



INDIA

- ❖ The benchmark 6.54% bond maturing in 2032 ended at 98.86 rupees, yielding 6.70%, versus 98.67 rupees, and a yield of 6.72%, yesterday. The 10-year yield fell 18 basis points this week, posting its first such move after rising or five weeks in 2022. The yield also posted its biggest weekly drop since week ended Jun. 5, 2020. The yield had risen an aggregate of 33 basis points in last five weeks.
- ❖ The government is due to borrow 470 billion rupees through two weekly auctions in this fiscal, and many traders now feel these may in fact be cancelled.
- ❖ India's retail inflation data for January is due on Monday.
- ❖ India's December Industrial Output up 0.4% on year vs 1.3% increase previously.
- ❖ Meanwhile, U.S. Treasury yields surged after inflation in the world's largest economy quickened more than expected at 7.5% from a year earlier in January, the highest since February, 1982. The 10-year Treasury note spiked to 2.06% yesterday, its highest since August, 2019.
- ❖ The benchmark Brent crude oil contract was at \$91.80 per barrel, falling 1.6% this week.
- ❖ The Indian rupee saw its biggest drop in four months against the dollar this week, after another larger-than-expected increase in U.S. consumer prices reinforced bets that the Federal Reserve could soon usher in a spell of aggressive interest rate hikes. The rupee ended at 75.38 per dollar trading compared with 74.94 yesterday.
- ❖ Repo: The weighted average call rates in the interbank segment increased to 3.28% vs 3.27% as on previous day while that in the TREP segment decreased to 3.28% vs 3.49% as on previous day.

Market Observations

G-sec

- Bond yields fell this week following a status quo on interest rates and dovish commentary by the RBI. Higher than expected US CPI negated the positive RBI dovish impact to some extent.
- Mutual funds seen buying 2025 to 2028 maturity State Development Loans.

Corporate Bonds

- The 3-5 year segment witnessed most activity.
- Insurances and a few Pension Funds have built traction in the longer tenors.
- Our FPI Desk witnesses no significant flows into corporate bonds as they remain cautious of India's borrowing numbers and other macros.

CP

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

CD

- Secondary CD activity was seen in the 3month to longer end of the curve. One-year swap rate at 4.34%, down from 4.53% high hit on Feb. 9, which was highest since Mar. 26, 2020. Five-year swap rate at 5.74%. CD issuances have increased from Rs. 2900 Crores to Rs. 6200 Crores in the last two sessions.

GOI Yield	11-Feb	10-Feb	4-Feb	12-Jan
1 Year	4.450	4.500	4.600	4.360
5 Year	5.877	5.921	6.194	6.018
10 Year	6.714	6.725	6.899	6.593

AAA Brnk	11-Feb	10-Feb	4-Feb	12-Jan
1 Year	4.90	4.93	4.94	4.80
5 Year	6.28	6.28	6.34	6.28
10 Year	7.10	7.10	7.19	7.00

CD	11-Feb	10-Feb	4-Feb	12-Jan
3 Month	3.83	3.89	4.02	3.80
6 Month	3.99	4.14	4.25	4.00
1 Year	4.76	4.80	4.90	4.60

CP	11-Feb	10-Feb	4-Feb	12-Jan
3 Month	3.90	3.94	4.10	4.10
6 Month	4.35	4.40	4.55	4.70
1 Year	4.83	4.89	5.05	5.10

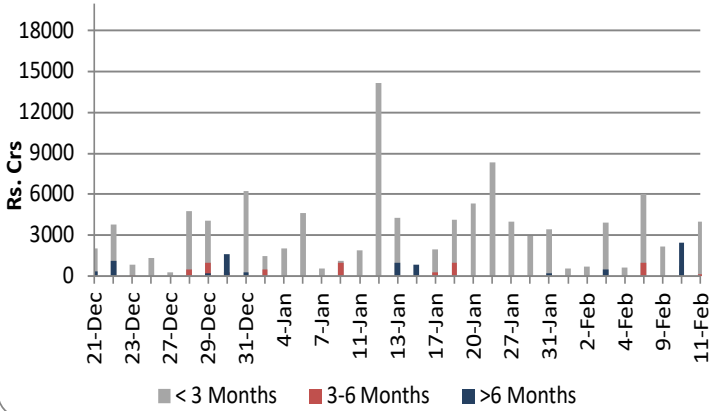
OIS Rate	11-Feb	10-Feb	4-Feb	12-Jan
1 Year	4.35	4.43	4.55	4.40
2 Year	4.89	4.98	5.12	4.92
3 Year	5.28	5.31	5.51	5.24
5 Year	5.73	5.73	5.91	5.57

