



## INDIA

- ❖ The benchmark 6.54% bond maturing in 2032 ended at 98.50 rupees, yielding 6.75%, against 98.43 rupees and 6.76% yesterday. The 10-year yield rose nine basis points this week, after dropping 21 basis points over the last two weeks.
- ❖ Indian bond yields had risen to a 31-month high after the Govt. earlier this month announced a record \$200 billion borrowing for the next fiscal year that starts Apr. 1. Since then, rates came off after the central bank assured markets about continued policy accommodation and projected inflation will ease next fiscal.
- ❖ However, this week's spike in crude oil prices following Russia's attack on Ukraine has sent investors scurrying for safe haven assets globally.
- ❖ While the U.S., the U.K. and European Union have imposed fresh sanctions on Russia, the latter's forces are reported to have advanced into the Ukrainian capital Kyiv.
- ❖ The benchmark Brent crude contract rose to a seven-year high of \$105.79 per barrel yesterday. Russia is the world's second-largest oil producer, and a major seller of crude to European refineries.
- ❖ the Govt. today sold 230 billion rupees of bonds after cancelling two previous debt sales totalling 480 billion rupees. Some investors fear more bond issues could happen this fiscal year.
- ❖ The Indian rupee fell this week, as oil prices spiked and local equities crashed following Russia's invasion of Ukraine. The rupee, however, rose today and was quoted at 75.29 to the dollar, against 75.65 in the previous session. The currency tumbled 0.8% this week, its biggest fall since week ended Feb. 11.
- ❖ Repo: The weighted average call rates in the interbank segment increased to 3.28% vs 3.27% as on previous day while that in the TREP segment decreased to 3.25% vs 3.34% as on previous day.

### Market Observations

#### G-sec

- Bond yields spiked this week as Russia's invasion of Ukraine pushed up crude oil prices, cementing expectations of monetary tightening going ahead.
- Higher demand seen in long dated gilt.
- Insurance companies seen buying 2028 dated SDLs.
- Auction cutoff on Gsec came in line with market expectations.

#### Corporate Bonds

- Demand was seen across all segments.
- Major redemption in Mutual Funds observed.
- Corporate bond yields are expected to stay rangebound until no new triggers in the market.

#### CP/CD

- Secondary CP yields were slightly lower by 3-4 BPS. Issuances remained on the sidelines.
- Yields were better by 3-4 BPS.
- Banking system liquidity is expected to rise next week amidst higher government spending.

GOI Yield	25-Feb	24-Feb	18-Feb	24-Jan
1 Year	4.490	4.500	4.450	4.470
5 Year	5.935	5.961	5.902	6.072
10 Year	6.765	6.760	6.701	6.659

AAA Brnk	25-Feb	24-Feb	18-Feb	24-Jan
1 Year	4.90	4.90	4.85	4.80
5 Year	6.20	6.20	6.12	6.25
10 Year	7.15	7.15	7.10	7.10

CD	25-Feb	24-Feb	18-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	25-Feb	24-Feb	18-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

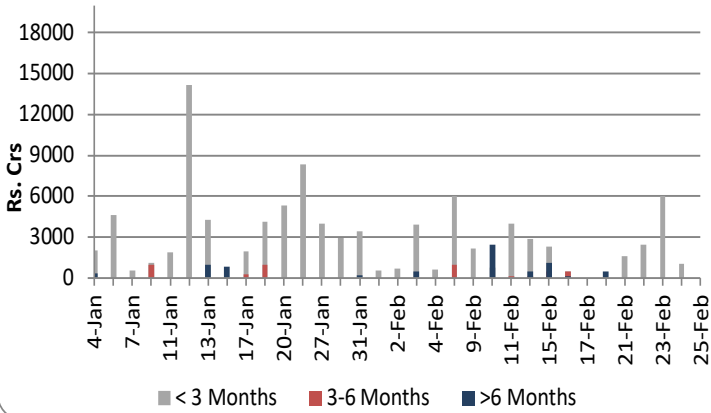
OIS Rate	25-Feb	24-Feb	18-Feb	24-Jan
1 Year	4.30	4.33	4.26	4.43
2 Year	4.85	4.87	4.80	4.96
3 Year	5.28	5.32	5.25	5.28
5 Year	5.76	5.80	5.70	5.61

	25-Feb	24-Feb	18-Feb	24-Jan
Sensex	55,859	54,530	57,833	57,492
Nifty	16,658	16,248	17,276	17,149
USD/INR	75.29	75.65	74.66	74.56
Gold (USD)	1,912	1,903	1,898	1,843
Oil (USD)	98.88	99.08	93.54	86.27

