



INDIA

- ❖ The benchmark 6.10% bond maturing in 2031 ended at 96.78 rupees, yielding 6.56% in Mumbai, as compared with 96.56 rupees and a yield of 6.59% yesterday, the highest since January 2020.
- ❖ The Reserve Bank of India has been removing surplus cash with lenders via variable reverse repo auctions this year. It has so far conducted three-day to 28-day reverse repos worth an aggregate of 12 trillion rupees, but most of these auctions were not fully subscribed.
- ❖ The central bank did not announce a variable rate reverse repo operation for today, when a three-day reverse repo worth 1.84 trillion rupees is due to mature. Banks have parked around 4.91 trillion rupees with the central bank under multiple reverse repos, of which a 14-day VRRR is due to mature tomorrow.
- ❖ The Govt. will raise 240 billion rupees through a sale of bonds tomorrow, including the new 2032 note for 130 billion rupees. Traders expect the cut-off yield on the 2032 security to be around five basis points below the current benchmark 6.10% 2031 bond. The proposed 2032 note was traded at 6.54% in the so-called 'when issued' market.
- ❖ Benchmark Brent crude futures rose above \$85 per barrel for the first time in two months yesterday, and was last at \$84.80 per barrel.
- ❖ The Indian rupee ended at an over three-month high against the U.S. currency tracking a broad dollar decline. However, expectations that the country's central bank is unlikely to allow the rupee to appreciate significantly from current levels capped gains. The rupee ended at 73.88 per dollar versus 73.91 in the previous session. The unit traded in a 12-paise band today.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.28% vs 3.33% as on day before yesterday, while that in the TREP segment decreased to 3.21% vs 3.39% as on day before yesterday.

Market Observations

G-sec

- Bond yields ended lower after the central bank did not announce the rollover of a three-day variable rate reverse repo auction, aiding investor sentiment ahead of the auction of a new 10-year security.

Corporate Bonds

- Activity was observed across the yield curve.
- Major traction witnessed in 2023-2025 segment.

CP

- Levels were quoted lower by 2-3 BPS across segments as investors parked funds in CP amid lower CD issuances. Mutual Funds have received 6-7% inflow in floater funds and have been buying throughout all maturity CPs as well as CDs.

CD

- The longer end of the curve was in demand. Liquidity in the banking system is at a surplus at approximately 6.73 trln rupees.

GOI Yield	13-Jan	12-Jan	9-Dec	16-Dec
1 Year	4.360	4.360	4.140	4.160
5 Year	5.968	6.018	5.701	5.694
10 Year	6.561	6.593	6.348	6.375

AAA Bmk	13-Jan	12-Jan	9-Dec	16-Dec
1 Year	4.75	4.80	4.45	4.45
5 Year	6.25	6.28	5.98	5.98
10 Year	7.00	7.00	6.80	6.80

CD	13-Jan	12-Jan	9-Dec	16-Dec
3 Month	3.80	3.80	3.65	3.65
6 Month	4.00	4.00	3.95	3.95
1 Year	4.55	4.60	4.40	4.40

CP	13-Jan	12-Jan	9-Dec	16-Dec
3 Month	4.07	4.10	4.00	4.30
6 Month	4.67	4.70	4.65	4.75
1 Year	5.08	5.10	4.80	4.90

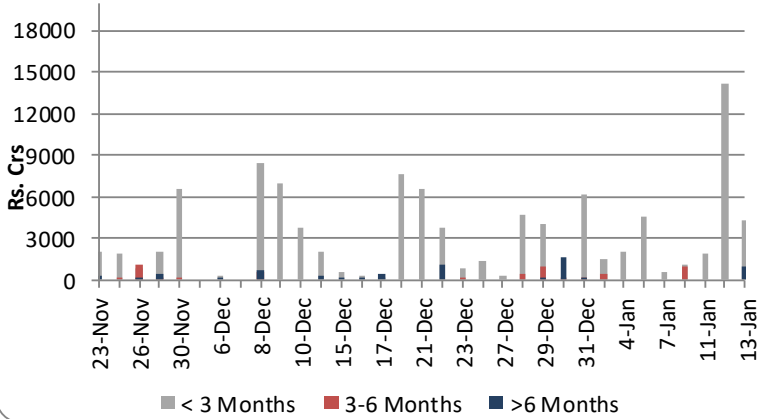
OIS Rate	13-Jan	12-Jan	9-Dec	16-Dec
1 Year	4.37	4.40	4.23	4.31
2 Year	4.90	4.92	4.72	4.82
3 Year	5.23	5.24	5.00	5.08
5 Year	5.57	5.57	5.32	5.37

