



INDIA

- ❖ The benchmark 6.10% bond maturing in 2031 ended at 96.33 rupees, yielding 6.63%, versus 96.27 rupees and a yield of 6.64% yesterday. The yield had climbed to 6.67% in early trade, the highest since January 2020.
- ❖ Bond yields had risen earlier today tracking constant upward movement in U.S. Treasury yields as well as oil prices for the past few sessions. U.S. Treasury yields rose, with the 10-year yield jumping above the 1.85% level for the first time in two years as investors expected the Federal Reserve to hike interest rates as soon as it winds up its asset purchases in March to quell rising inflation. The Fed's next policy meeting is due Jan. 25-26. The 10-year Treasury yield was at 1.829%.
- ❖ The benchmark Brent crude contract rose to its highest level in over seven years today and was at \$87.26 per barrel amid tight supplies and following a drone attack by Yemen's Houthi rebels on storage facilities in the United Arab Emirates, the third largest oil producer in the OPEC group.
- ❖ Meanwhile, India's central bank had not undertaken any follow-up action to support market appetite apart from intervening in auctions. It has opted to devolve bonds in three of the last four auctions, while not accepting bids for some papers in the remaining one.
- ❖ Meanwhile, investors awaited a 240-billion-rupee weekly bond auction on Friday, which includes the sale of the liquid 5.74% 2026 note as well as the 6.67% 2035 paper.
- ❖ The Indian rupee settled at a three-week low against the dollar, after global oil prices rose to the highest in more than seven years and as local equities slumped. The rupee ended at 74.57 per dollar, its lowest since Dec. 29, as compared with 74.24 yesterday.
- ❖ Repo: The weighted average call rates in the interbank segment increased to 3.61% vs 3.41% as on day before yesterday, while that in the TREP segment increased to 3.66% vs 3.47% as on day before yesterday.

Market Observations

G-sec

- Bond yields came off highs to settle largely unchanged, with traders awaiting Finance Minister Nirmala Sitharaman's address to the media later today for cues.
- Auction cut off on SDLs came in line with market expectations.

Corporate Bonds

- Major traction was seen in the 2-5 year segment. However, yields are steady as investors kept to the sidelines and await for fresh domestic cues.
- A sizable trade was dealt in NABARD 2025.
- PRU MF has been selling longer maturity bonds in the last couple of trading days.
- Tighter oil supply going forward could be a cause of concern for yields.

CP

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

CD

- 1-3 month maturity papers were in demand. Weighted average call rate is up from yesterday; weighted average TREPS rate up 10 basis points. Banks have parked money in VRRRs and therefore showed interest in overnight funds.

GOI Yield	18-Jan	17-Jan	11-Jan	21-Dec
1 Year	4.370	4.360	4.330	4.170
5 Year	5.947	6.035	6.008	5.826
10 Year	6.626	6.636	6.570	6.469

AAA Bmk	18-Jan	17-Jan	11-Jan	21-Dec
1 Year	4.80	4.80	4.80	4.65
5 Year	6.28	6.28	6.28	6.15
10 Year	7.10	7.10	7.00	6.90

CD	18-Jan	17-Jan	11-Jan	21-Dec
3 Month	3.80	3.80	3.80	3.65
6 Month	4.00	4.00	4.00	3.95
1 Year	4.55	4.55	4.60	4.40

CP	18-Jan	17-Jan	11-Jan	21-Dec
3 Month	4.07	4.07	4.10	4.30
6 Month	4.67	4.67	4.70	4.75
1 Year	5.08	5.08	5.10	4.90

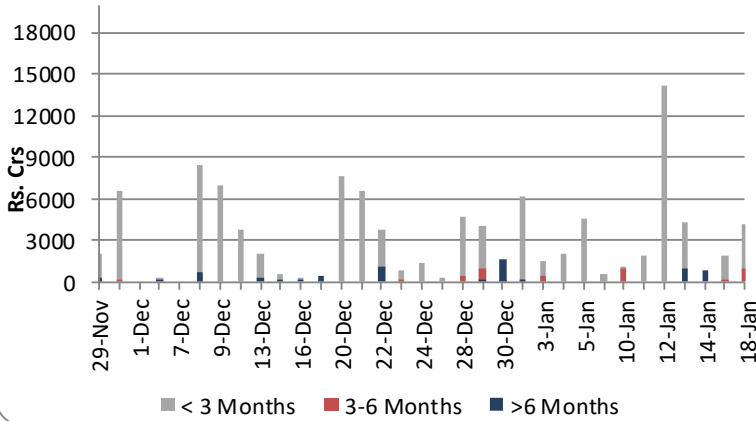
OIS Rate	18-Jan	17-Jan	11-Jan	21-Dec
1 Year	4.41	4.38	4.38	4.39
2 Year	4.97	4.92	4.91	4.86
3 Year	5.34	5.29	5.23	5.12
5 Year	5.69	5.63	5.57	5.35

