



INDIA

- ❖ The benchmark 6.10% bond maturing in 2031 ended at 97.34 rupees, its lowest since issuance on Jul. 9, yielding 6.49%, the highest for the 10-year bond yield since Apr. 13, 2020, against 97.43 rupees, and a yield of 6.46%, yesterday.
- ❖ The Govt. plans to sell bonds totalling 240 billion rupees on Friday, including 130 billion rupees of the 2031 note. The proposed issuance will push the outstanding on the 2031 security to 1.61 trillion rupees. The government usually avoids re-issuing a bond once the outstanding touches a limit of 1.50 trillion rupees.
- ❖ Indian states today raised 242.34 billion rupees through a sale of bonds and the cutoff yield for 10-year notes rose above 7.00% for the first time since March.
- ❖ However, the rise in bond yields remains capped as traders expect the Reserve Bank of India to announce a liquidity-neutral special open market operation as early as this week, after the central bank showed its discomfort with rising yields, by devolving over 30% of the stock on primary dealers last Friday.
- ❖ Hopes of bond purchases have risen despite the central bank unwinding of some of its extraordinary pandemic-era measures in this quarter, as it suspended its debt purchases since October, besides withdrawing excess cash from the local banking system via its variable reverse repo auctions.
- ❖ The central bank today withdrew an aggregate of 1.74 trillion rupees through seven-day and 14-day variable rate reverse repo auctions. Banks have also parked another 4.42 trillion rupees under multiple VRRRs that are due to mature this week. The RBI will conduct a 14-day VRRR for 7.50 trillion rupees on Friday
- ❖ Benchmark Brent crude futures trading 0.7% higher at \$79.20 a barrel, after rising 3.2% yesterday, as traders do not expect a major impact on fuel demand because of the spread of the Omicron strain of the coronavirus.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.25% vs 3.27% as on previous day, while that in the TREP segment decreased to 3.50% vs 3.52% as on previous day.

GOI Yield	28-Dec	27-Dec	23-Nov	30-Nov
1 Year	4.250	4.150	4.070	4.110
5 Year	5.807	5.821	5.697	5.646
10 Year	6.477	6.465	6.365	6.326

AAA Bmk	28-Dec	27-Dec	23-Nov	30-Nov
1 Year	4.65	4.65	4.35	4.50
5 Year	6.15	6.15	6.00	6.00
10 Year	6.90	6.90	6.87	6.83

CD	28-Dec	27-Dec	23-Nov	30-Nov
3 Month	3.60	3.60	3.65	3.65
6 Month	3.95	3.95	3.95	3.95
1 Year	4.50	4.50	4.40	4.40

CP	28-Dec	27-Dec	23-Nov	30-Nov
3 Month	4.20	4.20	4.20	4.00
6 Month	4.70	4.70	4.60	4.55
1 Year	4.90	4.90	4.90	4.85

OIS Rate	28-Dec	27-Dec	23-Nov	30-Nov
1 Year	4.37	4.34	4.38	4.20
2 Year	4.86	4.83	4.89	4.69
3 Year	5.12	5.09	5.18	4.99
5 Year	5.35	5.33	5.51	5.30

	28-Dec	27-Dec	23-Nov	30-Nov
Sensex	57,897	57,420	58,664	57,065
Nifty	17,233	17,086	17,503	16,983
USD/INR	74.65	75.00	74.42	75.16
Gold (USD)	1,817	1,811	1,790	1,774
Oil (USD)	79.61	78.60	82.31	70.57

NDF	28-Dec	27-Dec	23-Nov	30-Nov
3 Month	75.45	75.44	75.18	75.67
1 Year	78.17	78.15	77.94	78.56
2 Year	81.91	81.91	81.73	81.90
3 Year	85.75	85.75	85.51	86.00

**Market Observations**

**G-sec**

- Yields rose, with the 10-year yield ending at its highest level in over 20 months, following the government's surprise announcement of an auction of the current benchmark note this week. Market players had been expecting a new 10-year paper to come up for sale.

**Corporate Bonds**

- Activity was witnessed across all segments.

**CP**

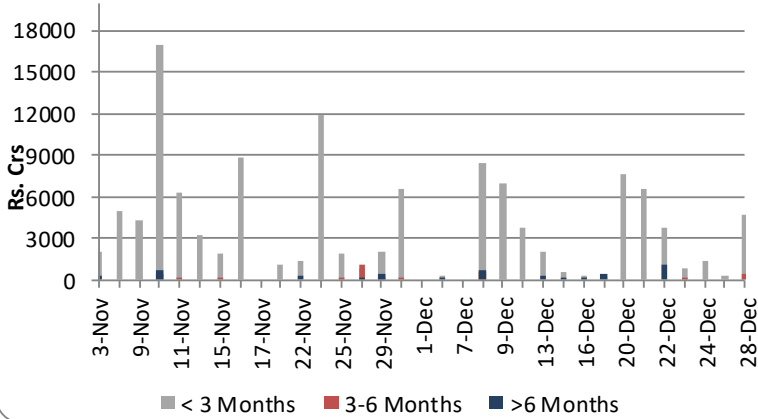
- The 3 month segment was most active.

**CD**

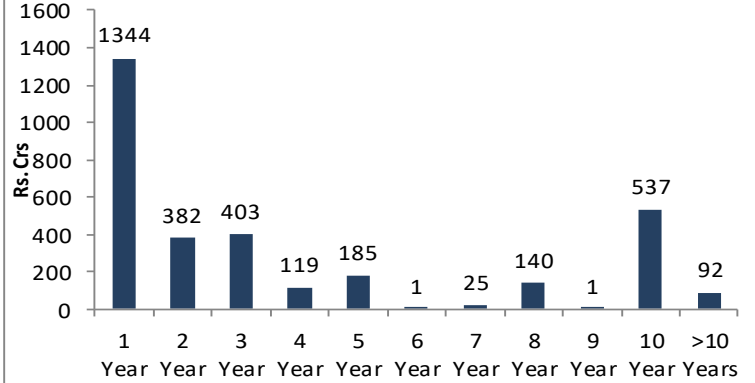
- The 3 month maturity papers were in demand.



