



INDIA

- ❖ The 6.54% bond maturing in 2032 ended at 98.43 rupees, yielding 6.76%, the highest since Feb. 9, from 98.57 rupees, and a yield of 6.74%, yesterday.
- ❖ Brent crude futures jumped to \$104.33 a barrel earlier today, the highest since September, 2014, after Russian President Vladimir Putin ordered a special military operation into two Russian-backed separatist territories in Ukraine, and hinted at the possibility of a wider military campaign, while laying claim to all of Ukraine as a country “created by Russia”.
- ❖ The U.S and its allies “will respond in a united and decisive way,” and coordinate to ensure a strong, united response that deters any aggression against the alliance, President Joe Biden said.
- ❖ The attack has raised fears about disruption in global supplies as Russia is the world's second-largest oil producer, and a major seller of crude to European refineries. The benchmark Brent contract was trading 7.7% higher at \$104.25 per barrel.
- ❖ Meanwhile, the Govt. will raise 230 billion rupee through its last sale of sovereign notes for this fiscal year tomorrow, and this includes 130 billion rupees of the benchmark paper. The latest supply announcement after earlier auction cancellations has made investors jittery.
- ❖ India's central bank seeks to use the headroom it has to support growth, as the pandemic-hit economy is in a comfortable position on the inflation front, Michael Patra, the deputy governor in-charge of monetary policy, said.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.27% vs 3.29% as on previous day while that in the TREP segment decreased to 3.34% vs 3.36% as on previous day

Market Observations

G-sec

- Bond yields rose, with the benchmark yield ending at its highest levels in two weeks, after oil prices spiked on an escalation in geopolitical tensions over Ukraine and as traders remain wary ahead of a debt sale tomorrow.
- Corporates and Mutual funds seen buying 2025 - 2027 maturity Gsec and SDLs.

Corporate Bonds

- Demand was muted as market participants stayed on the sidelines amidst the rising geopolitical tensions and prior to the weekly auction held tomorrow. Yields rose tracking gilts.

CP

- 3-month CPs saw major traction. Yields are expected to rise in the next trading session as participants are of the view that the global markets will not settle down soon. Bankers and Mutual Funds expect RBI to provide some relief.

CD

- 3-month papers were in demand.
- 1y OIS rate at 4.29%, while 5y OIS rate at 5.80%, highest since Feb. 9; spread at 151 basis points, highest since Jun. 28. Spread is likely to widen in the next few days.

GOI Yield	24-Feb	23-Feb	17-Feb	24-Jan
1 Year	4.500	4.500	4.450	4.470
5 Year	5.961	6.000	5.919	6.072
10 Year	6.760	6.739	6.735	6.659

AAA Brmk	24-Feb	23-Feb	17-Feb	24-Jan
1 Year	4.90	4.85	4.85	4.80
5 Year	6.20	6.15	6.12	6.25
10 Year	7.15	7.12	7.10	7.10

CD	24-Feb	23-Feb	17-Feb	24-Jan
3 Month	3.85	3.85	3.75	3.80
6 Month	4.30	4.30	3.85	4.00
1 Year	4.80	4.80	4.70	4.65

CP	24-Feb	23-Feb	17-Feb	24-Jan
3 Month	4.00	4.00	3.80	4.07
6 Month	4.55	4.55	4.20	4.67
1 Year	5.00	5.00	4.80	5.08