	11-Feb	10-Feb	4-Feb	12-Jan
Sensex	58,153	58,926	58,645	61,150
Nifty	17,375	17,606	17,516	18,212
USD/INR	75.38	74.94	74.70	73.91
Gold (USD)	1,826	1,827	1,807	1,825
Oil (USD)	92.11	91.41	93.27	84.67

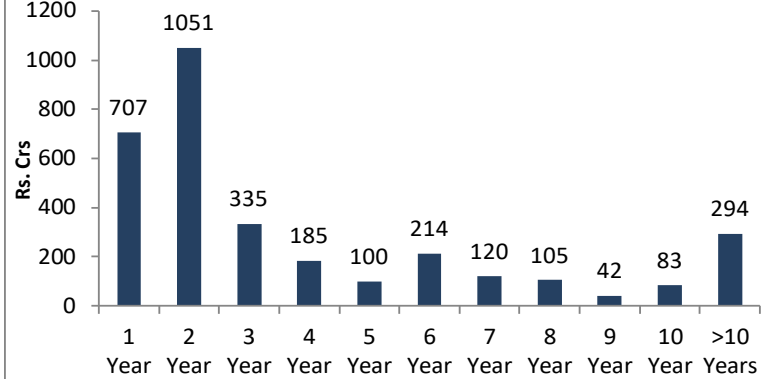
NDF	11-Feb	10-Feb	4-Feb	12-Jan
3 Month	76.10	75.90	75.48	74.67
1 Year	78.25	78.26	77.76	77.19
2 Year	82.32	81.32	79.43	80.46
3 Year	84.42	84.58	85.11	84.59



CP Primary Volume



Bonds Volume



10 Year Benchmarks	11-Feb	10-Feb	4-Feb	12-Jan
India	6.70	6.73	6.88	6.59
US	2.00	2.04	1.92	1.75
South Korea	2.75	2.69	2.62	2.43
Russia	9.67	9.44	9.36	8.72
Brazil	11.57	11.57	11.20	11.32
Germany	0.27	0.29	0.21	-0.06
China	2.79	2.75	2.72	2.80

Top Traded Securities	Volume	11-Feb	10-Feb	4-Feb	12-Jan
5.15 GOI 2025	2555	5.66	5.73	5.94	5.79
5.63 GOI 2026	600	5.77	5.82	6.05	5.94
5.74 GOI 2026	10975	5.88	5.92	6.19	6.02
6.10 GOI 2031	225	6.71	6.75	6.90	6.59
6.64 GOI 2035	0	7.06	7.10	7.28	7.05
6.67 GOI 2035	0	7.03	7.08	7.27	7.05

