



INDIA

- ❖ The benchmark 6.10% bond maturing in 2031 ended at 96.64 rupees, yielding 6.58%, against 96.78 rupees, yielding 6.56%, yesterday. The benchmark bond yield rose four basis points this week, after rising nine basis points last week.
- ❖ India's WPI rate in December eased for the first time in five months, as prices of fuel and manufactured products rose at a slower pace. Wholesale prices rose 13.56% on year vs 14.23% previously.
- ❖ Oil prices gained for the fourth consecutive week, with the benchmark Brent crude futures rising above \$85 per barrel for the first time in two months, on easing concerns that rising Omicron cases will impact fuel demand. It was last trading at \$85.50 per barrel, up 4.5% this week..
- ❖ The central bank today devolved over 54 billion rupees of new 10-year security, while setting a cutoff yield of 6.54%, which was largely in line with estimates. This note ended at 99.87 rupees and 6.56% yield in secondary market.
- ❖ India parliament's first part of the so-called budget session will start from Jan. 31 and run until Feb. 11. The finance minister will likely detail the federal budget for the next year on Feb. 1.
- ❖ The Indian rupee rose tracking gains in most regional currencies amid a persistent drop in the dollar index. The rupee was at 74.15 to a dollar at 3:30 p.m. today. It traded in a 73.77 to 74.21 band this week amid corporate dollar sales, carry trade related selling, fund flows and rumours of intervention from the Reserve Bank of India.
- ❖ Repo: The weighted average call rates in the interbank segment increased to 3.42% vs 3.28% as on day before yesterday, while that in the TREP segment increased to 3.45% vs 3.21% as on day before yesterday.

Market Observations

G-sec

- Bond yields rose for a second consecutive week, as rising crude oil prices sparked inflation worries, while absence of any major support from the central bank also hurt sentiment. Yields are expected to rise further since the market is not enthused with the level at which the new 10-year bond was devolved.
- RBI sets the cut off yield at 6.54% for the new 10 year Benchmark. However 40% of the issue got devolved on PDs.
- Cut offs on FRB 34 and 6.95% GOI 2061 came as per market expectations.

Corporate Bonds

- Major activity witnessed in the 1-2 year segment.
- During the week highest inflow was witnessed in Floater Funds & Low Duration Schemes.

CP

- Demand was seen in the 3 month segment.

CD

- The longer end of the curve was in demand (1year maturity). Liquidity in the banking system is expected to reduce due to GST payments and state debt auctions increasing in quantum.

GOI Yield	14-Jan	13-Jan	10-Dec	17-Dec
1 Year	4.360	4.360	4.140	4.170
5 Year	5.970	5.968	5.686	5.722
10 Year	6.582	6.561	6.370	6.410

AAA Bmk	14-Jan	13-Jan	10-Dec	17-Dec
1 Year	4.75	4.75	4.45	4.45
5 Year	6.25	6.25	5.98	5.98
10 Year	7.00	7.00	6.80	6.80

CD	14-Jan	13-Jan	10-Dec	17-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	4.55	4.40	4.40

CP	14-Jan	13-Jan	10-Dec	17-Dec
3 Month	4.07	4.07	4.00	4.30
6 Month	4.67	4.67	4.65	4.75
1 Year	5.08	5.08	4.80	4.90

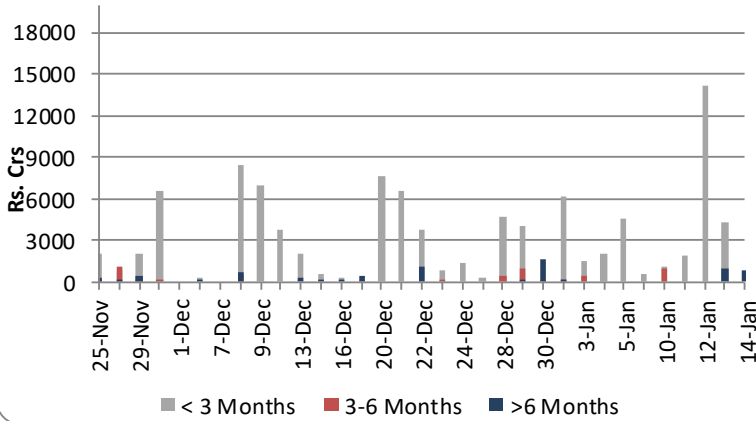
OIS Rate	14-Jan	13-Jan	10-Dec	17-Dec
1 Year	4.34	4.37	4.25	4.29
2 Year	4.85	4.90	4.76	4.78
3 Year	5.22	5.23	5.03	5.06
5 Year	5.55	5.57	5.33	5.34