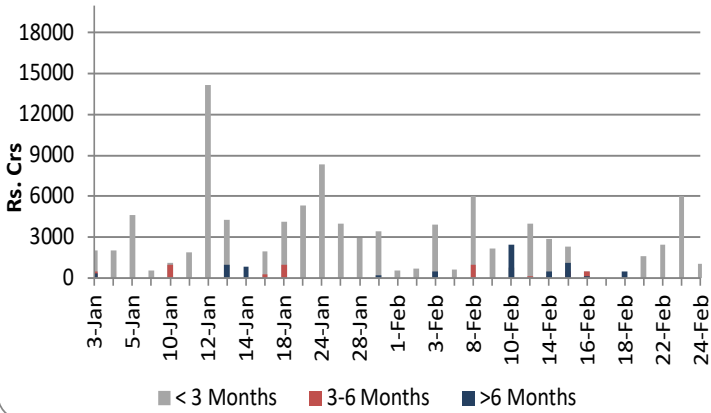
OIS Rate	24-Feb	23-Feb	17-Feb	24-Jan
1 Year	4.33	4.32	4.28	4.43
2 Year	4.87	4.86	4.82	4.96
3 Year	5.32	5.30	5.26	5.28
5 Year	5.80	5.80	5.70	5.61

	24-Feb	23-Feb	17-Feb	24-Jan
Sensex	54,530	57,232	57,892	57,492
Nifty	16,248	17,063	17,305	17,149
USD/INR	75.65	74.56	75.11	74.56
Gold (USD)	1,954	1,908	1,897	1,843
Oil (USD)	104.13	96.84	92.97	86.27

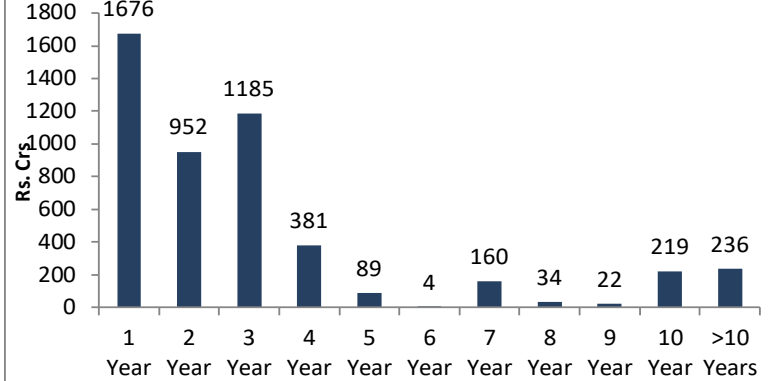
NDF	24-Feb	23-Feb	17-Feb	24-Jan
3 Month	76.45	75.49	75.88	75.20
1 Year	78.43	77.77	78.00	77.93
2 Year	82.13	81.09	81.71	81.26
3 Year	85.57	84.53	84.81	85.33



CP Primary Volume



Bonds Volume



10 Year Benchmarks	24-Feb	23-Feb	17-Feb	24-Jan
India	6.76	6.74	6.67	6.65
US	1.86	2.00	1.97	1.78
South Korea	2.62	2.72	2.71	2.54
Russia	10.93	10.85	9.74	9.75
Brazil	11.49	11.49	11.56	11.54
Germany	0.14	0.23	0.23	-0.10
China	2.81	2.82	2.78	2.69

Top Traded Securities	Volume	24-Feb	23-Feb	17-Feb	24-Jan
5.15 GOI 2025	1915	5.78	5.75	5.69	#N/A
5.63 GOI 2026	230	5.96	5.91	5.82	5.94
5.74 GOI 2026	8100	6.05	6.00	5.92	6.07
6.10 GOI 2031	305	6.79	6.76	6.72	6.66
6.64 GOI 2035	0	7.05	7.02	7.02	7.11
6.67 GOI 2035	20	7.02	7.00	7.00	7.11