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

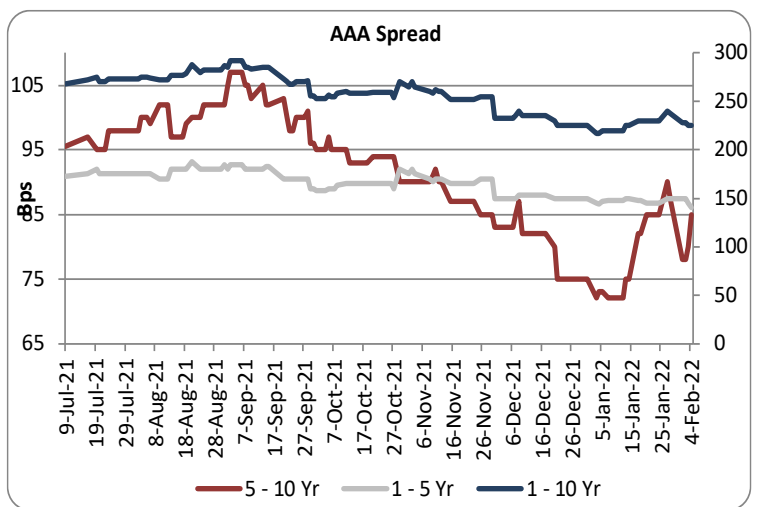
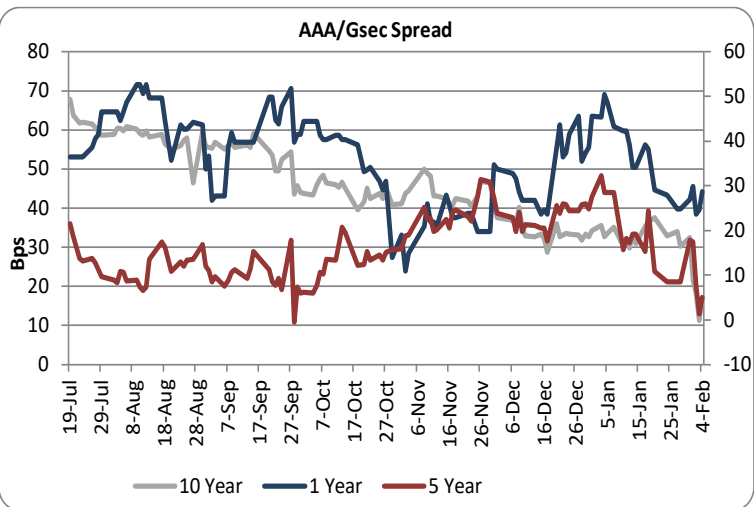
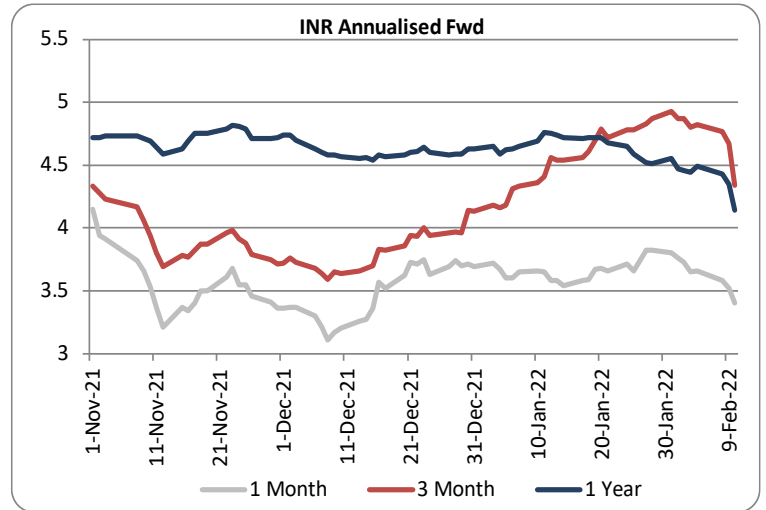
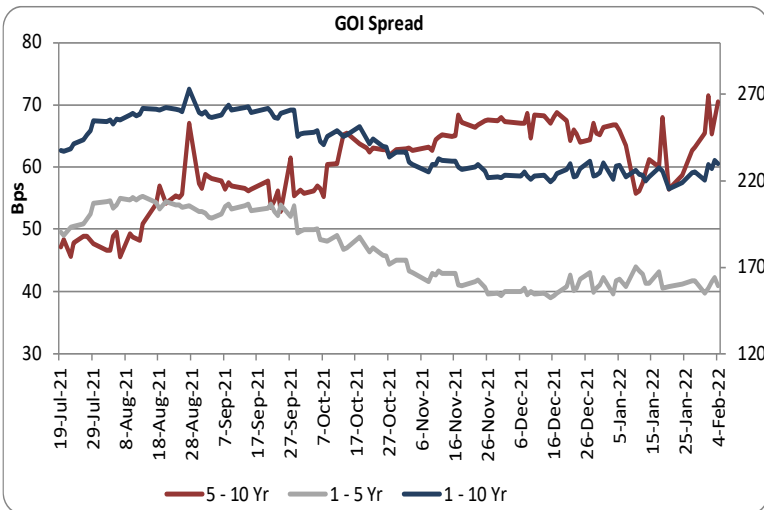
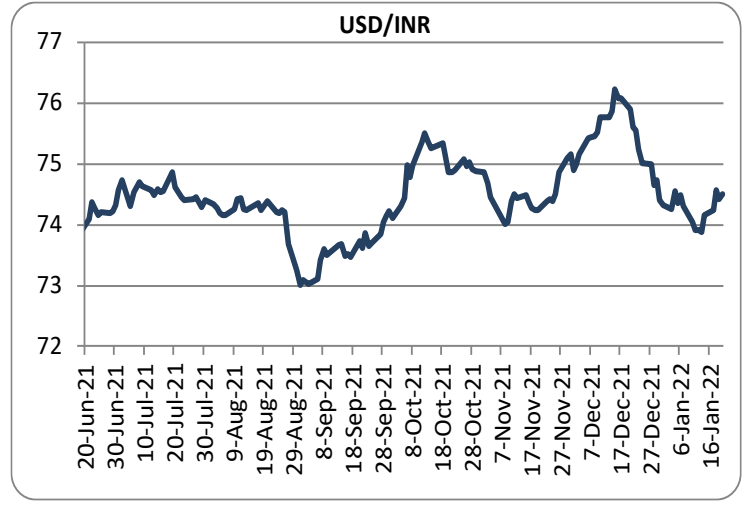
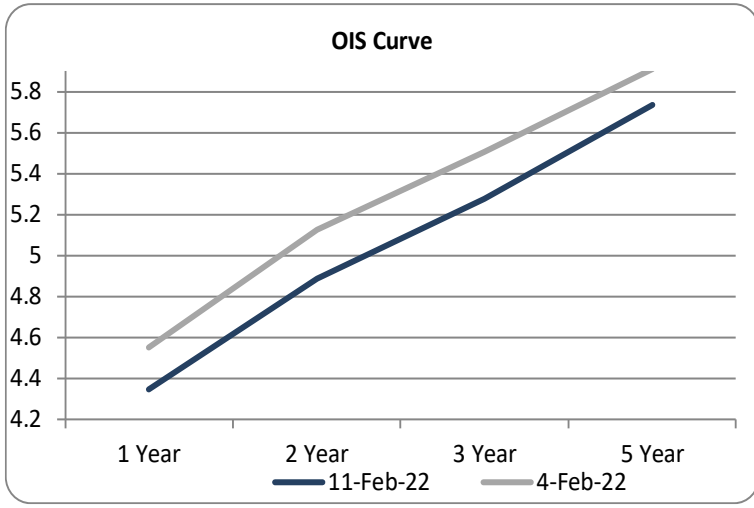
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
11-Feb-22	557	592	-35

