



## INDIA

- ❖ The benchmark 6.10% bond maturing in 2031 ended at 96.42 rupees, yielding 6.61%, versus 96.50 rupees and a yield of 6.60% yesterday.
- ❖ The government is scheduled to raise 240 billion rupees via bonds at a weekly debt sale tomorrow. Govt. aims to borrow a gross 12.05 trillion rupees through bonds this financial year that ends Mar. 31.
- ❖ The RBI had opted to devolve some bonds in three of the last four auctions, while not accepting bids for certain papers in the remaining one amid weak investor appetite.
- ❖ The central bank today conducted an overnight variable rate repo auction worth 500 billion rupees as overnight rates rose after banking system liquidity tightened this week amid larger than anticipated goods and services tax collections.
- ❖ Meanwhile, the U.S. 10-year Treasury yield came off two-year highs and fell below 1.85%. U.S. bond yields have hardened in the past few sessions on worries over the pace of Federal Reserve rate increases. The Fed meets next on Jan. 25-26, and markets have priced in an interest rate lift-off in the March policy.
- ❖ Crude oil prices also halted a four-day rally, with Brent crude coming off more-than-seven-year highs. The benchmark Brent contract was down 0.59% to \$87.92 per barrel.
- ❖ The Indian rupee ended lower against the U.S. currency, in a volatile trading session, on sharp losses in local equities and dollar demand from importers. The rupee ended at 74.50 per dollar compared with 74.43 yesterday.
- ❖ Repo: The weighted average call rates in the interbank segment increased to 3.99% vs 3.61% as on day before yesterday, while that in the TREP segment increased to 4.22% vs 3.66% as on day before yesterday.

### Market Observations

#### G-sec

- Bond yields settled largely unchanged today as traders awaited a fresh supply of debt at a weekly auction tomorrow.
- Market participants showed interest in long dated securities

#### Corporate Bonds

- Activity was witnessed across all segments.

#### CP

- Demand was seen in the 1-3 month segment. Money market rates are expected to witness higher yields as long as there are shortage of funds.

#### CD

- 1-3 month maturity papers were in demand. Mutual Funds were selling shorter maturity CDs and buying longer maturities as TREPS was higher 4.22% today from 3.66% on Tuesday and 3.47% on Monday. Rates spiked due to banks misjudgment, wherein they parked extra funds in the Reverse Repo auction on Tuesday.

GOI Yield	20-Jan	18-Jan	13-Jan	23-Dec
1 Year	4.460	4.370	4.360	4.230
5 Year	6.050	5.947	5.968	5.807
10 Year	6.614	6.626	6.561	6.460

AAA Bmk	20-Jan	18-Jan	13-Jan	23-Dec
1 Year	4.80	4.80	4.75	4.65
5 Year	6.25	6.28	6.25	6.15
10 Year	7.10	7.10	7.00	6.90

CD	20-Jan	18-Jan	13-Jan	23-Dec
3 Month	3.80	3.80	3.80	3.65
6 Month	4.00	4.00	4.00	3.95
1 Year	4.65	4.55	4.55	4.40

CP	20-Jan	18-Jan	13-Jan	23-Dec
3 Month	4.07	4.07	4.07	4.30
6 Month	4.67	4.67	4.67	4.75
1 Year	5.08	5.08	5.08	4.90

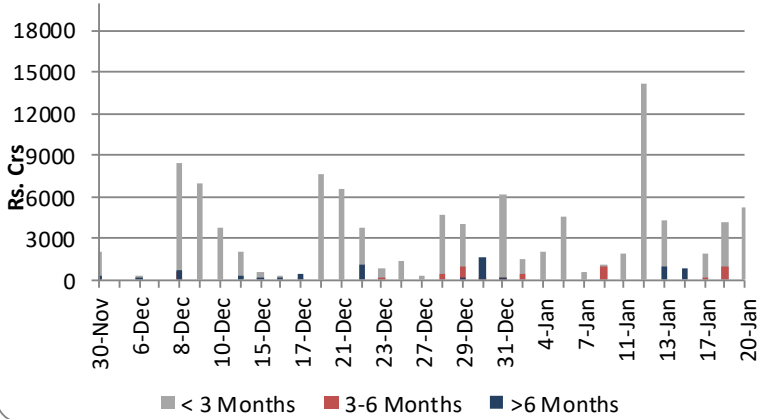
OIS Rate	20-Jan	18-Jan	13-Jan	23-Dec
1 Year	4.44	4.41	4.37	4.36
2 Year	4.98	4.97	4.90	4.83
3 Year	5.29	5.34	5.23	5.10
5 Year	5.64	5.69	5.57	5.35

