



INDIA

- ❖ The benchmark 6.54% bond maturing in 2032 ended at 98.67 rupees, yielding 6.72%, the lowest since Jan. 31, against 98.15 rupees, and a 6.80% yield, yesterday. The yield had eased by eight basis points over the last two sessions.
- ❖ The Reserve Bank of India today unexpectedly kept the reverse repo rate unchanged at 3.35%. The MPC also left the repo rate unchanged at a record low of 4%, and the rate-setting panel decided with a five-to-one majority to continue with the accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of Covid-19 on the economy, while ensuring that inflation remains within its target.
- ❖ India's economic growth is expected to rebound 9.2% in the current fiscal year to March, and the central bank forecasts growth to ease to 7.8% for the next fiscal.
- ❖ The central bank kept its inflation forecast for the current financial year unchanged at 5.3%, but saw it dropping to 4.5% in the next financial year. The RBI is mandated to target inflation at 4%, with a tolerance band of two percentage points on either side. India's consumer price-based inflation rate rose at its fastest pace in five months in December to 5.59% and is expected to breach the tolerance ceiling in January.
- ❖ The benchmark Brent crude was trading 0.2% higher at \$91.70 per barrel, extending yesterday's rise.
- ❖ The Indian rupee fell for a third day against the dollar today, as the country's central bank held off on raising interest rates yet again and said it would keep policy easy to help the pandemic-hit economy. The rupee ended at 74.94 per dollar its lowest since Jan. 28, compared with 74.81 yesterday. The unit had fallen to an intraday low of 75.04 today, but recouped some losses amid an upbeat risk appetite.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.27% vs 3.28% as on previous day while that in the TREP segment increased to 3.49% vs 3.46% as on previous day.

Market Observations

G-sec

- Bond yields fell after the Monetary Policy Committee kept key rates unchanged for the tenth straight time and stuck to its accommodative stance, while its commentary was viewed as having a dovish tilt.
- Higher demand seen 2-to-5-year maturity papers after policy.
- Insurance companies were buying 2026-2027 dated SDLs.
- The Govt. cancelled this week's INR240 billion bond auctions; is scheduled to sell INR470 billion of bond over next two weeks.

Corporate Bonds

- Mutual Funds were buying on 3-5 year maturity bonds post policy.

CP

- Demand was seen in the 3-6 month and 1 year segment.

CD

- Secondary CD activity was seen in the medium to longer end of the curve.

GOI Yield	10-Feb	9-Feb	3-Feb	11-Jan
1 Year	4.500	4.580	4.600	4.330
5 Year	5.921	6.095	6.240	6.008
10 Year	6.725	6.820	6.917	6.570

AAA Brnk	10-Feb	9-Feb	3-Feb	11-Jan
1 Year	4.93	5.00	4.90	4.80
5 Year	6.28	6.34	6.35	6.28
10 Year	7.10	7.20	7.15	7.00

CD	10-Feb	9-Feb	3-Feb	11-Jan
3 Month	3.89	3.99	4.02	3.80
6 Month	4.14	4.25	4.25	4.00
1 Year	4.80	4.90	4.90	4.60

CP	10-Feb	9-Feb	3-Feb	11-Jan
3 Month	3.94	4.05	4.10	4.10
6 Month	4.40	4.50	4.55	4.70
1 Year	4.89	5.00	5.05	5.10

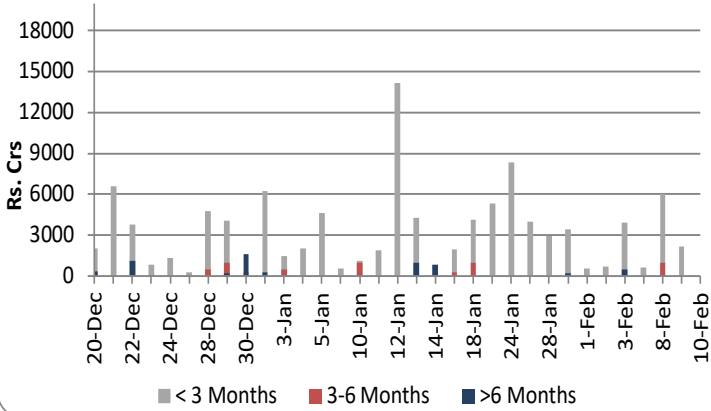
OIS Rate	10-Feb	9-Feb	3-Feb	11-Jan
1 Year	4.43	4.55	4.53	4.38
2 Year	4.98	5.10	5.10	4.91
3 Year	5.31	5.45	5.47	5.23
5 Year	5.73	5.83	5.85	5.57