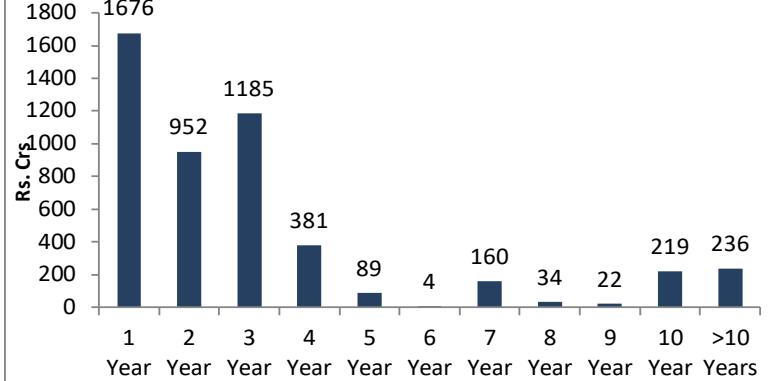
NDF	25-Feb	24-Feb	18-Feb	24-Jan
3 Month	76.18	76.23	75.34	75.20
1 Year	78.33	78.44	77.59	77.93
2 Year	82.36	81.95	81.29	81.26
3 Year	84.73	85.37	84.35	85.33



**CP Primary Volume**



**Bonds Volume (24-2)**



10 Year Benchmarks	25-Feb	24-Feb	18-Feb	24-Jan
India	6.77	6.76	6.66	6.65
US	1.95	1.97	1.93	1.78
South Korea	2.67	2.62	2.73	2.54
Russia	12.75	12.67	9.75	9.75
Brazil	11.54	11.54	11.26	11.54
Germany	0.17	0.17	0.21	-0.10
China	2.79	2.81	2.80	2.69

Top Traded Securities	Volume	25-Feb	24-Feb	18-Feb	24-Jan
5.15 GOI 2025	3015	5.76	5.78	5.68	#N/A
5.63 GOI 2026	570	5.94	5.96	5.81	5.94
5.74 GOI 2026	5895	6.01	6.05	5.90	6.07
6.10 GOI 2031	135	6.77	6.79	6.70	6.66
6.64 GOI 2035	0	7.02	7.05	6.99	7.11
6.67 GOI 2035	15	6.99	7.02	6.96	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