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
18-Feb-22	2067	1353	714

EQUITY		
Gross Purchase	Gross Sales	Net Investment
2004	696	1308

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
4071	2049	2022

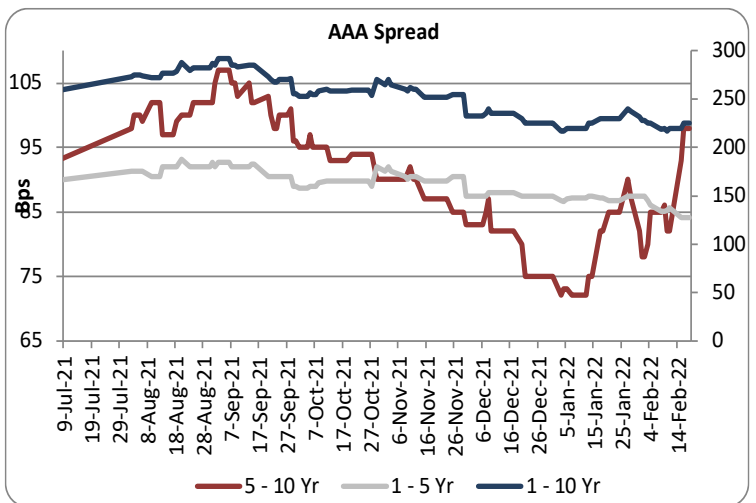
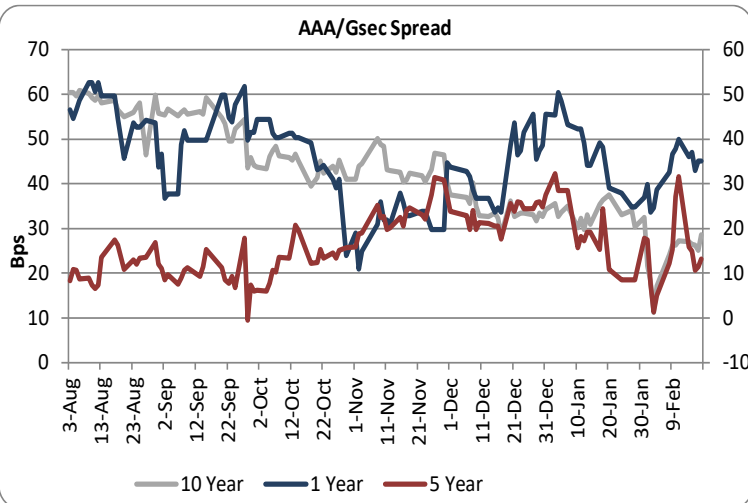
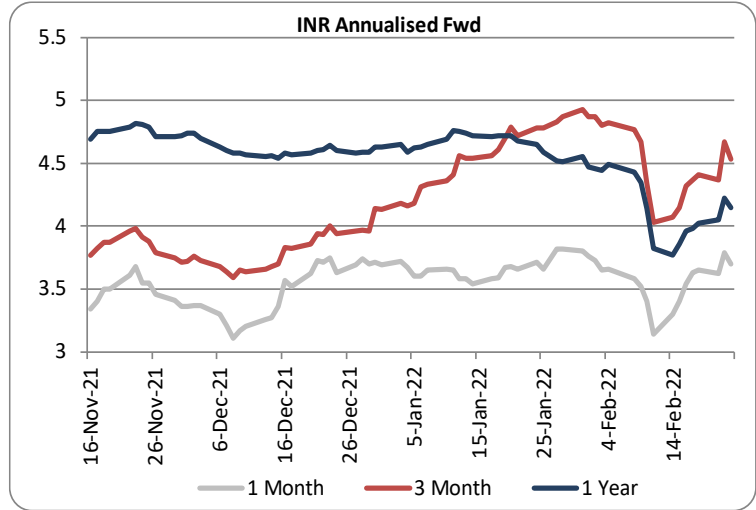
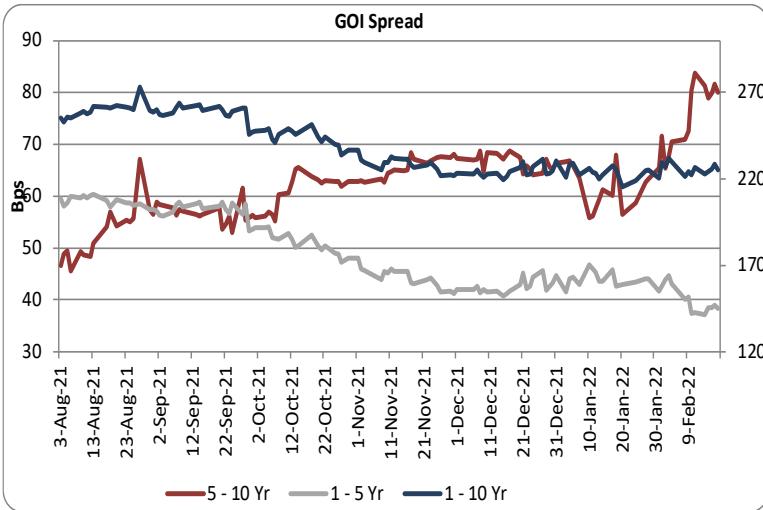
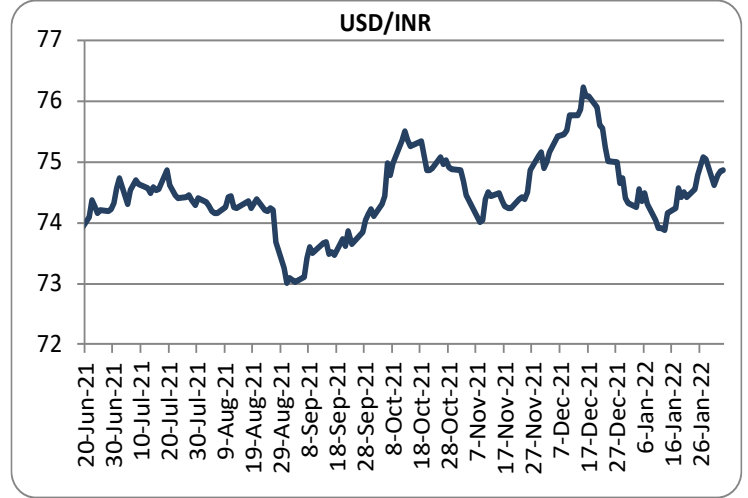
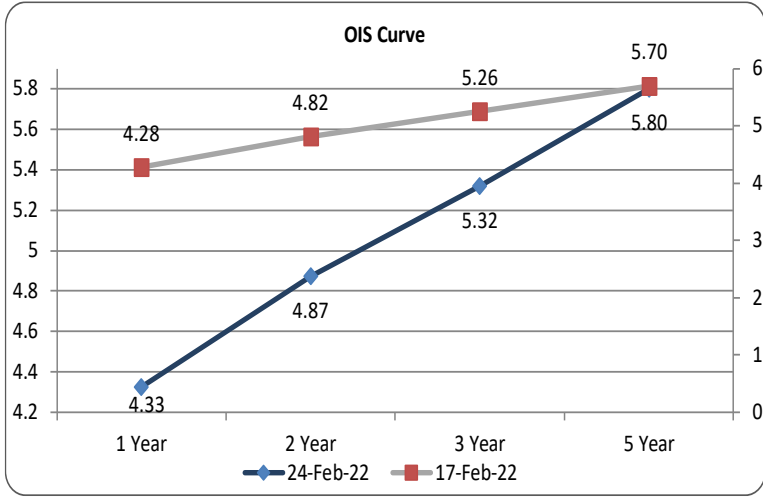
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
24-Feb-22	426	377	49