	14-Jan	13-Jan	10-Dec	17-Dec
Sensex	61,223	61,235	58,787	57,012
Nifty	18,256	18,258	17,511	16,985
USD/INR	74.15	73.88	75.77	76.09
Gold (USD)	1,824	1,822	1,783	1,798
Oil (USD)	84.64	84.47	75.15	73.52

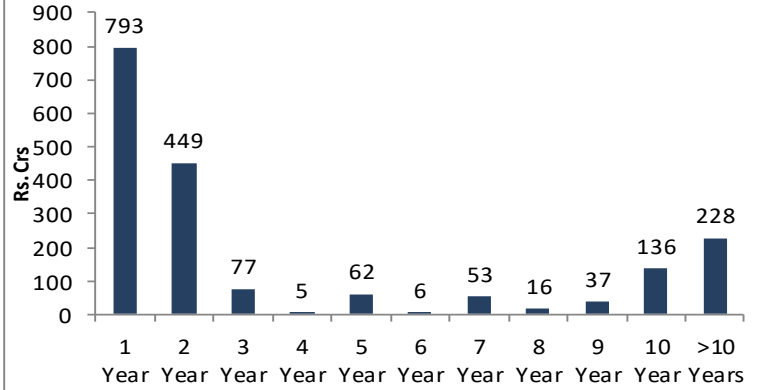
NDF	14-Jan	13-Jan	10-Dec	17-Dec
3 Month	74.89	74.82	76.42	76.76
1 Year	77.55	77.36	79.29	79.55
2 Year	80.85	80.64	82.74	83.17
3 Year	84.92	84.74	86.54	86.99



CP Primary Volume



Bonds Volume



10 Year Benchmarks	14-Jan	13-Jan	10-Dec	17-Dec
India	6.58	6.56	6.37	6.41
US	1.72	1.70	1.48	1.41
South Korea	2.45	2.40	2.20	2.15
Russia	9.44	9.01	8.54	8.42
Brazil	11.31	11.00	10.52	10.81
Germany	-0.07	-0.09	-0.35	-0.38
China	2.80	2.79	2.85	2.86

Top Traded Securities	Volume	14-Jan	13-Jan	10-Dec	17-Dec
5.15 GOI 2025	660	5.74	5.73	5.47	5.54
5.63 GOI 2026	185	5.88	5.87	5.69	5.72
5.74 GOI 2026	6,555	5.97	5.97	5.71	5.76
6.10 GOI 2031	55	6.58	6.56	6.37	6.41
6.64 GOI 2035	-	7.02	7.02	6.78	6.80
6.67 GOI 2035	5	7.03	7.01	6.76	6.80

