



INDIA

- ❖ The benchmark 6.10% bond maturing in 2031 ended at 96.72 rupees, yielding 6.57%, compared with 96.58 rupees and a yield of 6.59% yesterday, the highest since Jan. 31, 2020.
- ❖ The Reserve Bank of India yesterday said it will auction 240 billion rupees of government bonds on Friday, including the new security that will mature in January 2032 for 130 billion rupees. The new note will replace the current 10-year benchmark note in the local debt market. The outstanding for the 2031 security is at 1.48 trillion rupees, close to the 1.5-trillion-rupee limit at which the government halts issuance of a bond.
- ❖ Trades worth 900 million rupees took place in the new 2032 note in the 'when issued' segment, and it was last dealt at a 6.52% yield. Market participants expect the yield on this paper to be set around five basis points lower than the current benchmark bond yield.
- ❖ Meanwhile, the benchmark Brent crude contract was 1.5% higher at \$82.10 a barrel, after declining over 1% yesterday.
- ❖ The Indian rupee rose for a third straight session to settle at an over three-month high against the dollar, aided by gains in regional currencies and fund flows. The rupee ended at 73.91 to a dollar, its highest since Sep. 27, compared with 74.04 in the previous session. Foreign investors have bought around \$395 million of Indian equities so far in January, compared with net outflow of \$2.5 billion in November and December. Moreover, inflows pertaining to Shriram Transport Finance's \$475-million bond issue also aided.
- ❖ Repo: The weighted average call rates in the interbank segment increased to 3.36% vs 3.31% as on day before yesterday, while that in the TREP segment increased to 3.48% vs 3.40% as on day before yesterday.

Market Observations

G-sec

- Bond yields eased after the central bank included a new 10-year note in an auction of government securities this week.
- Mutual funds and banks showed keen interest in up to 1 year maturity papers.
- Cut off on SDLs came as per market expectations.

Corporate Bonds

- Corporates seen active in the Jan-march maturities. However, major traction was seen in 2023 PSU, NBFC and HFC space.

CP

- The 1-3 month shorter end segment saw demand, while there was scattered demand in the longer end of the curve as investors are also keeping track on rising Covid cases locally.

CD

- 1- 3 month maturity papers were in demand. Participants remained on the sidelines in anticipation of higher retail inflation for the month of December to be released tomorrow.

GOI Yield	11-Jan	10-Jan	7-Dec	13-Dec
1 Year	4.330	4.330	4.140	4.140
5 Year	6.008	6.032	5.720	5.688
10 Year	6.570	6.590	6.391	6.371

AAA Bmk	11-Jan	10-Jan	7-Dec	13-Dec
1 Year	4.80	4.80	4.50	4.45
5 Year	6.28	6.28	6.00	5.98
10 Year	7.00	7.00	6.85	6.80

CD	11-Jan	10-Jan	7-Dec	13-Dec
3 Month	3.80	3.80	3.65	3.65
6 Month	4.00	4.00	3.95	3.95
1 Year	4.60	4.60	4.40	4.40

CP	11-Jan	10-Jan	7-Dec	13-Dec
3 Month	4.10	4.10	4.00	4.00
6 Month	4.70	4.70	4.55	4.65
1 Year	5.10	5.10	4.85	4.80

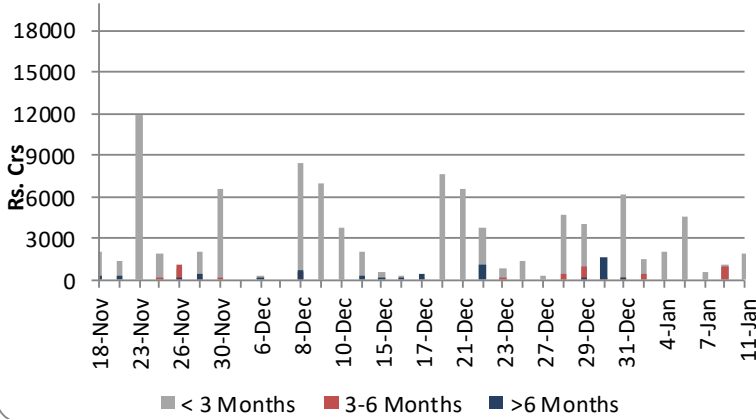
OIS Rate	11-Jan	10-Jan	7-Dec	13-Dec
1 Year	4.38	4.39	4.28	4.29
2 Year	4.91	4.93	4.78	4.80
3 Year	5.23	5.26	5.06	5.07
5 Year	5.57	5.62	5.34	5.38