	13-Jan	12-Jan	9-Dec	16-Dec
Sensex	61,235	61,150	58,807	57,901
Nifty	18,258	18,212	17,517	17,248
USD/INR	73.88	73.91	75.52	76.09
Gold (USD)	1,823	1,825	1,774	1,799
Oil (USD)	84.77	84.67	74.42	75.02

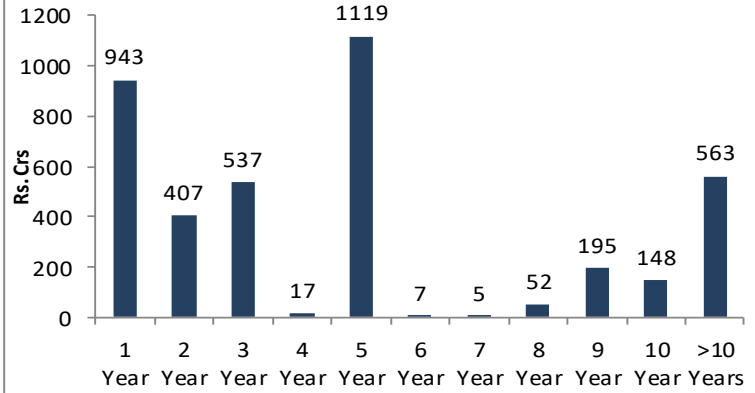
NDF	13-Jan	12-Jan	9-Dec	16-Dec
3 Month	74.78	74.67	76.29	76.82
1 Year	77.33	77.19	79.10	79.55
2 Year	80.95	80.46	82.63	83.30
3 Year	84.71	84.59	86.44	87.15



CP Primary Volume



Bonds Volume



10 Year Benchmarks	13-Jan	12-Jan	9-Dec	16-Dec
India	6.57	6.59	6.35	6.37
US	1.75	1.75	1.50	1.42
South Korea	2.40	2.43	2.19	2.15
Russia	8.84	8.72	8.57	8.53
Brazil	11.32	11.32	10.72	10.67
Germany	-0.05	-0.06	-0.35	-0.35
China	2.79	2.80	2.86	2.86

Top Traded Securities	Volume	13-Jan	12-Jan	9-Dec	16-Dec
5.15 GOI 2025	2,470	5.73	5.79	5.45	5.50
5.63 GOI 2026	185	5.87	5.94	5.66	5.69
5.74 GOI 2026	7,590	5.97	6.02	5.70	5.74
6.10 GOI 2031	130	6.56	6.59	6.35	6.37
6.64 GOI 2035	-	7.02	7.05	6.77	6.78
6.67 GOI 2035	-	7.01	7.05	6.75	6.77

