



INDIA

- ❖ The benchmark 6.54% bond due 2032 ended at 98.52 rupees, yielding 6.75%, the highest since Dec. 19, 2019, and against 99.12 rupees, yielding 6.66% on Tuesday. The 10-year rate posted its biggest single-session gain since Jul. 6, 2021.
- ❖ The Fed, at the end of its two-day policy meeting yesterday, said it would be appropriate to “soon” start raising interest rates to quell inflation in a “strong” labour market. The statement indicated a very high probability of the U.S. central bank raising its short-term federal funds rate by a quarter-percentage point in March. The committee further laid the groundwork to shrink its near-\$9 trillion balance sheet.
- ❖ Following the Fed's decision, the 10-year U.S. Treasury yield jumped nearly 10 basis points to above 1.85%, while the two-year yield, which is more sensitive to Fed rate decisions, rose to a near-two-year high of 1.19%.
- ❖ The government is likely to aim for a borrowing of 13 trillion rupees via bonds in the next fiscal year to fund its widening budget deficit, according to a median in a NewsRise survey of 21 market participants. The Govt. is scheduled to sell 240 billion rupees at a weekly debt auction tomorrow and the auction includes sale of benchmark notes.
- ❖ Meanwhile, the benchmark Brent crude futures little changed at \$88.79 a barrel, after climbing to an over-seven-year high above \$90 yesterday.
- ❖ The Indian rupee dropped for a third straight day against the U.S. currency, as speculations over a faster pace of rate hikes by the Federal Reserve dampened risk appetite and sent investors to the safety of the dollar. The rupee ended at 75.07 per dollar its lowest since Dec. 23, compared with 74.56 on Tuesday. The unit had fallen to 75.30 earlier today, but trimmed losses on foreign banks' dollar sales, traders said. Inflows from Adani Wilmar's IPO could have led to sporadic culling of dollar long positions, they added, while easing geopolitical tensions between Russia and Ukraine also aided.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.68% vs 3.99% as on 24th Jan, while that in the TREP segment decreased to 4.04% vs 4.20 % as on 24th Jan.

GOI Yield	27-Jan	24-Jan	20-Jan	30-Dec
1 Year	4.500	4.470	4.460	4.220
5 Year	6.120	6.072	6.050	5.818
10 Year	6.747	6.659	6.614	6.469

AAA Brk	27-Jan	24-Jan	20-Jan	30-Dec
1 Year	4.80	4.80	4.80	4.65
5 Year	6.30	6.25	6.25	6.15
10 Year	7.20	7.10	7.10	6.90

CD	27-Jan	24-Jan	20-Jan	30-Dec
3 Month	3.90	3.80	3.80	3.60
6 Month	4.10	4.00	4.00	3.95
1 Year	4.75	4.65	4.65	4.50

CP	27-Jan	24-Jan	20-Jan	30-Dec
3 Month	4.17	4.07	4.07	4.20
6 Month	4.77	4.67	4.67	4.70
1 Year	5.18	5.08	5.08	4.90

OIS Rate	27-Jan	24-Jan	20-Jan	30-Dec
1 Year	4.49	4.43	4.44	4.34
2 Year	5.04	4.96	4.98	4.85
3 Year	5.38	5.28	5.29	5.14
5 Year	5.70	5.61	5.64	5.37

Market Observations

G-sec

- Bond yields jumped today, with the benchmark yield settling at its highest in over two years, as investors remained cautious after the U.S. Federal Reserve signalled the likelihood of an interest rate hike in March.

Corporate Bonds

- Activity was witnessed across all segments. Mutual funds were mainly active in switches in similar papers or short versus longer maturities. Yields were higher amidst higher crude oil prices as well (trading around 88.8\$ per barrel)

