



INDIA

- ❖ The benchmark 6.54% bond due 2032 ended at 97.51 rupees, yielding 6.89%, against 97.57 rupees, yielding 6.88%. The yield has surged 21 basis points in last three days.
- ❖ Govt. will sell bonds worth 240-billion rupees tomorrow, and investors will gauge the Reserve Bank of India's response at the first debt auction after the federal budget.
- ❖ The government aims to gross borrow a record 14.95 trillion rupees via sale of bonds in the next fiscal year, sharply higher than estimates of around 13 trillion rupees. It aims to lower its fiscal deficit from 6.9% in the current fiscal year against an earlier estimate of 6.8%, and further to 6.4% in the next financial year. However, the Indian government will borrow 636.5 billion rupees less than the budgeted market borrowing of 14.95 trillion rupees in the next financial year, according to the economic affairs secretary. The Govt. had conducted a hefty switch with RBI on Jan. 28 which included six bonds worth 636.5 billion rupees maturing in 2022.
- ❖ The RBI-led monetary policy committee has left the repo rate at 4.00% since May 2020, while the reverse repo rate has stood at 3.35% during the same period. The central bank has also stayed accommodative, despite several above-target inflation prints, to lift the economy ravaged by the Covid-19 pandemic. The next policy decision is due on Feb. 9.
- ❖ Meanwhile, the benchmark Brent crude futures declined 0.25% to \$89.25 a barrel.
- ❖ The Indian rupee was little changed against the dollar, amid a broad dollar decline and a pullback in U.S. equity futures and regional stocks. The rupee ended at 74.86 per dollar at 3:30 p.m. compared with 74.84 yesterday.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.23% vs 3.29% as on previous day while that in the TREP segment decreased to 3.31 % vs 3.46 % as on previous day.

Market Observations

G-sec

- Bond yields ended largely unchanged, as supply through weekly auction tomorrow offset an early fall in yields that was led by bargain-hunting.
- Yields were lower in the afternoon session amid value buying by some investors. The market now awaits a fresh supply of debt at the weekly sale tomorrow.
- Insurance companies seen buying long dated Gsec.

Corporate Bonds

- Major buying activity was seen across the yield curve.

CP

- Demand was seen in the 3month and 1 year segments. Banking system liquidity surplus widened above INR7 trillion for the first time in four weeks on government spending. Government spending has been towards salaries, pensions and welfare schemes, coupled with some Treasury bill redemption.

CD

- 3month as well as 1 year saw some demand.

GOI Yield	3-Feb	2-Feb	27-Jan	5-Jan
1 Year	4.600	4.610	4.500	4.220
5 Year	6.240	6.227	6.120	5.850
10 Year	6.917	6.881	6.747	6.508

AAA Brmk	3-Feb	2-Feb	27-Jan	5-Jan
1 Year	4.90	4.90	4.80	4.75
5 Year	6.35	6.40	6.30	6.22
10 Year	7.15	7.18	7.20	6.95

CD	3-Feb	2-Feb	27-Jan	5-Jan
3 Month	4.02	4.02	3.90	3.55
6 Month	4.25	4.25	4.10	4.00
1 Year	4.90	4.90	4.75	4.55

CP	3-Feb	2-Feb	27-Jan	5-Jan
3 Month	4.10	4.10	4.17	3.90
6 Month	4.55	4.55	4.77	4.50
1 Year	5.05	5.05	5.18	4.95

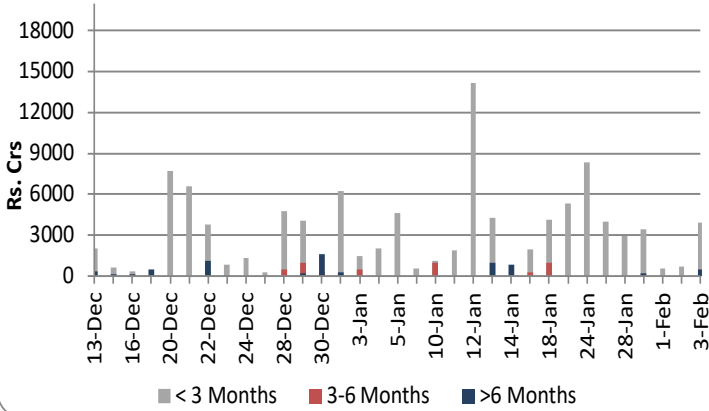
OIS Rate	3-Feb	2-Feb	27-Jan	5-Jan
1 Year	4.53	4.53	4.49	4.38
2 Year	5.10	5.13	5.04	4.90
3 Year	5.47	5.50	5.38	5.25
5 Year	5.85	5.85	5.70	5.55