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
11-Jan-22	4453	4159	293

EQUITY		
Gross Purchase	Gross Sales	Net Investment
3949	3202	747

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
8401	7361	1040

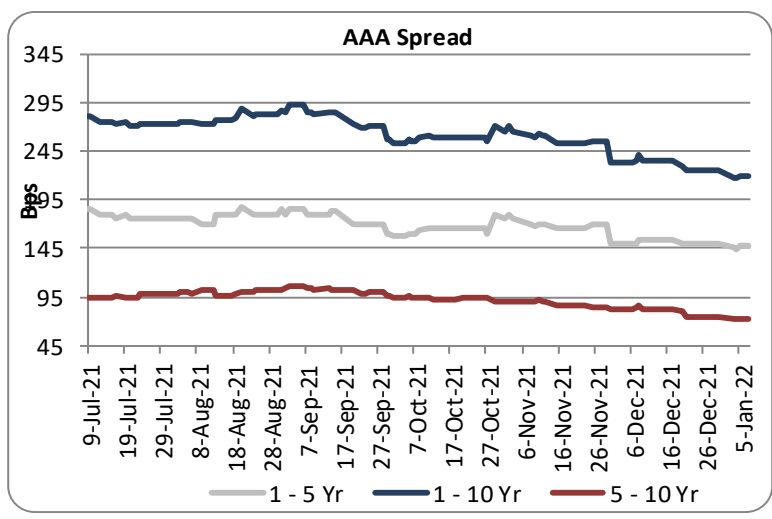
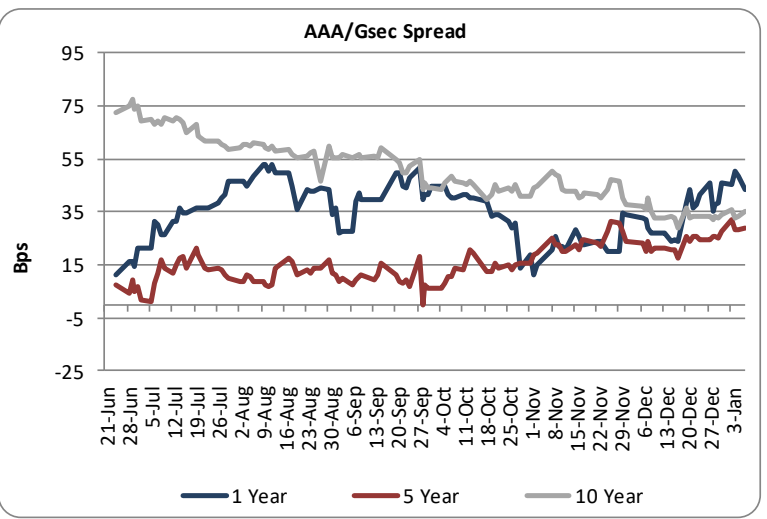
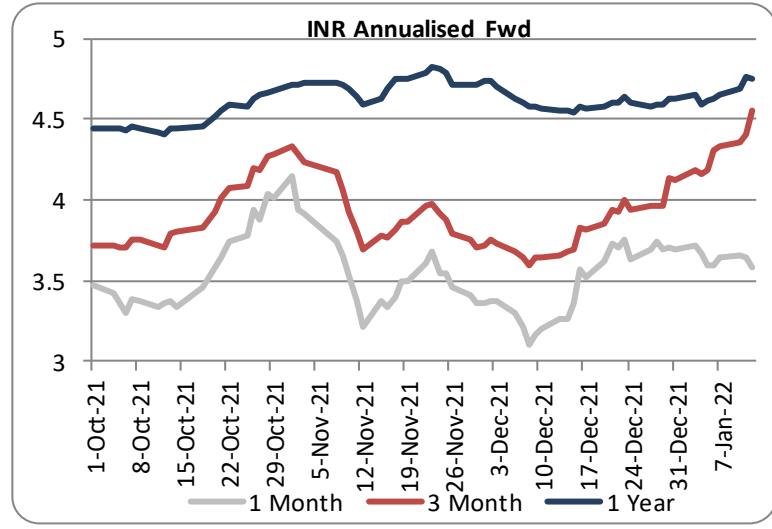
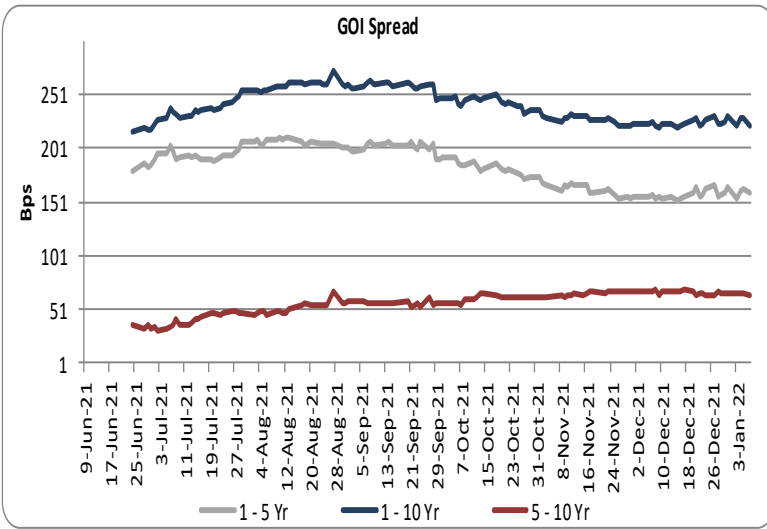
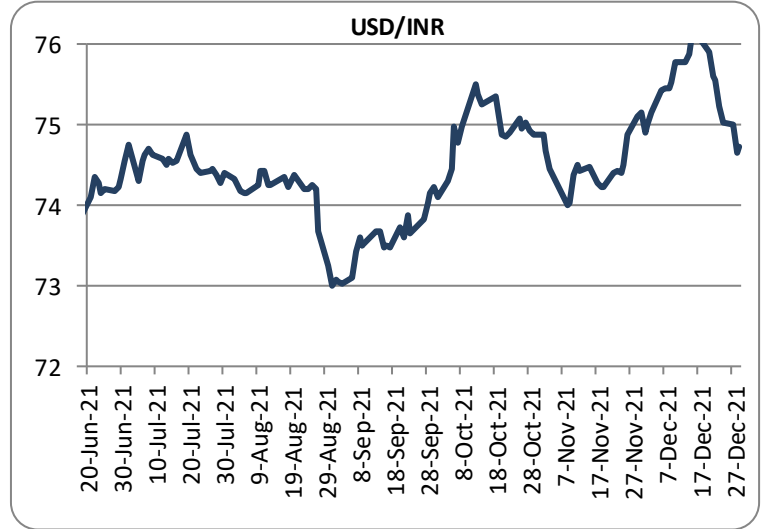
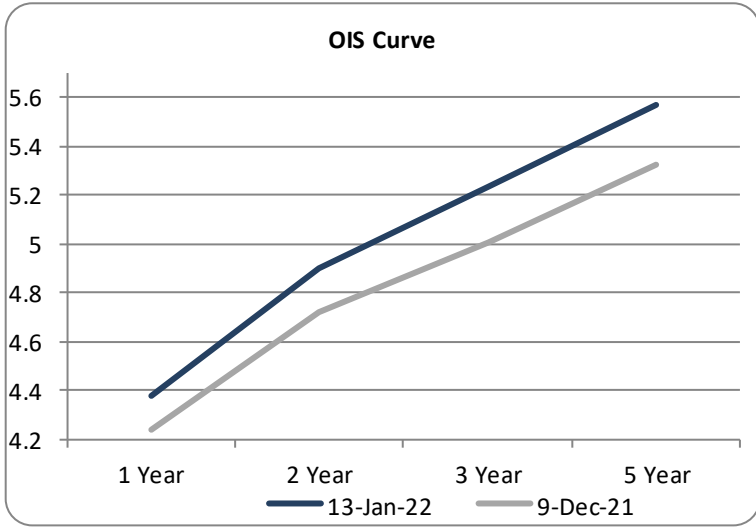
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
13-Jan-22	892	568	323