	18-Jan	17-Jan	11-Jan	21-Dec
Sensex	60,755	61,309	60,617	56,319
Nifty	18,113	18,308	18,056	16,771
USD/INR	74.57	74.24	73.91	75.60
Gold (USD)	1,813	1,819	1,822	1,788
Oil (USD)	87.62	86.48	83.72	73.98

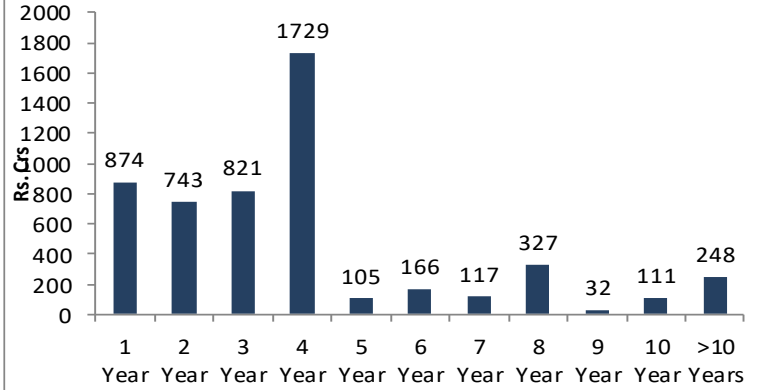
NDF	18-Jan	17-Jan	11-Jan	21-Dec
3 Month	75.50	75.14	74.49	76.40
1 Year	78.03	77.66	77.09	79.17
2 Year	81.63	80.92	80.62	82.77
3 Year	85.02	84.42	83.85	86.62



CP Primary Volume



Bonds Volume



10 Year Benchmarks	18-Jan	17-Jan	11-Jan	21-Dec
India	6.63	6.64	6.57	6.47
US	1.82	1.79	1.75	1.47
South Korea	2.55	2.57	2.49	2.10
Russia	9.50	9.44	8.69	8.46
Brazil	11.06	11.06	11.25	10.57
Germany	-0.03	-0.03	-0.03	-0.30
China	2.76	2.79	2.80	2.86

Top Traded Securities	Volume	18-Jan	17-Jan	11-Jan	21-Dec
5.15 GOI 2025	1,935	5.81	5.81	5.79	5.63
5.63 GOI 2026	105	5.95	5.93	5.93	5.79
5.74 GOI 2026	9,490	6.06	6.04	6.01	5.83
6.10 GOI 2031	325	6.63	6.64	6.57	6.47
6.64 GOI 2035	-	7.08	7.08	7.04	6.86
6.67 GOI 2035	45	7.08	7.08	7.03	6.87