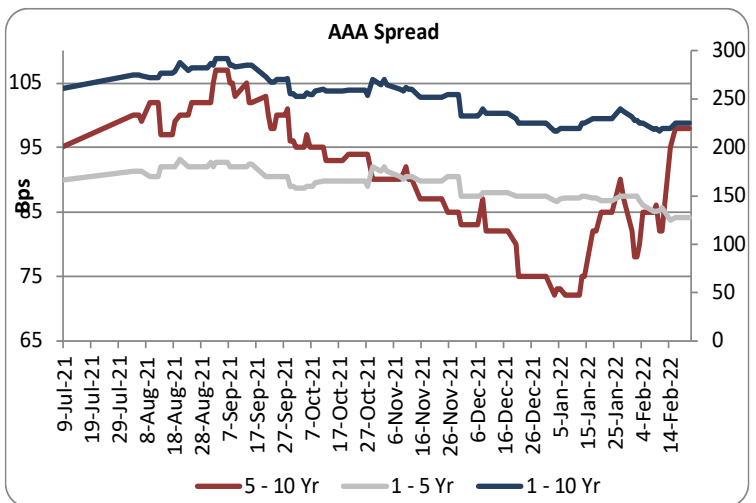
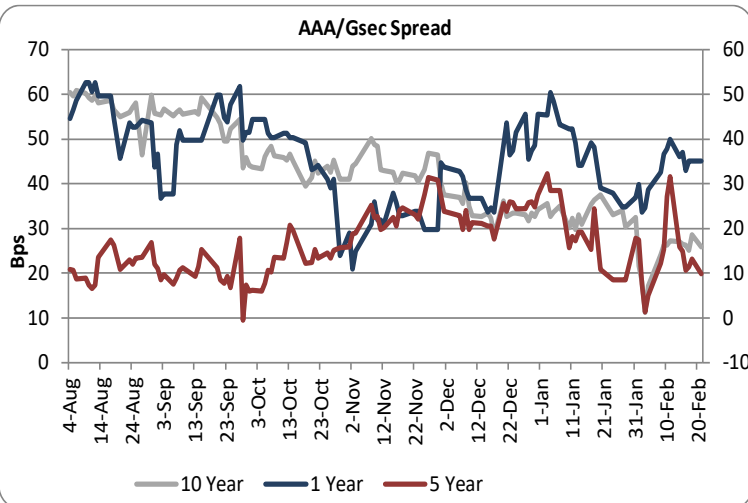
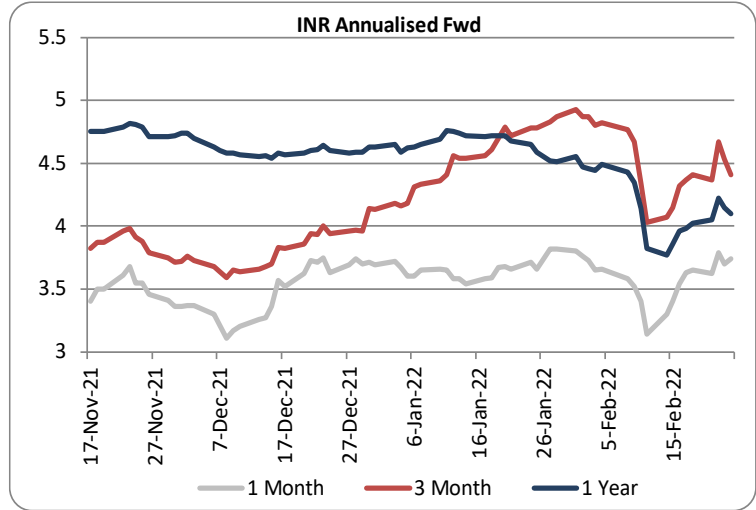
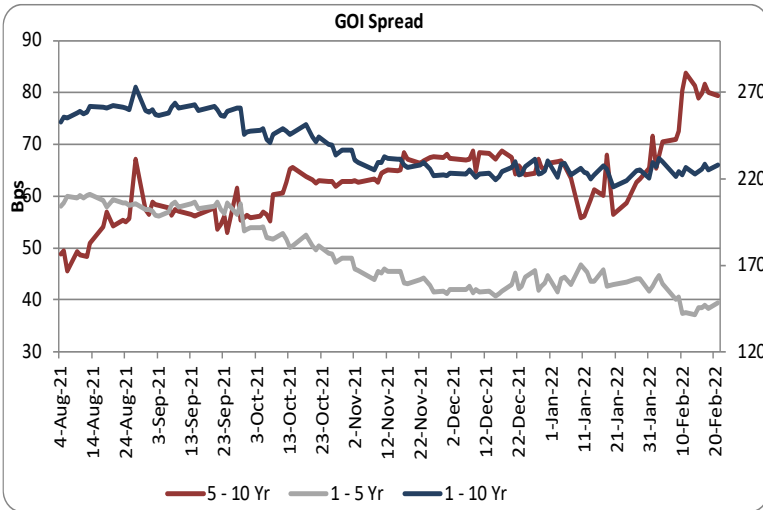
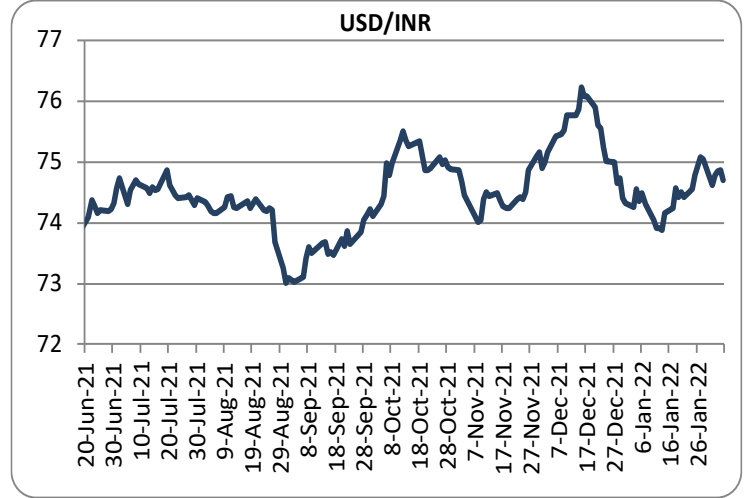
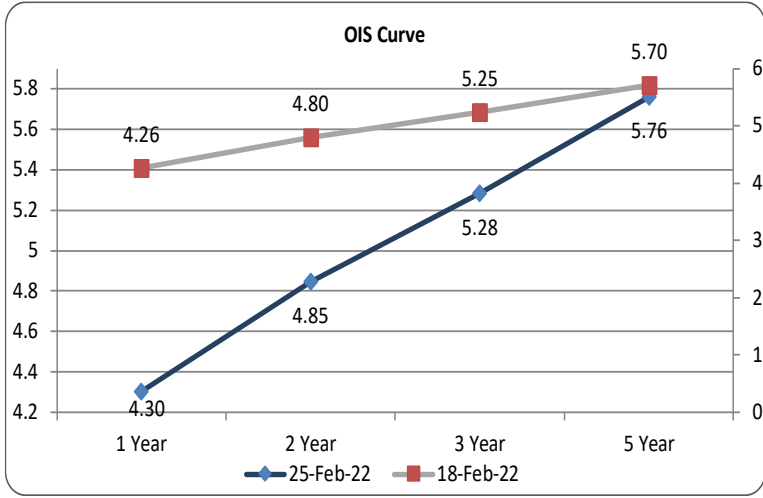
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
25-Feb-22	290	321	-31