	3-Feb	2-Feb	27-Jan	5-Jan
Sensex	58,788	59,558	57,277	60,223
Nifty	17,560	17,780	17,110	17,925
USD/INR	74.86	74.84	75.07	74.36
Gold (USD)	1,804	1,806	1,797	1,810
Oil (USD)	88.33	89.47	89.34	80.80

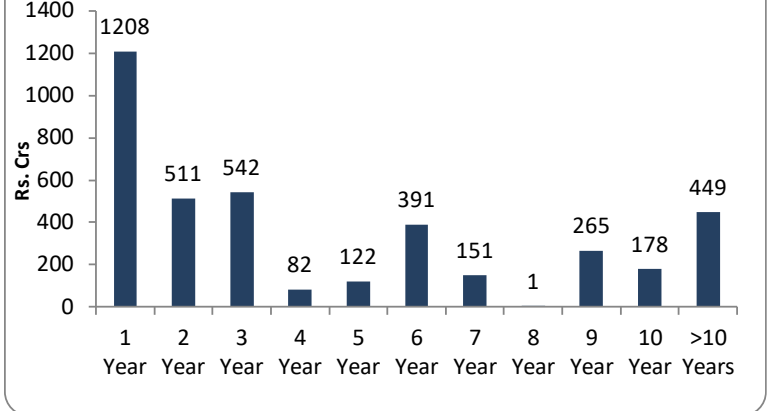
NDF	3-Feb	2-Feb	27-Jan	5-Jan
3 Month	75.81	75.57	76.05	75.26
1 Year	77.95	78.09	78.54	77.81
2 Year	81.79	81.44	81.93	81.45
3 Year	84.83	85.39	85.94	85.34



CP Primary Volume



Bonds Volume



10 Year Benchmarks	3-Feb	2-Feb	27-Jan	5-Jan
India	6.89	6.88	6.75	6.51
US	1.78	1.77	1.80	1.70
South Korea	2.57	2.59	2.61	2.38
Russia	9.44	9.40	9.53	8.37
Brazil	11.16	11.16	11.50	11.30
Germany	0.05	0.04	-0.06	-0.12
China	2.72	2.72	2.74	2.81

Top Traded Securities	Volume	3-Feb	2-Feb	27-Jan	5-Jan
5.15 GOI 2025	1220	5.93	#N/A	5.85	5.71
5.63 GOI 2026	165	6.08	6.08	5.98	5.85
5.74 GOI 2026	6995	6.24	6.23	6.12	5.93
6.10 GOI 2031	65	6.92	6.91	6.75	6.51
6.64 GOI 2035	0	7.30	7.28	7.18	6.98
6.67 GOI 2035	0	7.32	7.32	7.18	6.98

