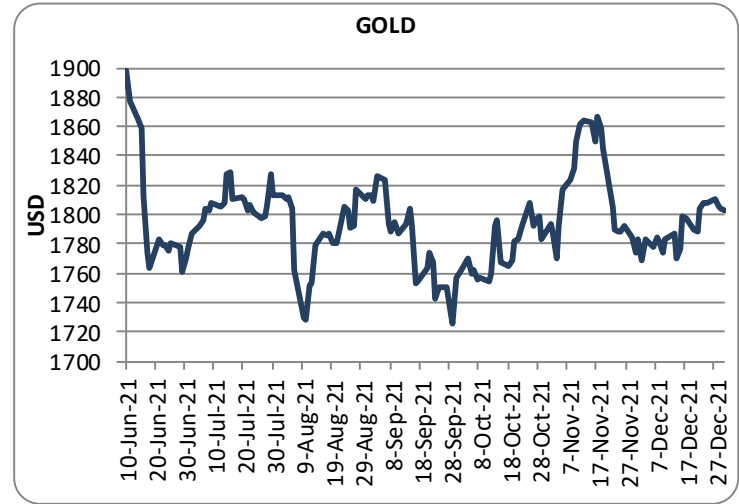
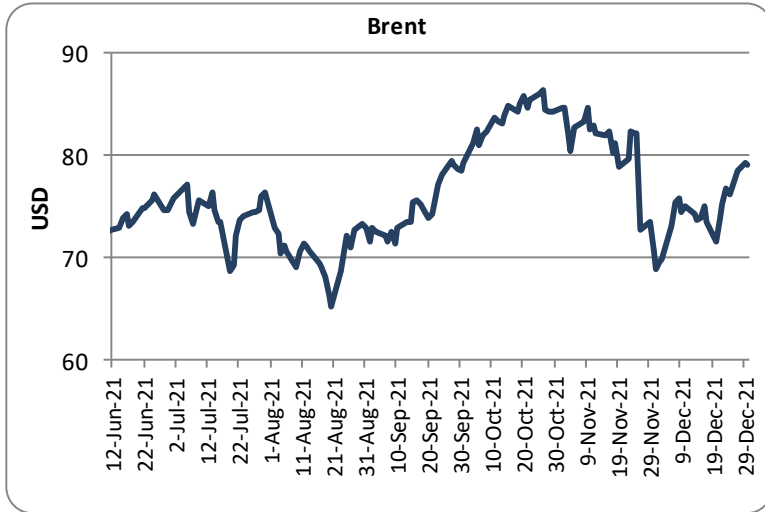


AAA/Gsec Spread



AAA Spread





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

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