CP

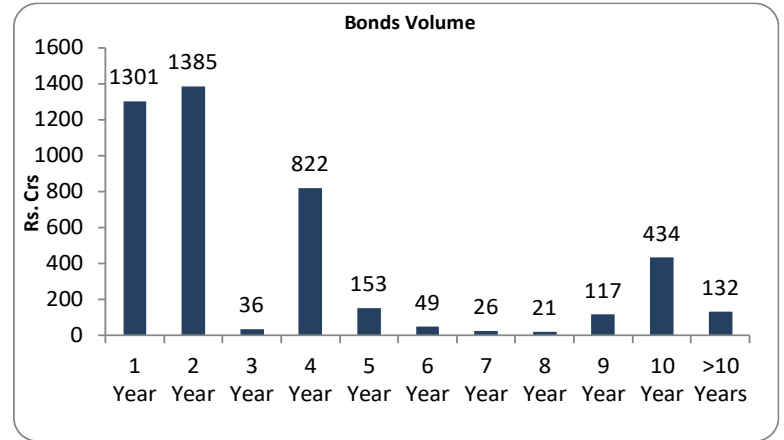
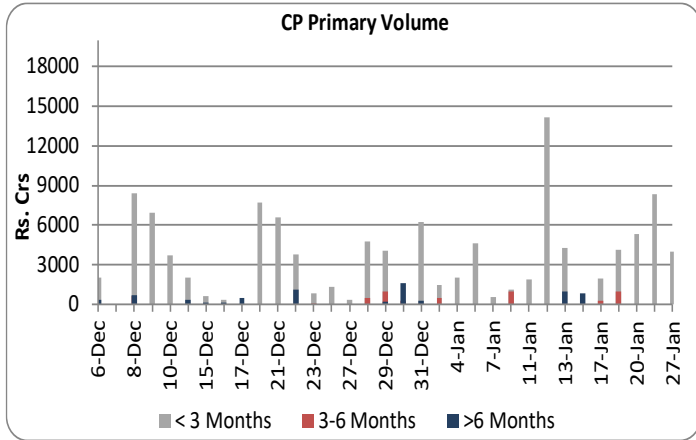
- Yields were higher across the yield curve. Demand was seen in the 1-3 month segment majorly by Mutual Funds.

CD

- 1- 3 month maturity papers were in demand.

	27-Jan	24-Jan	20-Jan	30-Dec
Sensex	57,277	57,492	59,465	57,794
Nifty	17,110	17,149	17,757	17,204
USD/INR	75.07	74.56	74.50	74.41
Gold (USD)	1,813	1,843	1,838	1,815
Oil (USD)	90.65	86.27	88.38	79.32

NDF	27-Jan	24-Jan	20-Jan	30-Dec
3 Month	76.11	75.20	75.27	75.30
1 Year	78.61	77.93	77.82	77.64
2 Year	81.64	81.26	81.15	81.43
3 Year	85.92	85.33	85.14	85.22



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10 Year Benchmarks	27-Jan	24-Jan	20-Jan	30-Dec
India	6.75	6.65	6.61	6.47
US	1.83	1.78	1.81	1.51
South Korea	2.61	2.54	2.56	2.25
Russia	9.66	9.75	9.34	8.42
Brazil	11.33	11.54	11.03	10.31
Germany	-0.05	-0.10	-0.03	-0.18
China	2.74	2.69	2.73	2.78

Top Traded Securities	Volume	27-Jan	24-Jan	20-Jan	30-Dec
5.15 GOI 2025	2,195	5.85	#N/A	5.80	5.67
5.63 GOI 2026	380	5.98	5.94	5.94	5.82
5.74 GOI 2026	8,310	6.12	6.07	6.05	5.88
6.10 GOI 2031	140	6.75	6.66	6.61	6.47
6.64 GOI 2035	-	7.18	7.11	7.07	6.92
6.67 GOI 2035	50	7.18	7.11	7.08	6.91