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
31-Jan-22	7518	4200	3318

EQUITY		
Gross Purchase	Gross Sales	Net Investment
8475	8779	-304

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
15994	12979	3014

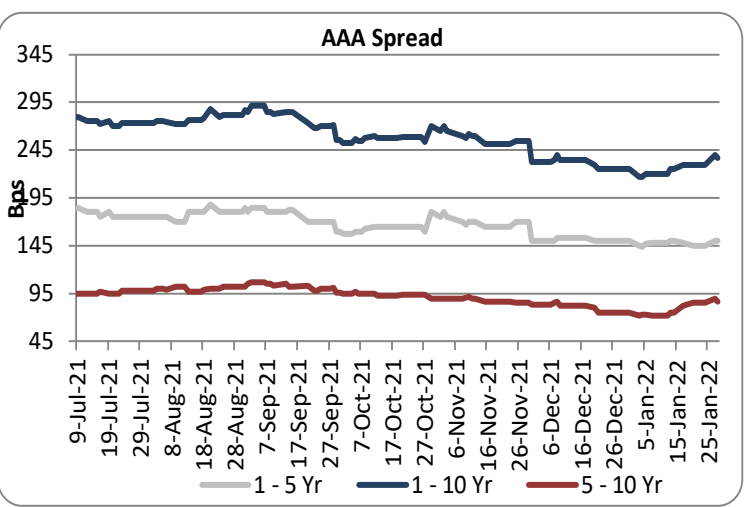
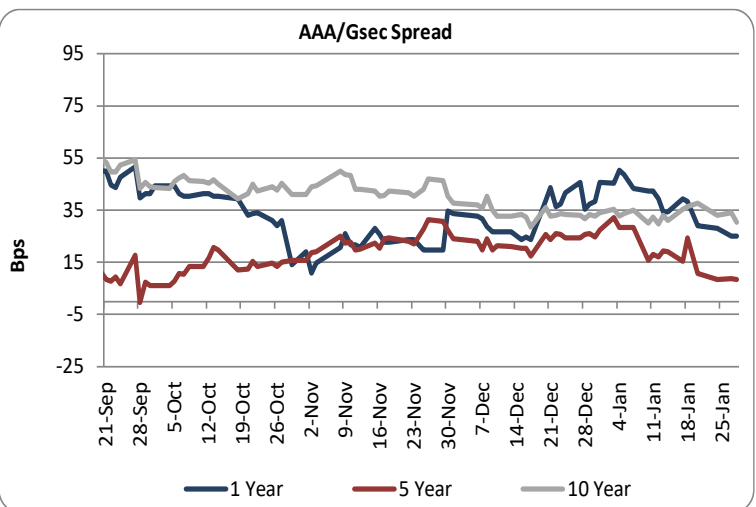
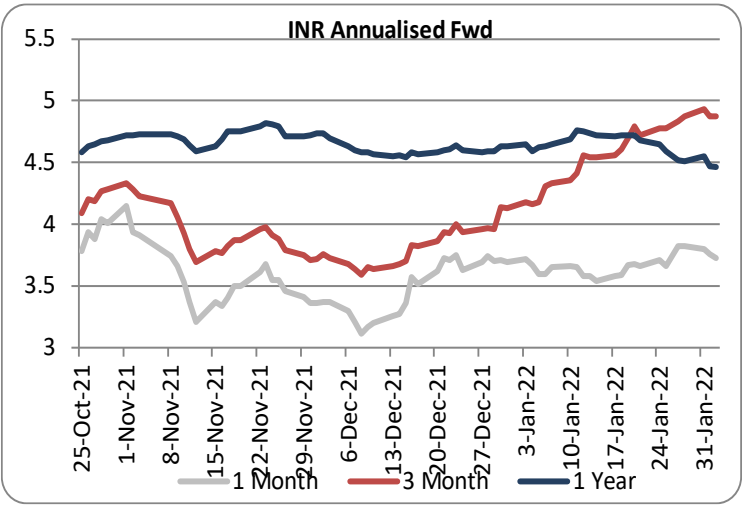
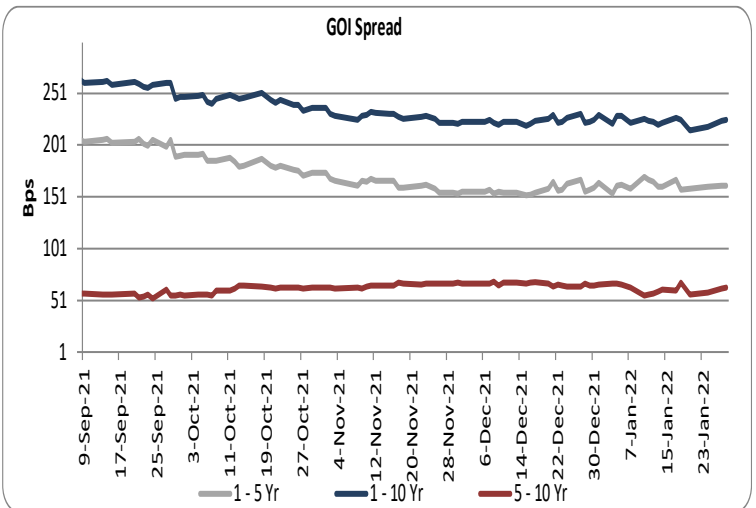
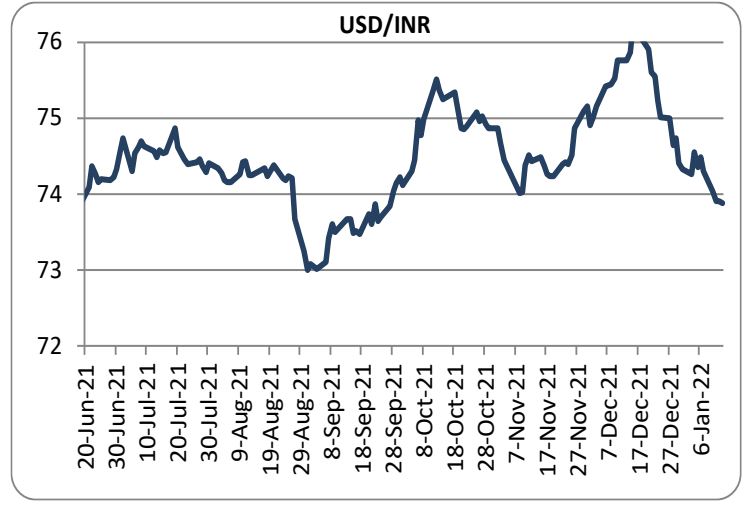
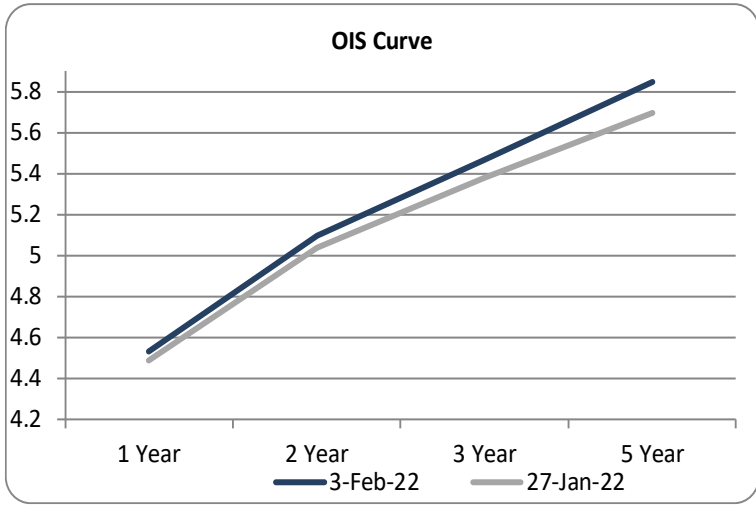
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
3-Feb-22	300	379	-79