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

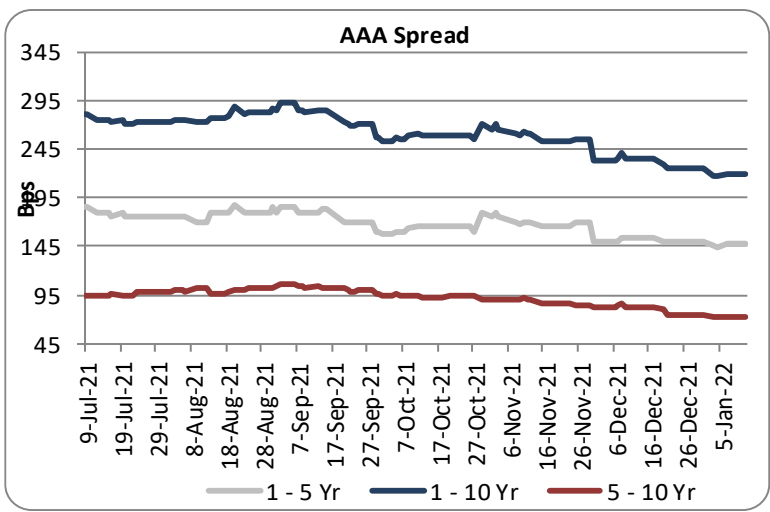
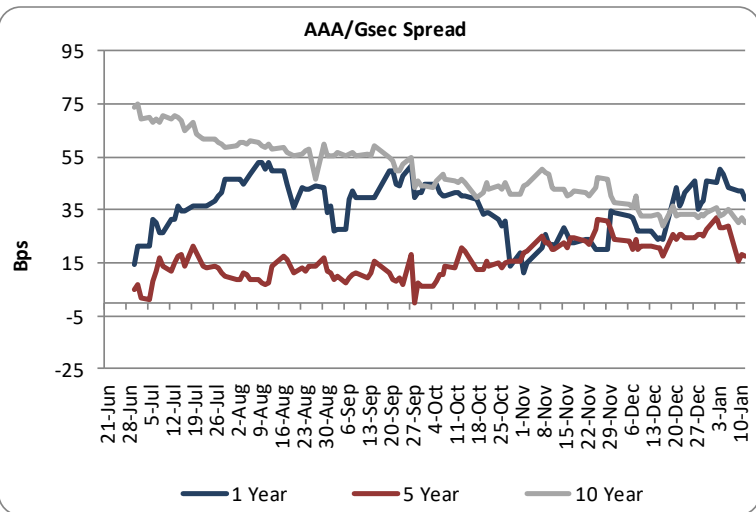
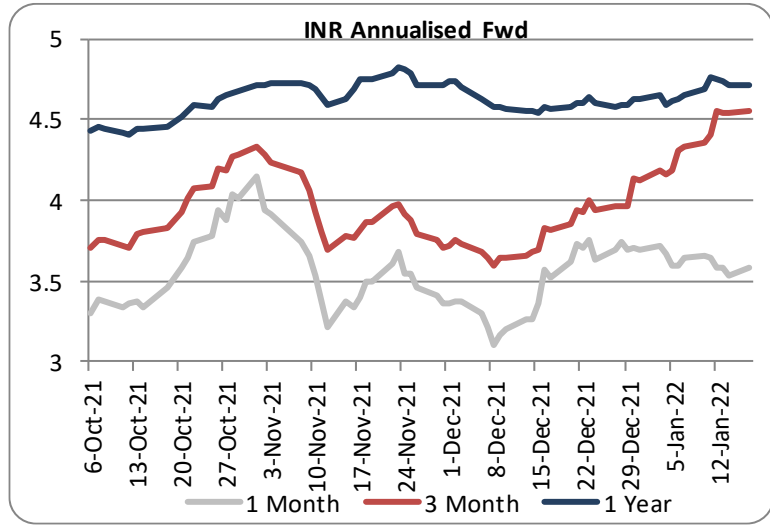
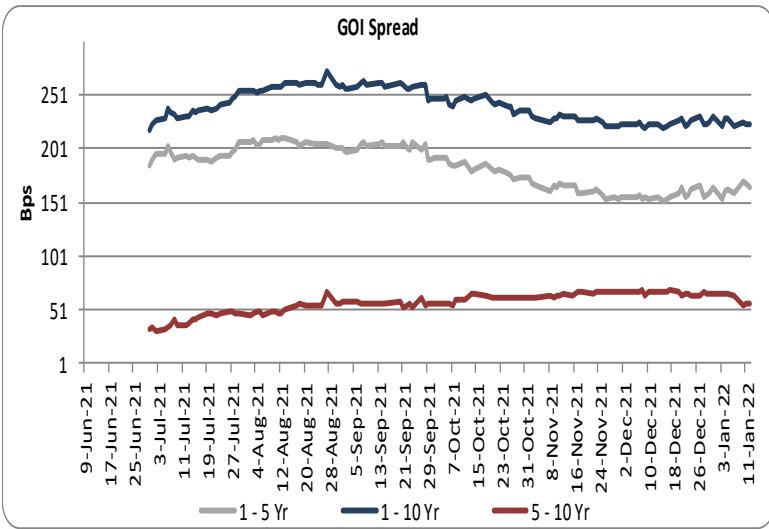
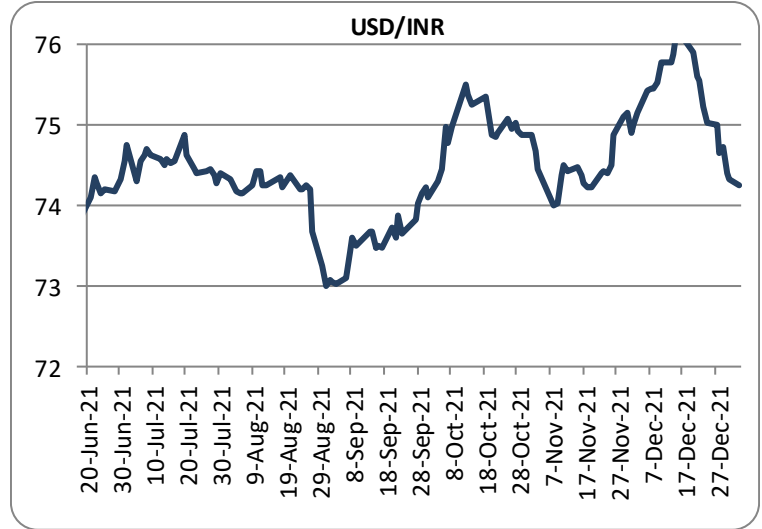
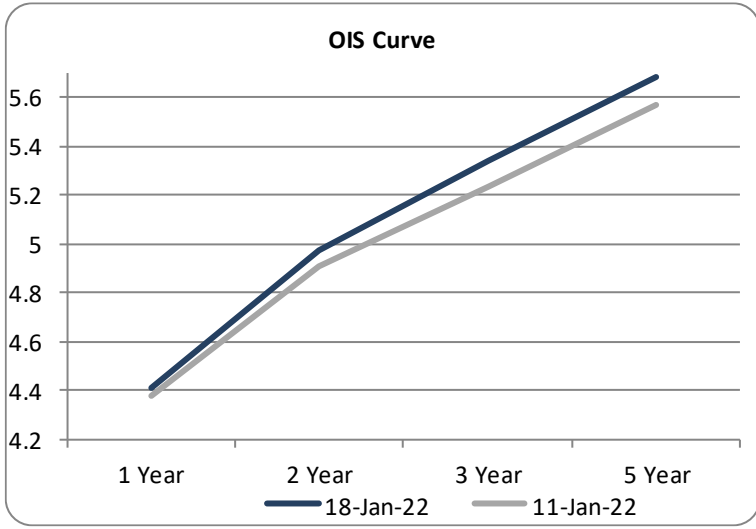
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
18-Jan-22	871	443	427