	11-Jan	10-Jan	7-Dec	13-Dec
Sensex	60,617	60,396	57,634	58,283
Nifty	18,056	18,003	17,177	17,368
USD/INR	73.91	74.04	75.44	75.77
Gold (USD)	1,806	1,801	1,784	1,787
Oil (USD)	82.08	80.87	75.44	74.39

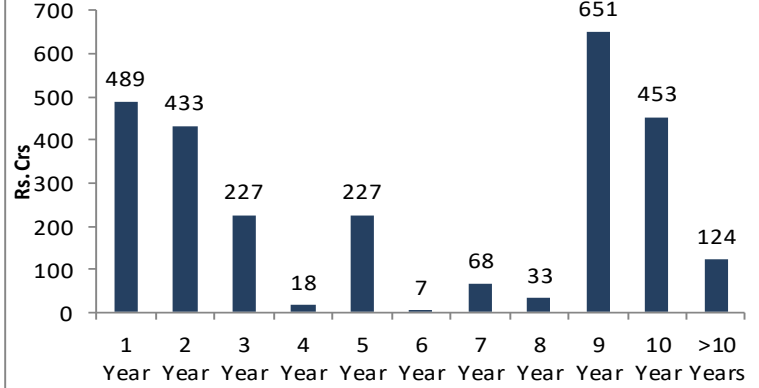
NDF	11-Jan	10-Jan	7-Dec	13-Dec
3 Month	74.78	74.83	75.99	76.38
1 Year	77.30	77.40	78.91	79.29
2 Year	80.72	80.67	82.34	82.72
3 Year	83.95	84.76	86.36	86.68



CP Primary Volume



Bonds Volume



10 Year Benchmarks	11-Jan	10-Jan	7-Dec	13-Dec
India	6.57	6.59	6.39	6.37
US	1.76	1.76	1.48	1.41
South Korea	2.49	2.48	2.24	2.17
Russia	8.63	8.58	8.59	8.57
Brazil	11.14	11.14	11.00	10.59
Germany	-0.04	-0.04	-0.38	-0.38
China	2.80	2.81	2.86	2.86

Top Traded Securities	Volume	11-Jan	10-Jan	7-Dec	13-Dec
5.15 GOI 2025	785	5.79	5.81	5.49	5.47
5.63 GOI 2026	170	5.93	5.95	5.72	5.69
5.74 GOI 2026	3,615	6.01	6.03	5.74	5.72
6.10 GOI 2031	285	6.57	6.59	6.39	6.37
6.64 GOI 2035	-	7.04	7.05	6.79	6.79
6.67 GOI 2035	-	7.03	7.06	6.77	6.77