	10-Feb	9-Feb	3-Feb	11-Jan
Sensex	58,926	58,466	58,788	60,617
Nifty	17,606	17,464	17,560	18,056
USD/INR	74.94	74.81	74.86	73.91
Gold (USD)	1,833	1,832	1,804	1,822
Oil (USD)	92.21	91.55	91.11	83.72

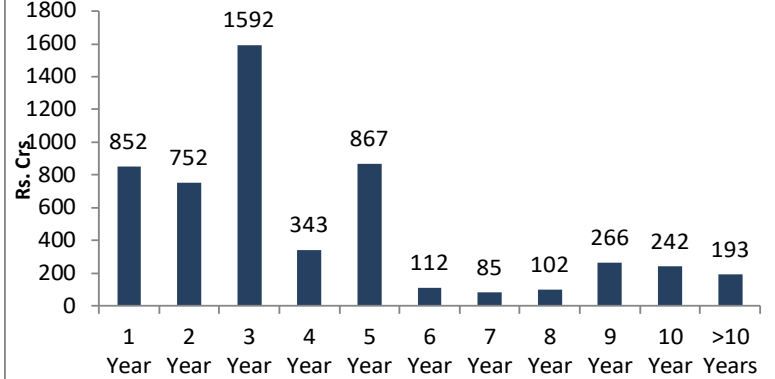
NDF	10-Feb	9-Feb	3-Feb	11-Jan
3 Month	75.83	75.58	75.51	74.49
1 Year	78.03	78.04	77.94	77.09
2 Year	81.97	81.47	81.30	80.62
3 Year	84.72	84.55	85.18	83.85



CP Primary Volume



Bonds Volume



10 Year Benchmarks	10-Feb	9-Feb	3-Feb	11-Jan
India	6.73	6.80	6.89	6.57
US	1.94	1.95	1.84	1.75
South Korea	2.69	2.69	2.57	2.49
Russia	9.39	9.38	9.39	8.69
Brazil	11.50	11.50	11.20	11.54
Germany	0.23	0.22	0.16	-0.03
China	2.75	2.73	2.72	2.80

Top Traded Securities	Volume	10-Feb	9-Feb	3-Feb	11-Jan
5.15 GOI 2025	3410	5.73	5.89	5.93	5.79
5.63 GOI 2026	410	5.82	5.98	6.08	5.93
5.74 GOI 2026	14155	5.92	6.09	6.24	6.01
6.10 GOI 2031	465	6.75	6.82	6.92	6.57
6.64 GOI 2035	0	7.10	7.17	7.30	7.04
6.67 GOI 2035	0	7.08	7.16	7.32	7.03