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

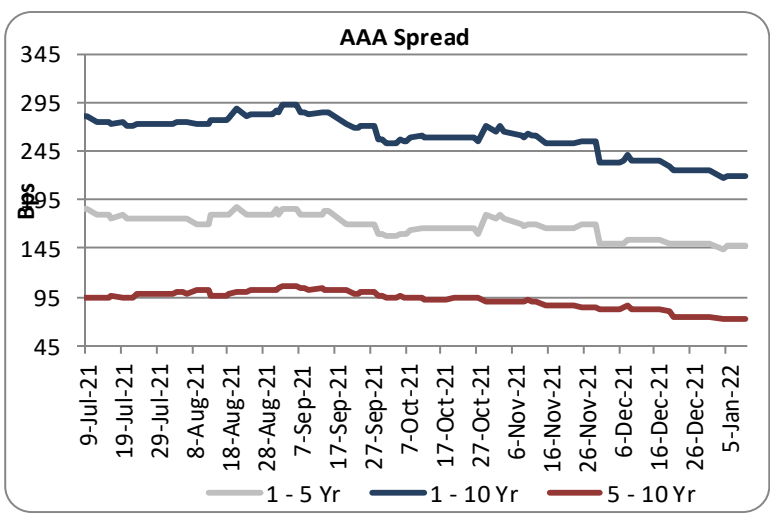
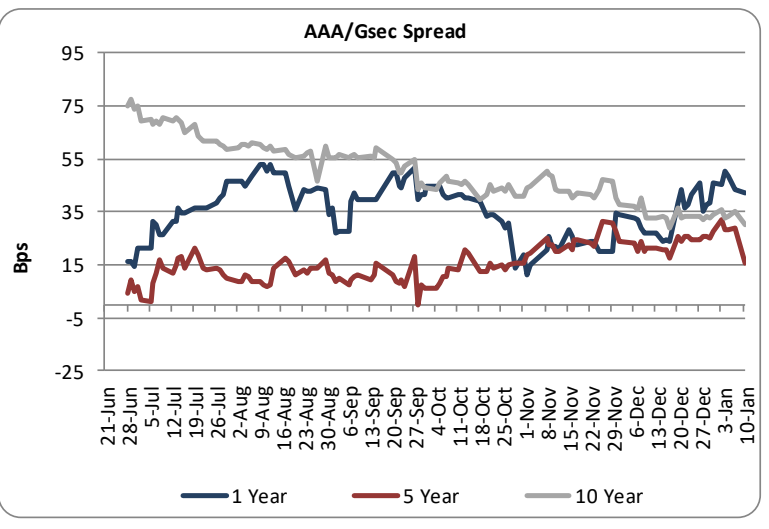
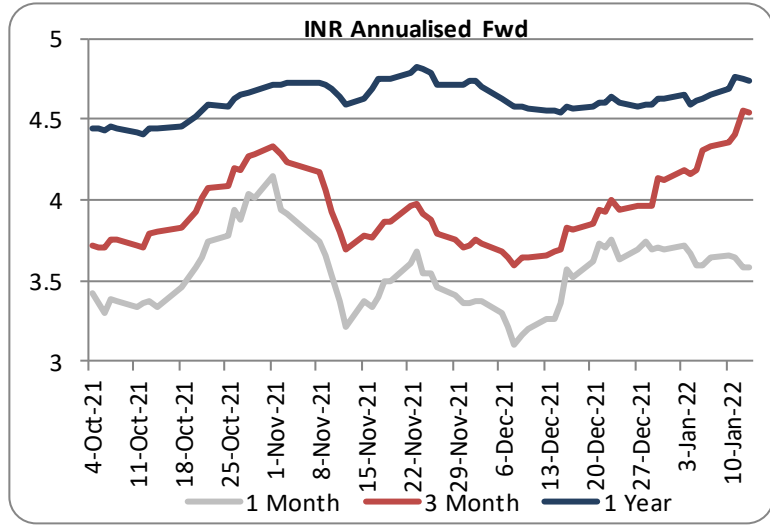
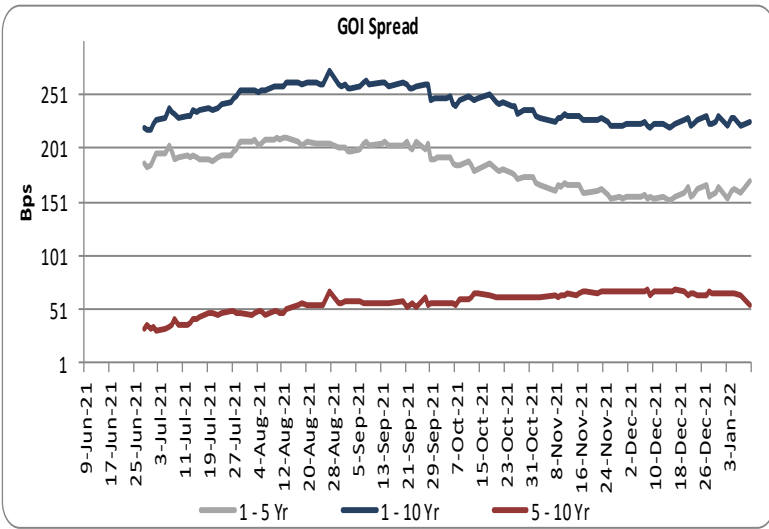
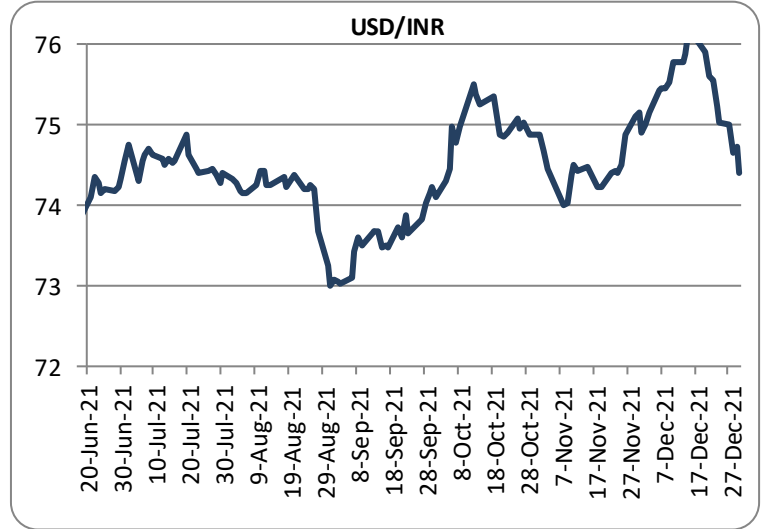
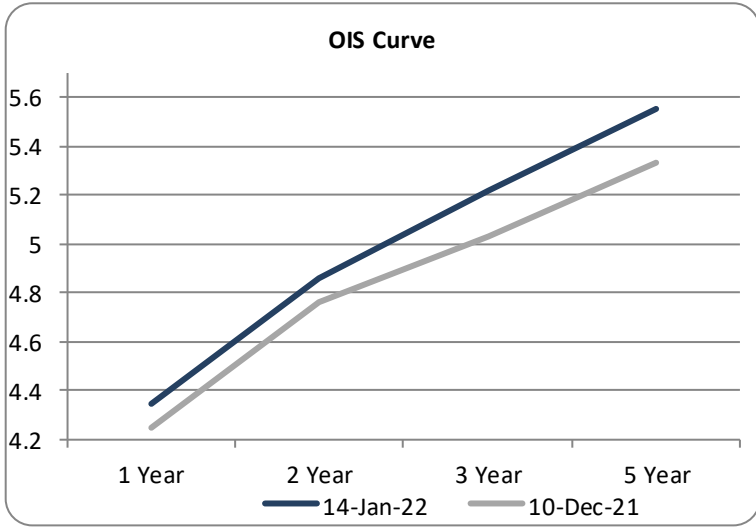
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
14-Jan-22	0	381	629