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
5-Jan-22	4507	3369	1138

EQUITY		
Gross Purchase	Gross Sales	Net Investment
5343	4174	1169

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
9850	7543	2306

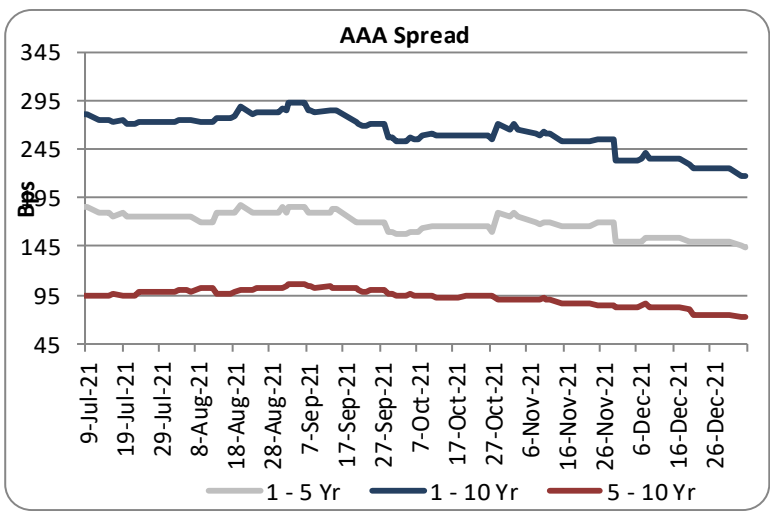
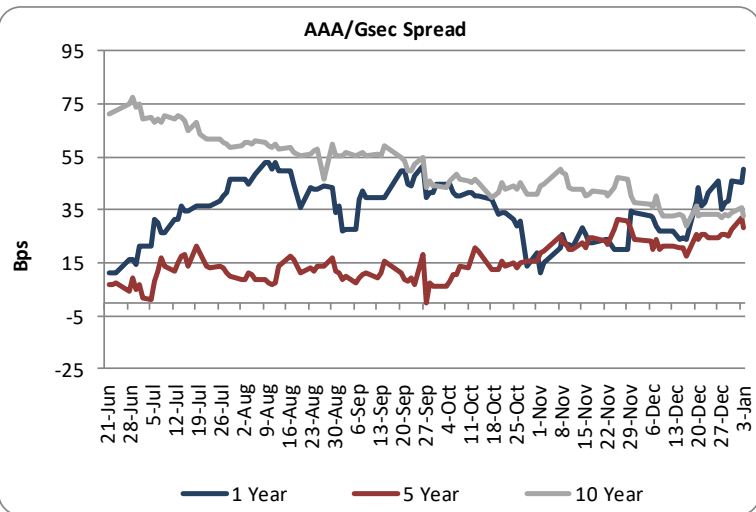
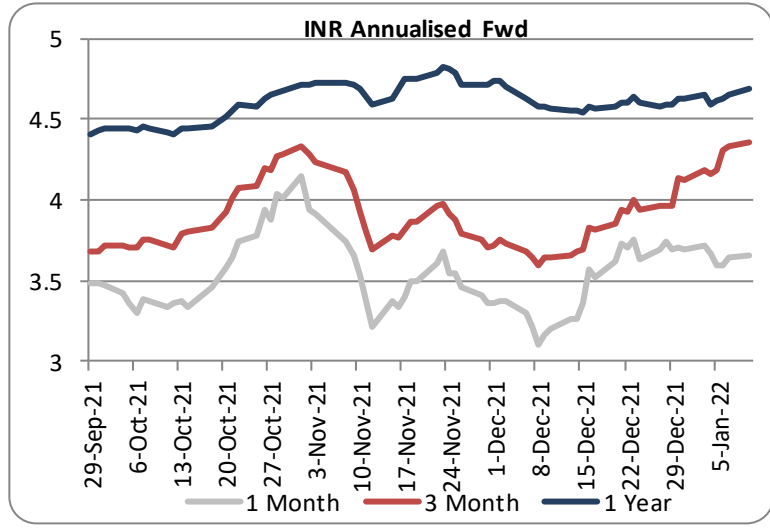
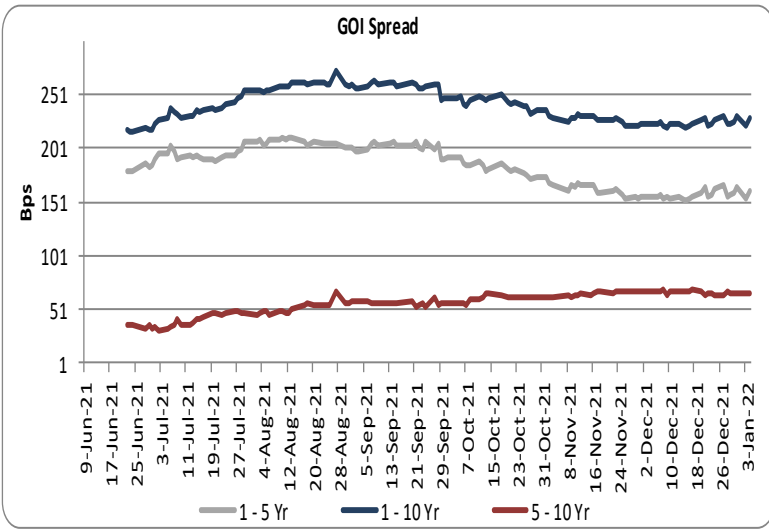
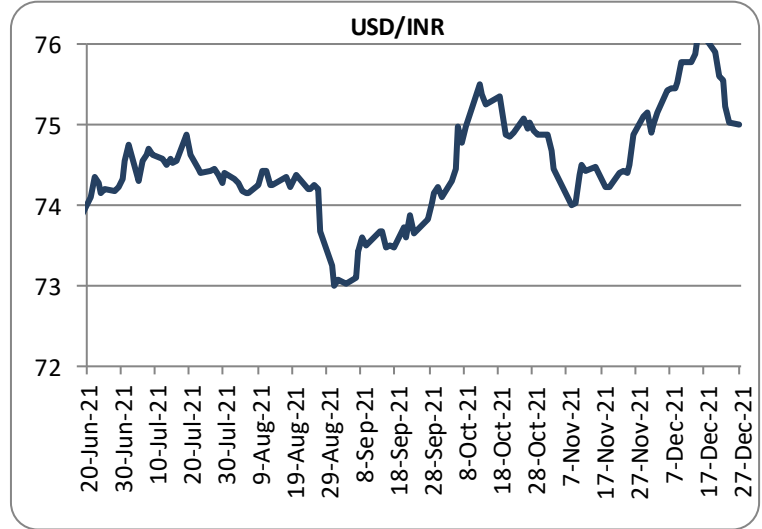
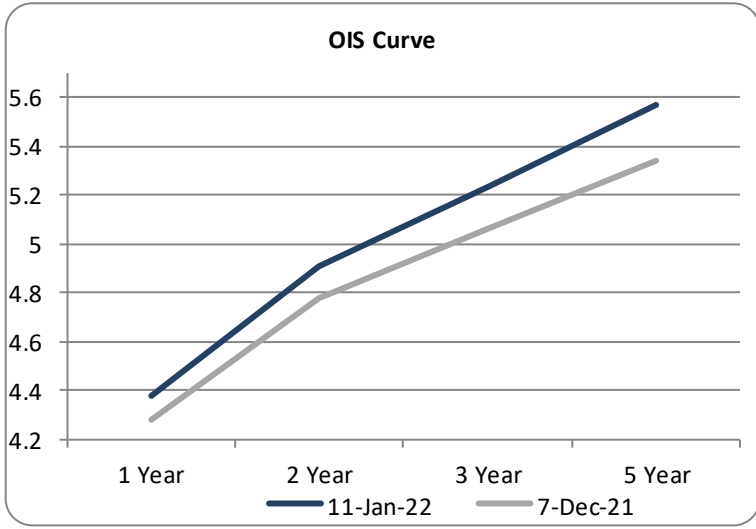
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
11-Jan-22	714	1214	-500