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
8-Feb-22	2902	2233	669

EQUITY		
Gross Purchase	Gross Sales	Net Investment
1898	973	925

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
4801	3206	1594

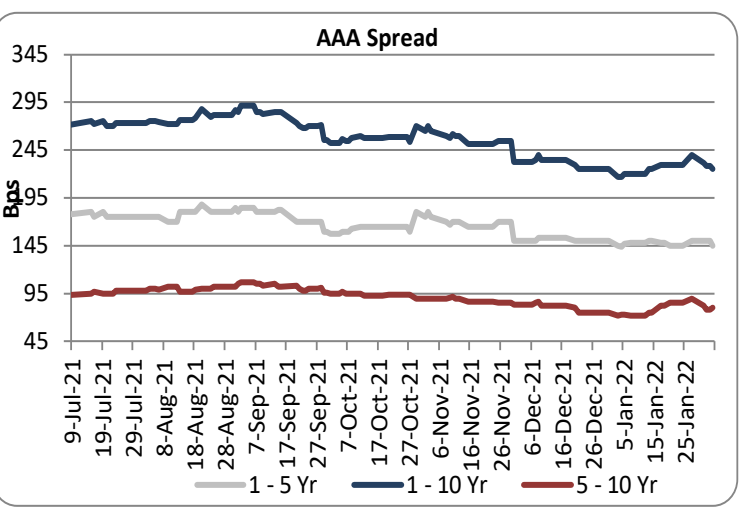
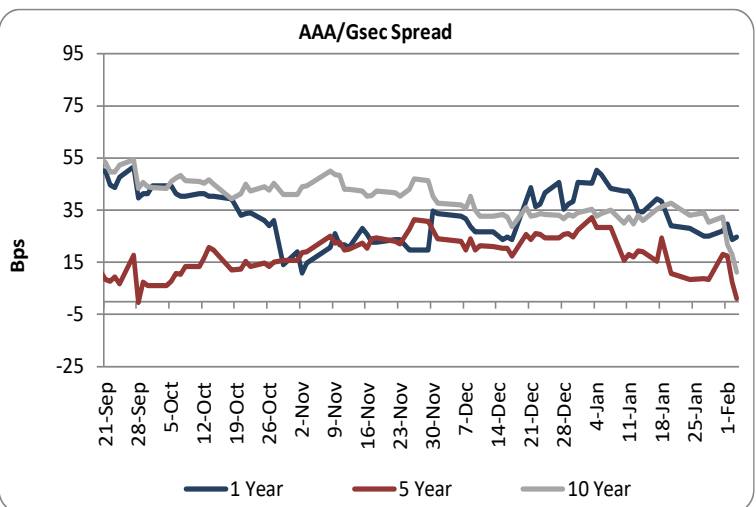
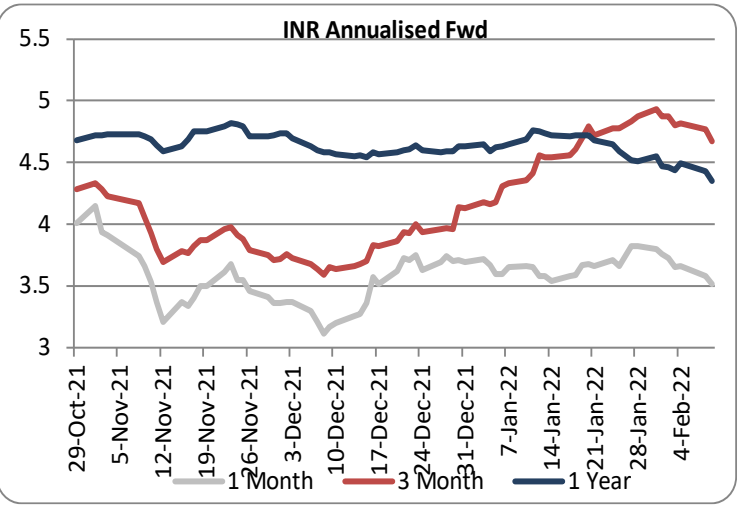
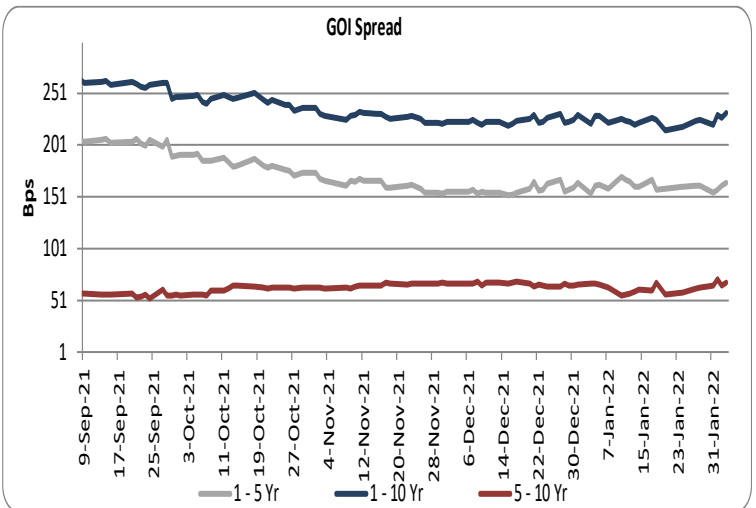
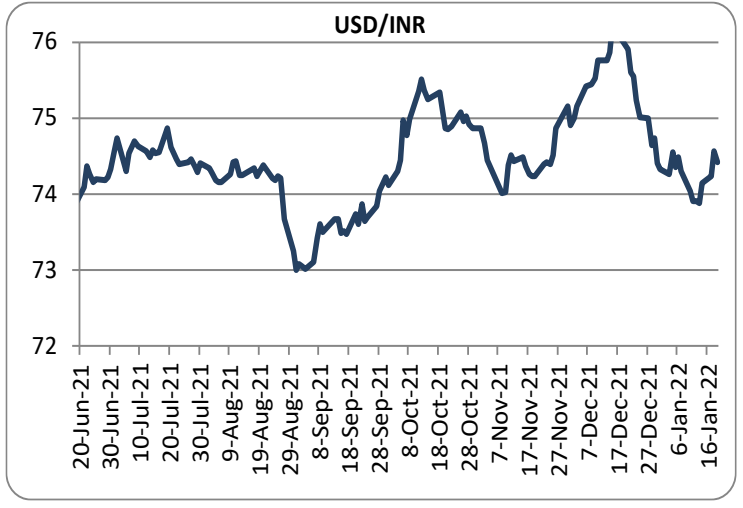
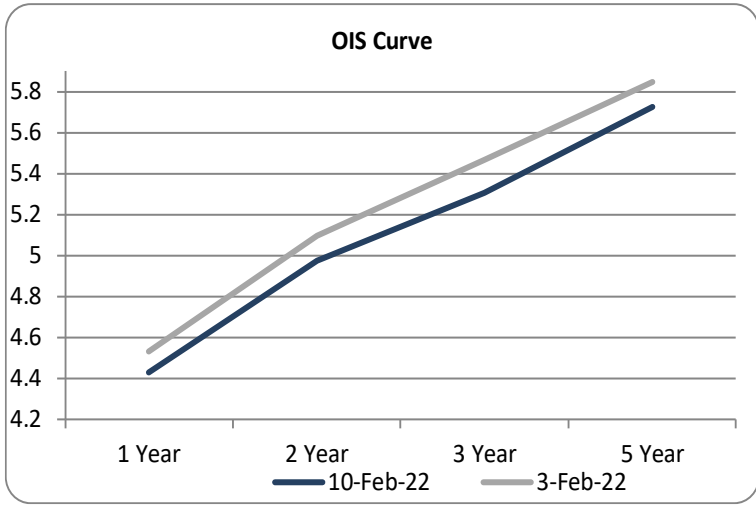
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
10-Feb-22	282	992	-710