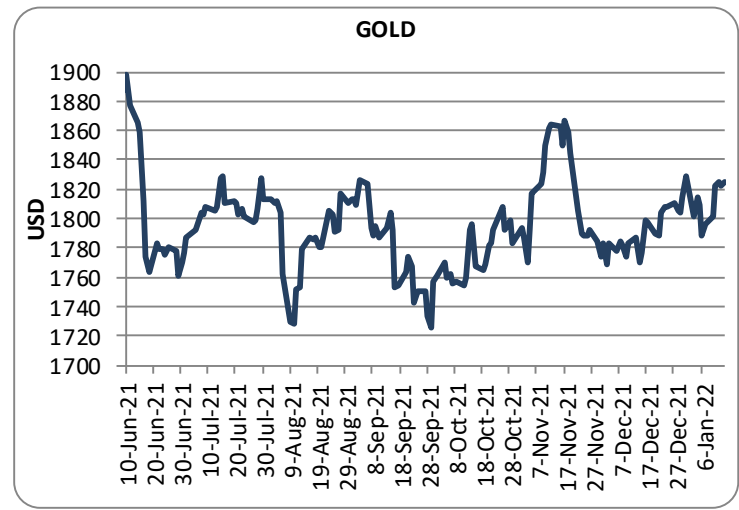
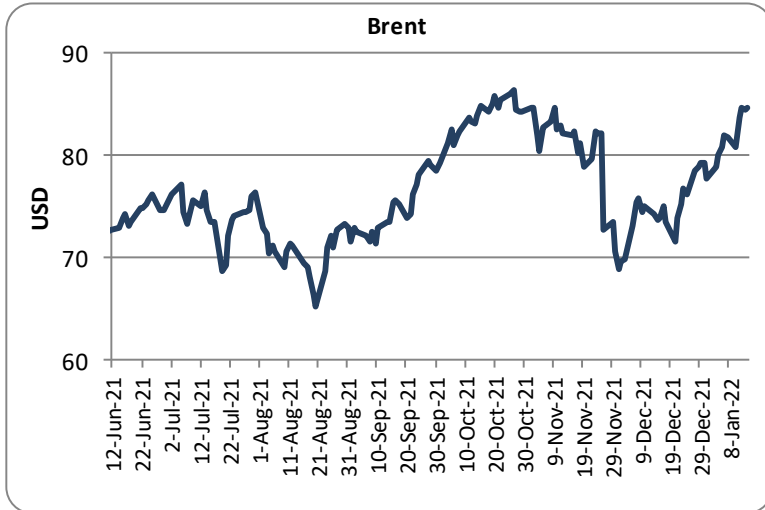
EQUITY		
Gross Purchase	Gross Sales	Net Investment
7478	8849	-1371

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
7478	9229	-742

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	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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