	20-Jan	18-Jan	13-Jan	23-Dec
Sensex	59,465	60,755	61,235	57,315
Nifty	17,757	18,113	18,258	17,073
USD/INR	74.50	74.57	73.88	75.24
Gold (USD)	1,837	1,814	1,822	1,808
Oil (USD)	88.09	87.51	84.47	76.85

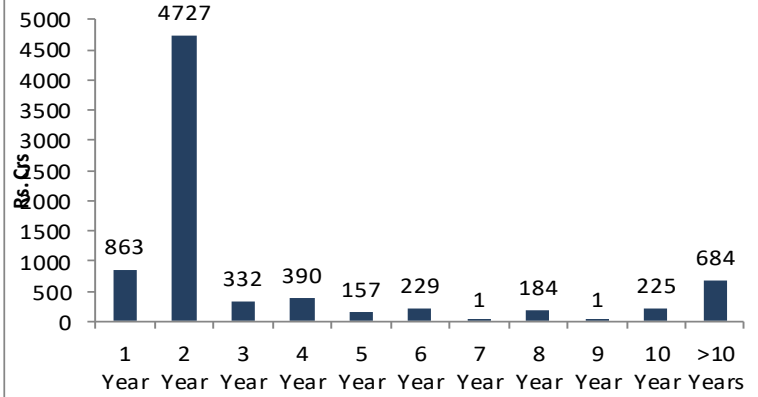
NDF	20-Jan	18-Jan	13-Jan	23-Dec
3 Month	75.41	75.53	74.82	75.58
1 Year	77.95	78.09	77.36	78.30
2 Year	81.48	81.63	80.64	82.14
3 Year	84.51	85.38	84.74	86.01



**CP Primary Volume**



**Bonds Volume**



10 Year Benchmarks	20-Jan	18-Jan	13-Jan	23-Dec
India	6.61	6.63	6.56	6.46
US	1.84	1.88	1.70	1.49
South Korea	2.56	2.55	2.40	2.22
Russia	9.37	9.40	9.01	8.43
Brazil	11.40	11.60	11.00	10.63
Germany	-0.02	-0.02	-0.09	-0.25
China	2.73	2.76	2.79	2.82

Top Traded Securities	Volume	20-Jan	18-Jan	13-Jan	23-Dec
5.15 GOI 2025	1,325	5.80	5.81	5.73	5.66
5.63 GOI 2026	50	5.94	5.95	5.87	5.81
5.74 GOI 2026	7,685	6.05	6.06	5.97	5.82
6.10 GOI 2031	25	6.61	6.63	6.56	6.46
6.64 GOI 2035	-	7.07	7.08	7.02	6.88
6.67 GOI 2035	120	7.08	7.08	7.01	6.88