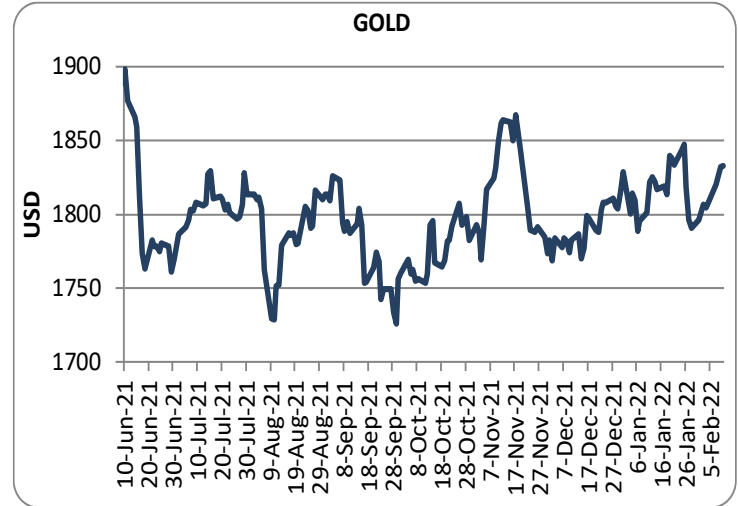
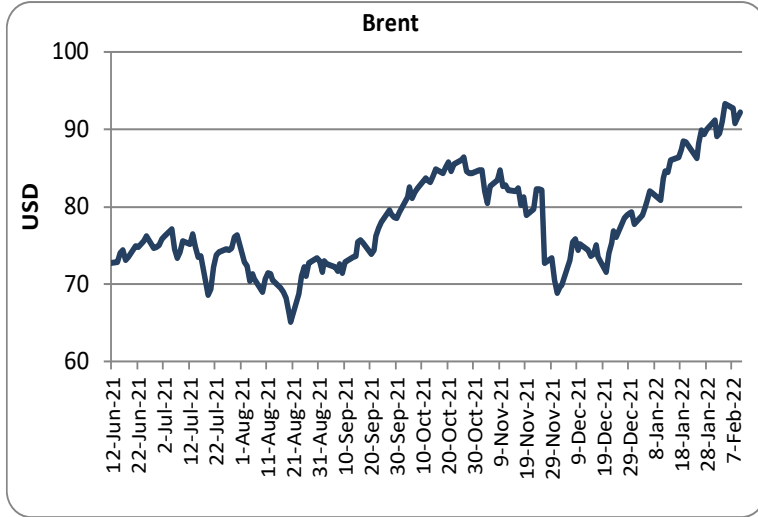
EQUITY		
Gross Purchase	Gross Sales	Net Investment
6435	7085	-650

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
6716	8077	-1360

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
Reverse Repo	India	10-Feb-22	3.55	3.35
Repo Rate	India	10-Feb-22	4.00	4.00
CRR	India	10-Feb-22	4.00	4.00
CPI	USA	10-Feb-22	7.30	7.00
Industrial Output	India	11-Feb-22	-	1.40
CPI	India	14-Feb-22	-	5.59
Unemployment Rate	UK	15-Feb-22	-	4.10
CPI	UK	16-Feb-22	-	5.40





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

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