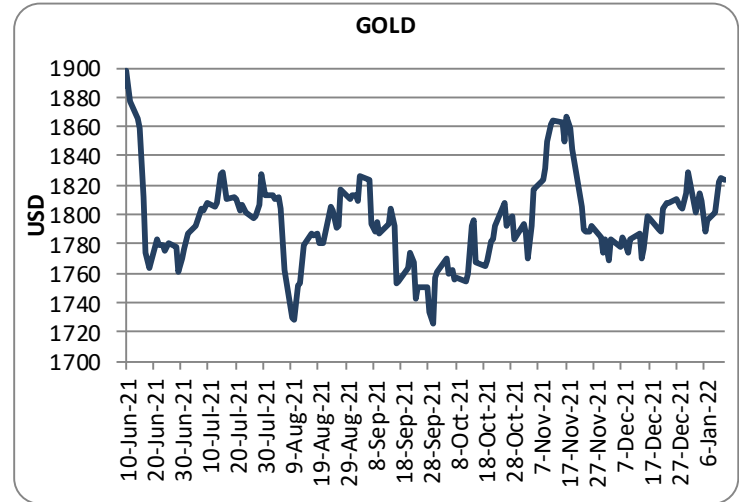
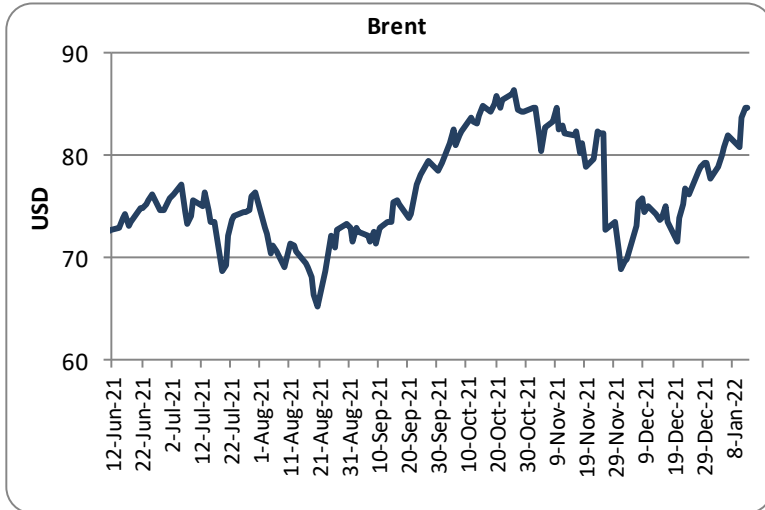
EQUITY		
Gross Purchase	Gross Sales	Net Investment
7154	7880	-725

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
8046	8448	-402

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 (%)	Dec-21	5.6	4.9
IIP (%)	Nov-21	1.4	3.2
PMI Manufacturing	Dec-21	55.5	57.6
PMI Service	Dec-21	55.5	58.1

Economic Calender	Country	Date	Poll	Prior
WPI	India	14-Jan-22	13.50	14.23
Industrial Output	UK	14-Jan-22	0.50	1.40
CPI	Sweden	14-Jan-22	3.80	3.30
Retail Sales	Brazil	14-Jan-22	(6.50)	(7.10)
GDP	China	17-Jan-22	3.60	4.90
CPI	UK	19-Jan-22	-	5.10
CPI	South Africa	19-Jan-22	-	5.50
Exports	Japan	20-Jan-22	-	20.50





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

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