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
19-Jan-22	5075	3684	1390

EQUITY		
Gross Purchase	Gross Sales	Net Investment
4062	5009	-947

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
9137	8693	444

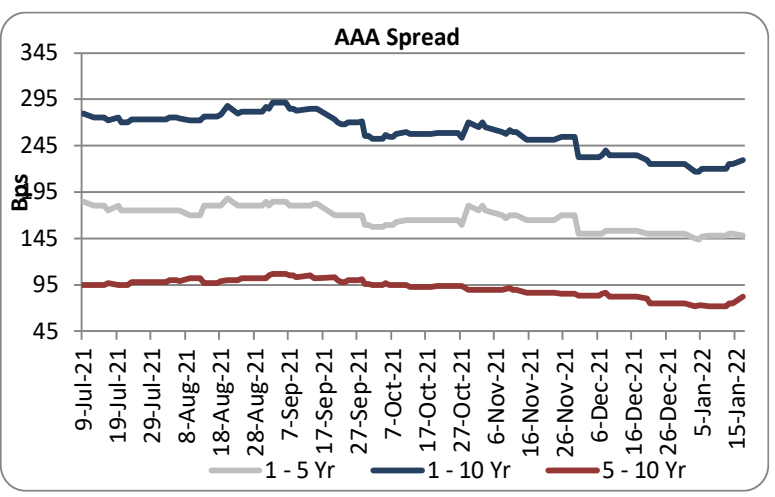
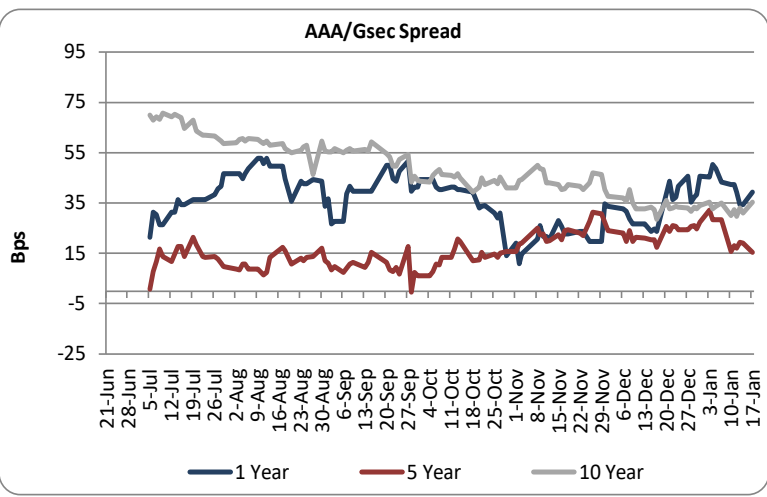
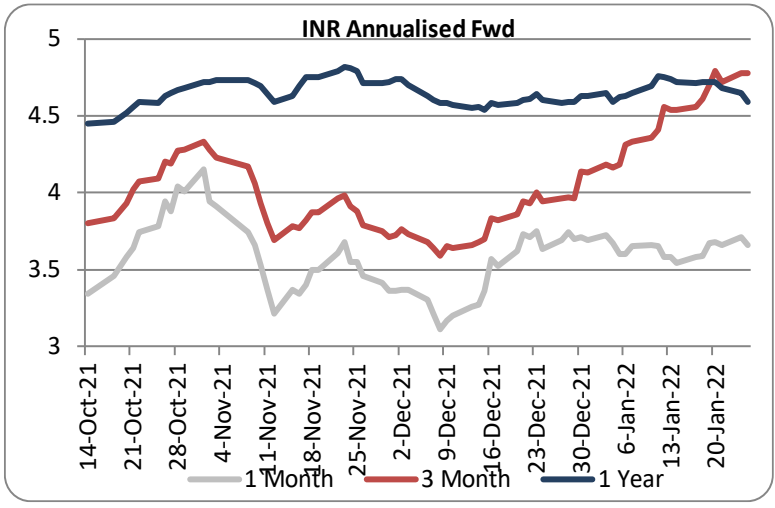
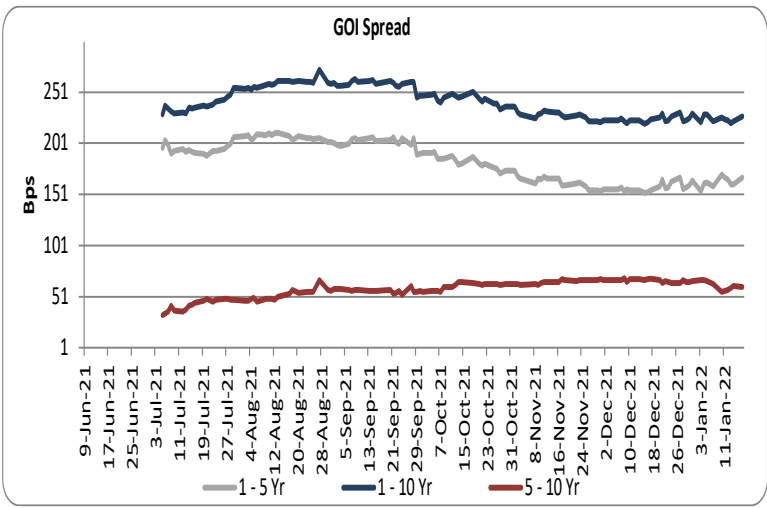
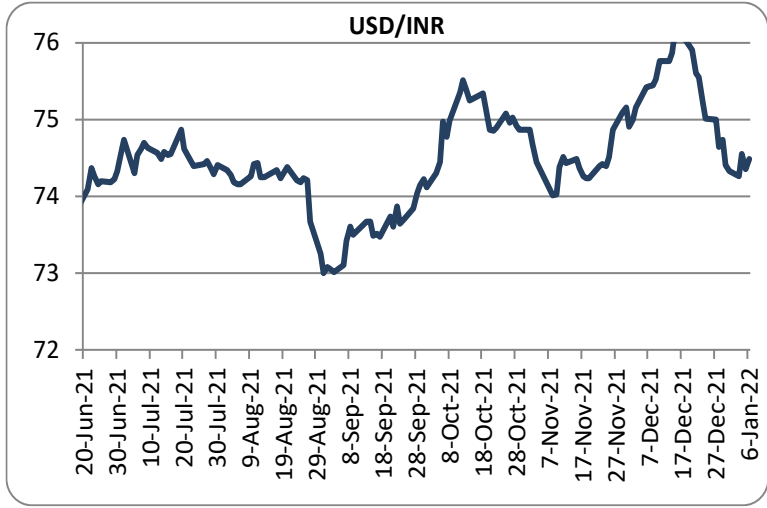
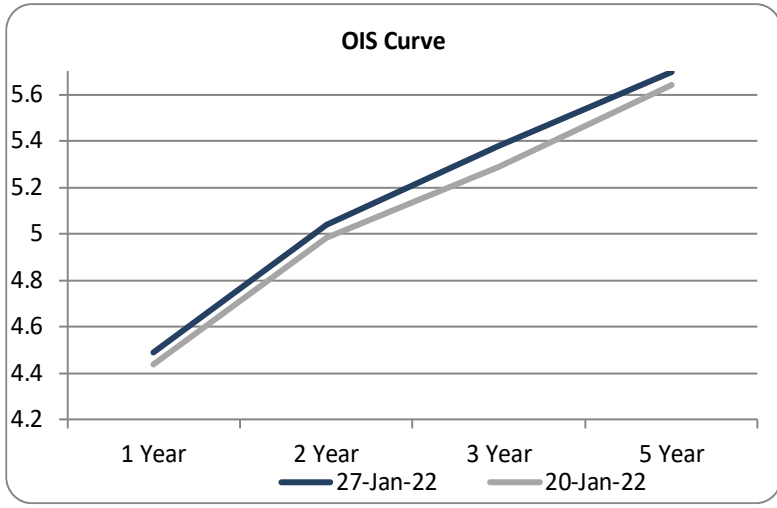
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
27-Jan-22	397	460	-63