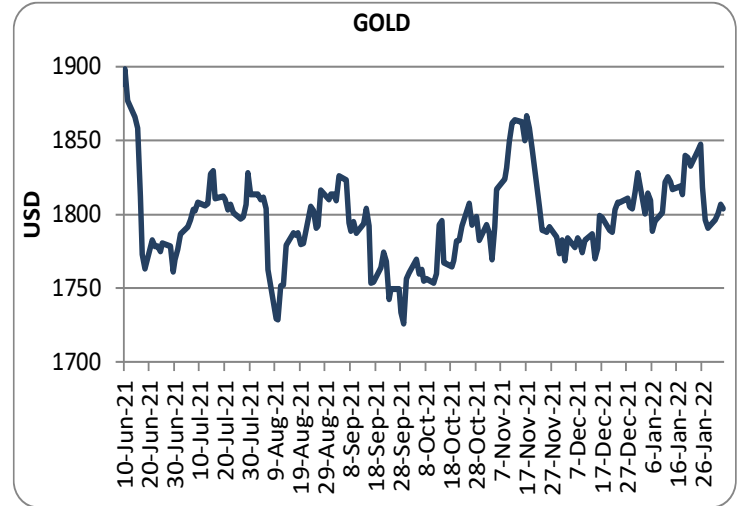
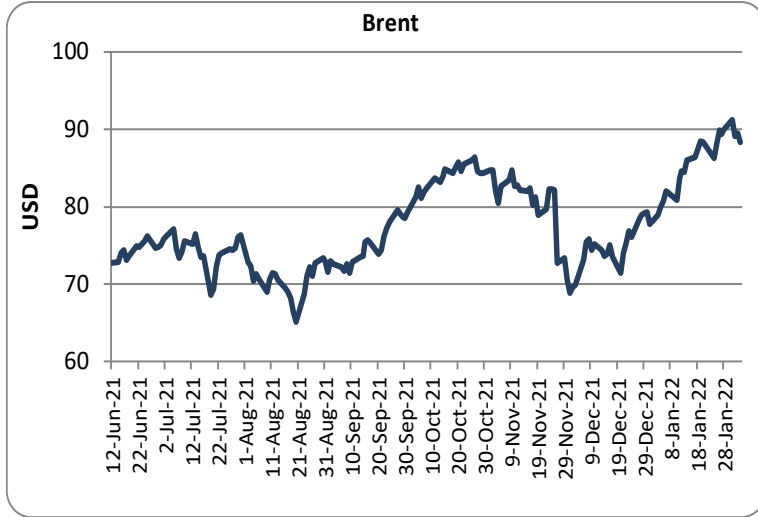
EQUITY		
Gross Purchase	Gross Sales	Net Investment
6232	5630	603

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
6532	6009	524

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	Jan-22	54	55.5
PMI Service	Jan-22	51.5	55.5

Economic Calender	Country	Date	Poll	Prior
Bank Rate	UK	03-Feb-22	0.50	0.25
CPI	Phillippines	03-Feb-22	3.10	3.60
Retail Sales	Euro Zone	04-Feb-22	5.10	7.80
Unemployment Rate	US	04-Feb-22	3.90	3.90
Repo	India	09-Feb-22	-	4.00
CRR	India	09-Feb-22	-	4.00
Retail Sales	Brazil	09-Feb-22	-	(4.20)
CPI	Russia	09-Feb-22	8.80	8.40





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

LKP SECURITIES LTD., 203, Embassy Centre, Nariman Point, Mumbai- 400021

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