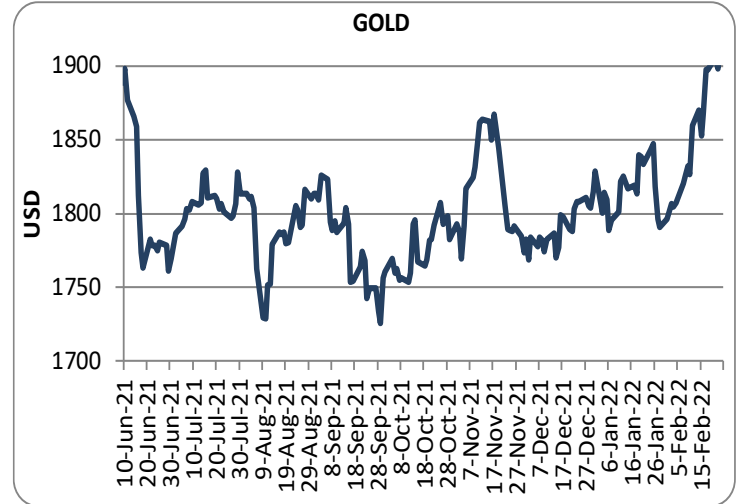
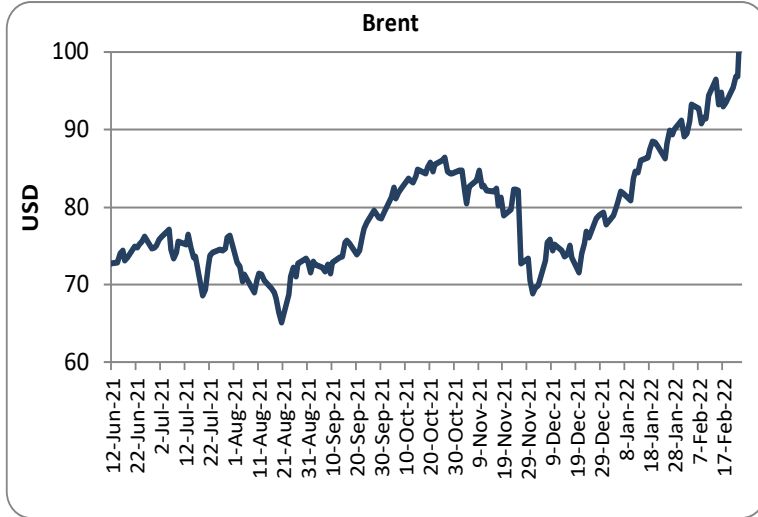
EQUITY		
Gross Purchase	Gross Sales	Net Investment
4639	7477	-2838