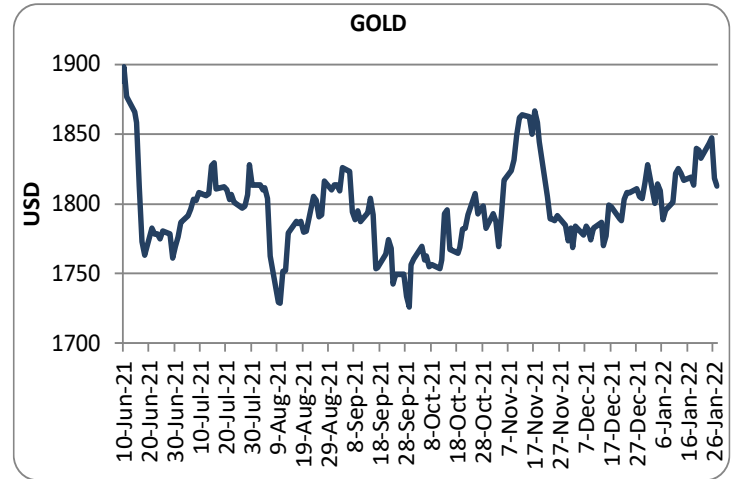
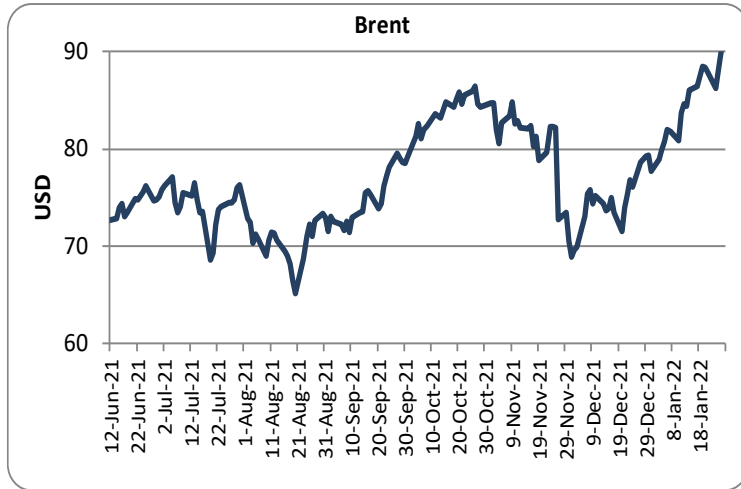
EQUITY		
Gross Purchase	Gross Sales	Net Investment
7375	14331	-6956

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
7772	14792	-7020

INDICATORS	PERIOD	ACTUAL
GDP Quaterly (%)	Sep-21	8.4
CAD (\$ Bn)	Sep-21	-9.6
Trade Deficit (\$ Bn)	Sep-21	-44.4
WPI (%)	Dec-21	13.6
CPI (%)	Dec-21	5.6
IIP (%)	Nov-21	1.4
PMI Manufacturing	Dec-21	55.5
PMI Service	Dec-21	55.5

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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