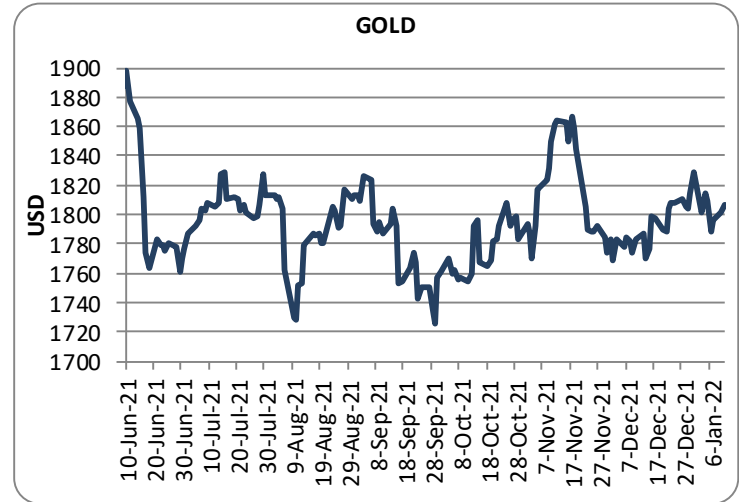
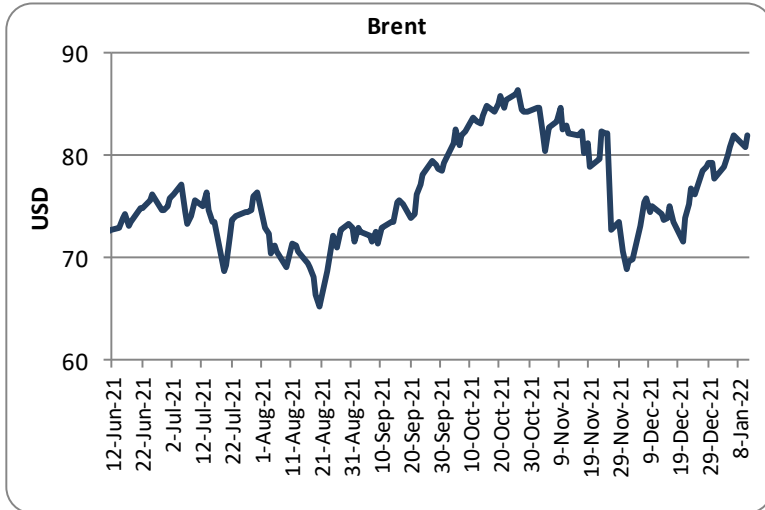
EQUITY		
Gross Purchase	Gross Sales	Net Investment
6155	6300	-145

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
6869	7514	-645

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 (%)	Nov-21	14.2	12.5
CPI (%)	Nov-21	4.9	4.5
IIP (%)	Oct-21	3.2	3.3
PMI Manufacturing	Dec-21	55.5	57.6
PMI Service	Dec-21	55.5	58.1

Economic Calender	Country	Date	Poll	Prior
CPI	China	12-Jan-22	1.80	2.30
CPI	Czech Republic	12-Jan-22	-	6.00
CPI	India	12-Jan-22	5.80	4.91
Industrial Output	India	12-Jan-22	3.00	3.20
CPI	Russia	12-Jan-22	8.20	8.40
Imports	China	14-Jan-22	26.30	31.70
Industrial Output	UK	14-Jan-22	0.50	1.40
Retail Sales	Brazil	14-Jan-22	(6.50)	(7.10)





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

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