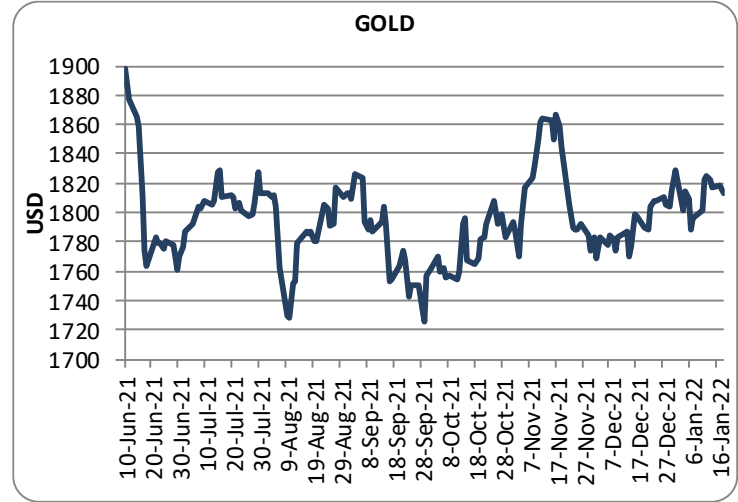
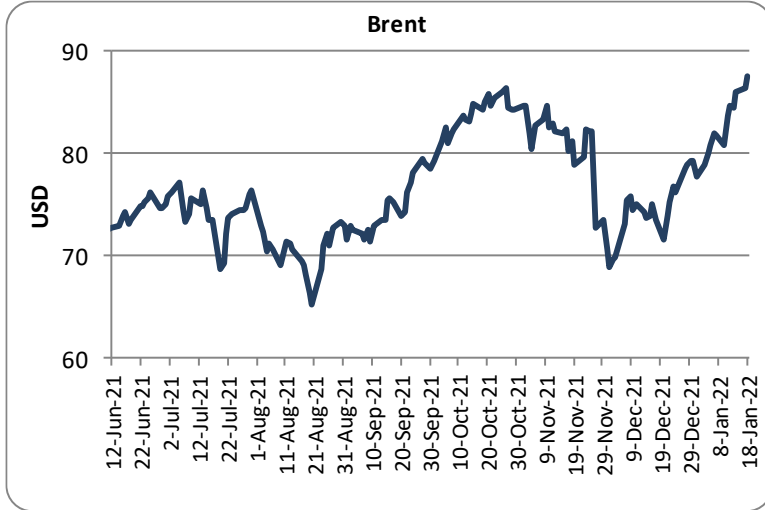
EQUITY		
Gross Purchase	Gross Sales	Net Investment
6312	6556	-244

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
7183	6999	184

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
Employment Rate	UK	18-Jan-22	4.20	4.20
CPI	UK	19-Jan-22	5.20	5.10
CPI	South Africa	19-Jan-22	5.70	5.50
Exports	Japan	20-Jan-22	16.00	20.50
Retail Sales	UK	21-Jan-22	3.40	4.70
Fed Policy Rate	USA	27-Jan-22	-	0-0.25
GDP Advance	USA	27-Jan-22	5.80	2.30
Industrial Ouput	South Korea	28-Jan-22	-	5.90





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

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