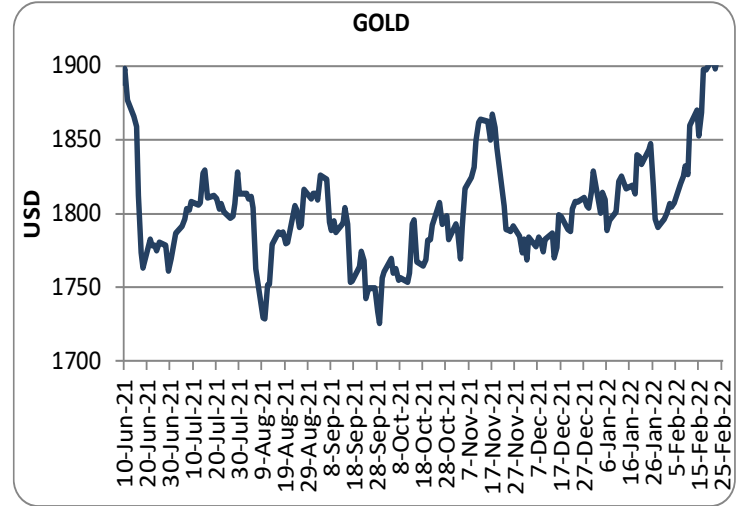
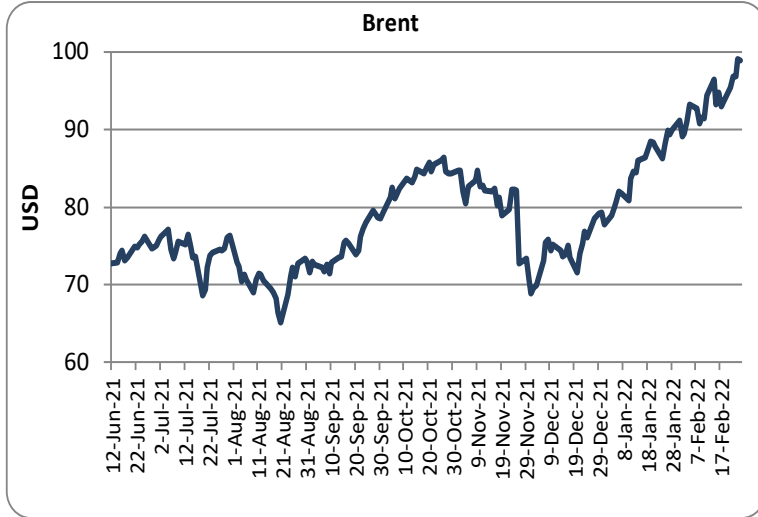
EQUITY		
Gross Purchase	Gross Sales	Net Investment
9191	15879	-6687

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
9481	16200	-6719

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
Retail Sales	Japan	28-Feb-22	1.40	1.20
Exports	Thailand	28-Feb-22	-	23.00
GDP	Switzerland	28-Feb-22	-	4.10
GDP	India	28-Feb-22	6.00	8.40
Unemployment Rate	EuroZone	03-Mar-22	7.00	7.00
CPI	Phillippines	04-Mar-22	-	3.00
GDP	Brazil	04-Mar-22	-	4.00
Unemployment Rate	USA	04-Mar-22	3.90	4.00





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/>