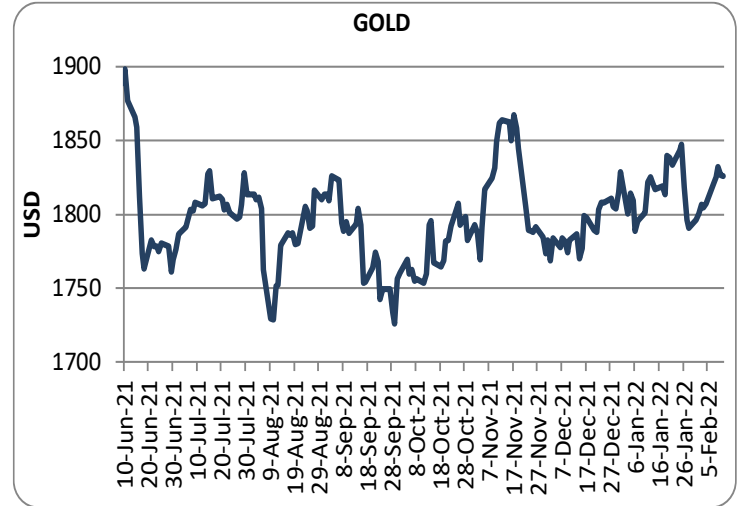
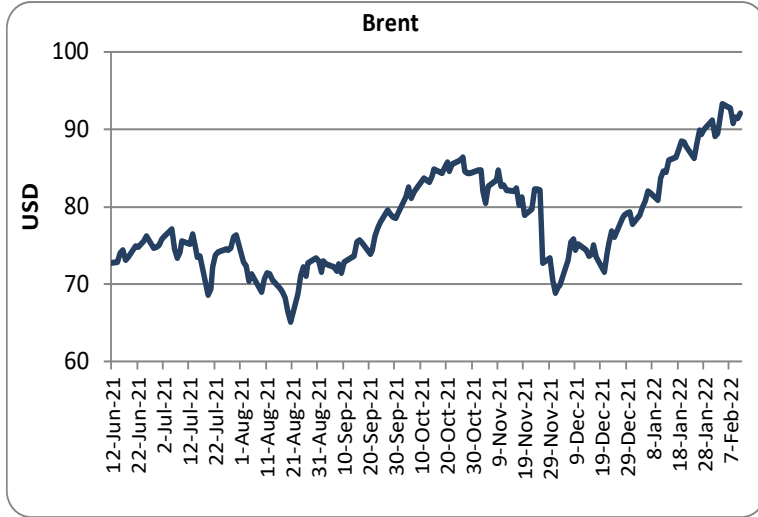
EQUITY		
Gross Purchase	Gross Sales	Net Investment
8700	10393	-1693

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
9257	10985	-1728

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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