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
5065	7854	-2789

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 (%)	Jan-22	13.0	13.6
CPI (%)	Jan-22	6.0	5.7
IIP (%)	Dec-21	0.4	1.4
PMI Manufacturing	Jan-22	54	55.5
PMI Service	Jan-22	51.5	55.5

Economic Calender	Country	Date	Poll	Prior
Exports	Japan	17-Feb-22	16.50	17.50
Retail Sales	UK	18-Feb-22	8.70	(0.90)
Industrial Output	Poland	18-Feb-22	14.80	16.70
Unemployment Rate	Poland	23-Feb-22	5.60	5.40
Exports	Thailand	28-Feb-22	-	23.00
GDP	India	28-Feb-22	-	8.40
Inflation YY	Indonesia	01-Mar-22	-	2.18
Unemployment Rate	Japan	04-Mar-22	-	2.70





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

LKP SECURITIES LTD., 203, Embassy Centre, Nariman Point, Mumbai- 400021

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true and is for general guidance only. While every effort is made to ensure the accuracy and completeness of information contained, the company makes no guarantee and assumes no liability for any errors or omissions of the information. No one can use the information as the basis for any claim, demand or cause of action. Nothing contained in this publication shall constitute an offer to sell/purchase or an invitation/ solicitation to do so for any Government Security, Currency, Security, and Equity. LKP Securities Ltd. accepts no liability whatsoever for any loss, howsoever arising, from any use of this document, its contents or otherwise arising in connection therewith. For any queries contact - LKP Securities Ltd. Ph: (91-22) 66306555 Fax: (91-22) 2284 2415 E Mail: FixedIncomeResearch@lkpsec.com

Visit our website - <http://www.lkpsec.com/>