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

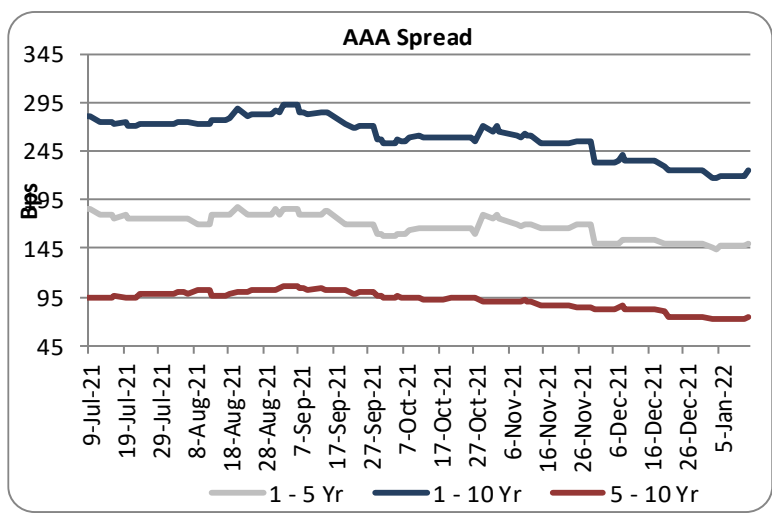
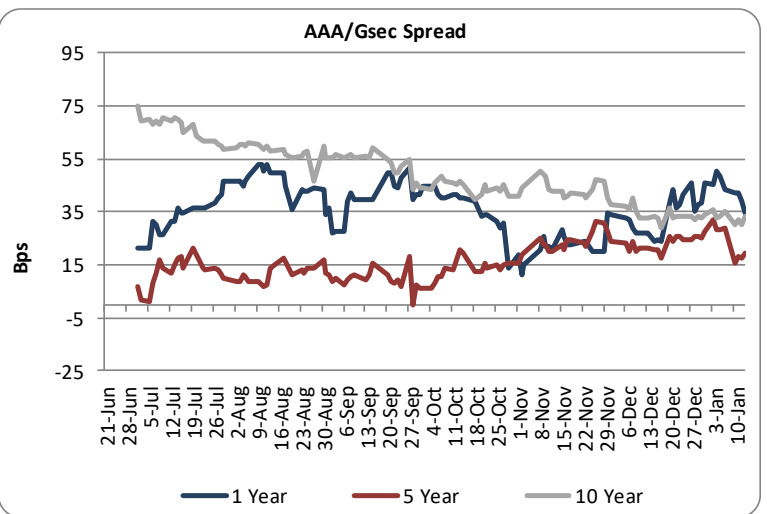
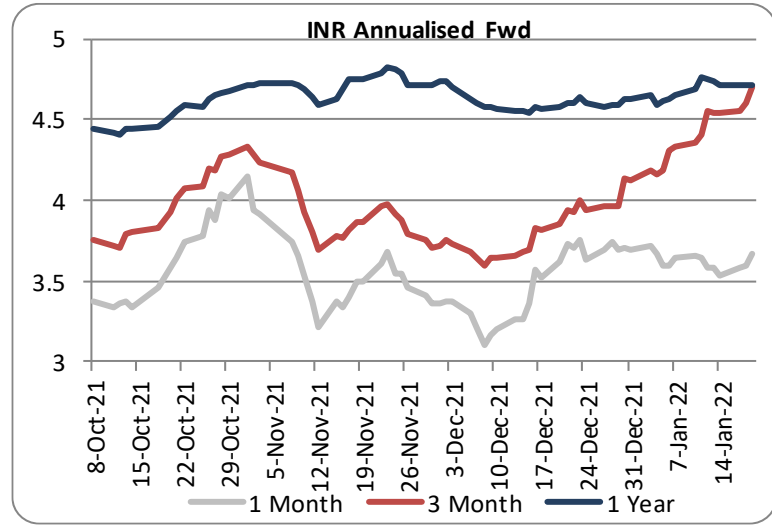
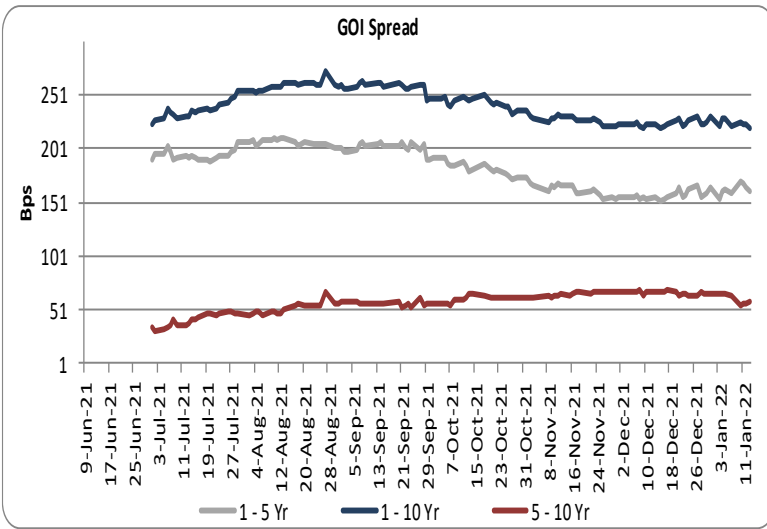
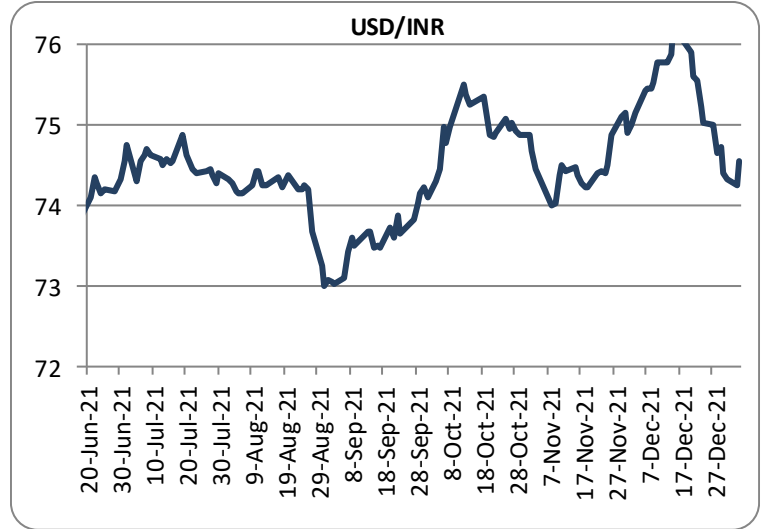
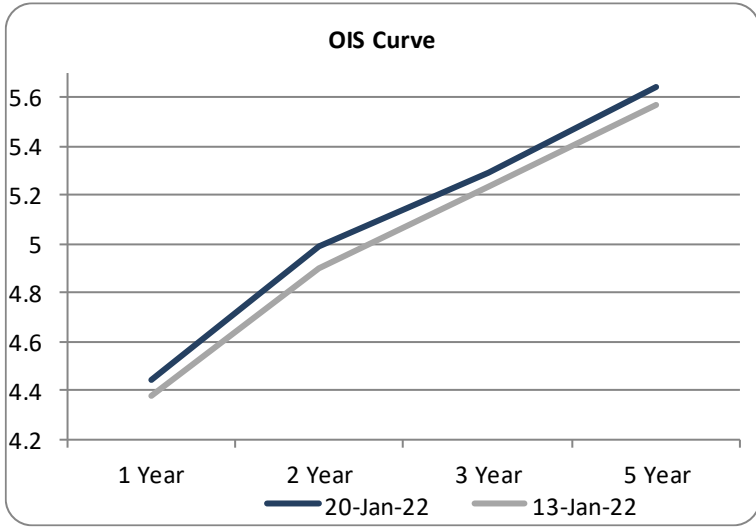
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
20-Jan-22	578	415	163

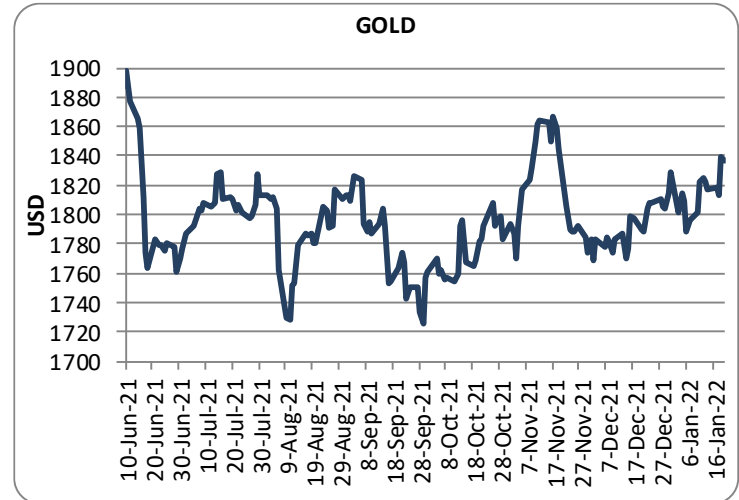
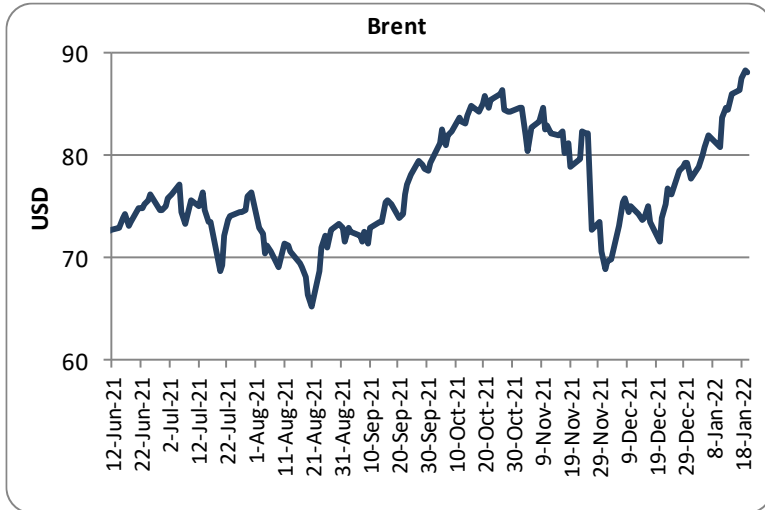
EQUITY			
	Gross Purchase	Gross Sales	Net Investment
	7635	10274	-2638

TOTAL (Rs. Crs)			
	Gross Purchase	Gross Sales	Net Investment
	8213	10689	-2475

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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