**CP Primary Volume**



**Bonds Volume**



10 Year Benchmarks	28-Dec	27-Dec	23-Nov	30-Nov
India	6.48	6.47	6.36	6.33
US	1.49	1.48	1.68	1.46
South Korea	2.20	2.21	2.40	2.22
Russia	8.43	8.43	8.66	8.35
Brazil	10.75	10.35	11.66	11.41
Germany	-0.22	-0.24	-0.23	-0.34
China	2.81	2.81	2.92	2.87

Top Traded Securities	Volume	28-Dec	27-Dec	23-Nov	30-Nov
5.15 GOI 2025	2,055	5.67	5.66	5.45	5.41
5.63 GOI 2026	505	5.81	5.82	5.70	5.65
5.74 GOI 2026	7,935	5.87	5.86	5.74	5.69
6.10 GOI 2031	250	6.48	6.46	6.36	6.33
6.64 GOI 2035	-	6.93	6.91	6.79	6.76
6.67 GOI 2035	290	6.91	6.90	6.77	6.73

DEBT			
MF	Gross Purchase	Gross Sales	Net Investment
22-Dec-21	2908	1959	949

EQUITY		
Gross Purchase	Gross Sales	Net Investment
2311	1732	579

TOTAL (Rs.Crs)		
Gross Purchase	Gross Sales	Net Investment
5219	3691	1528

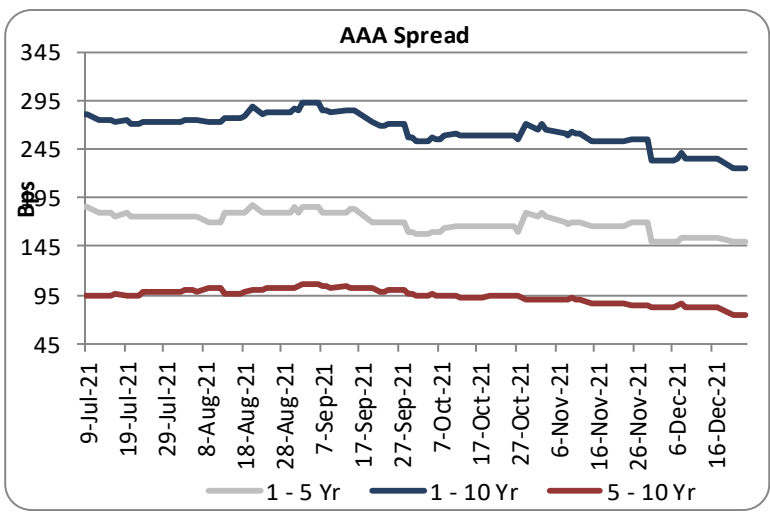
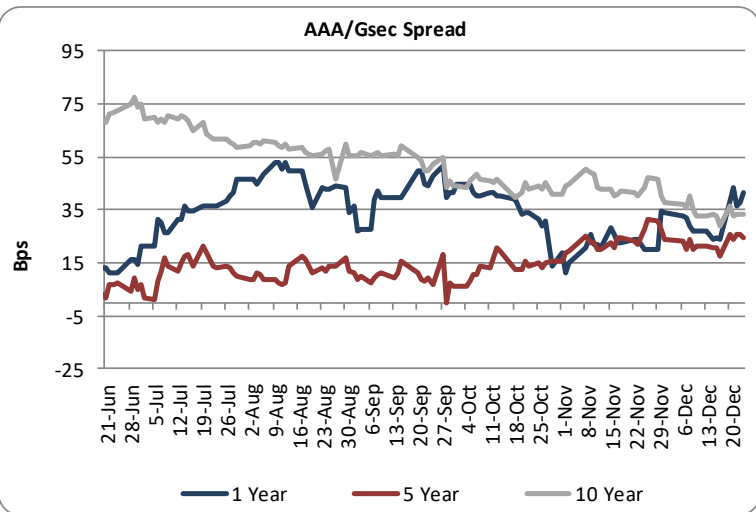
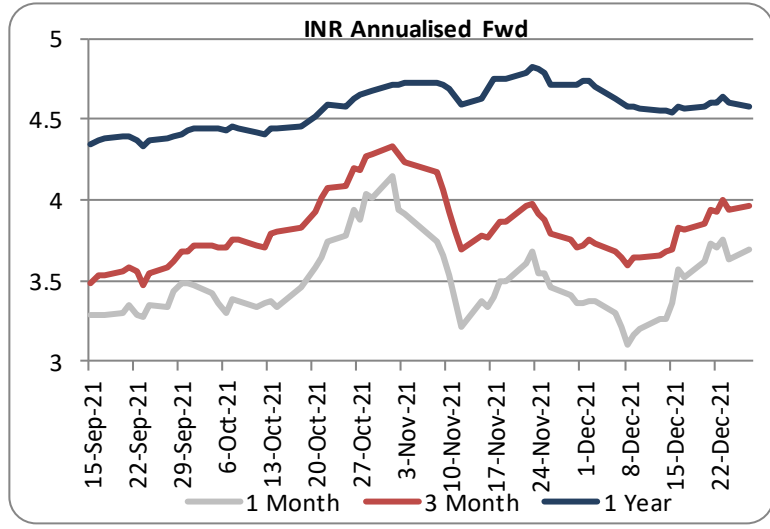
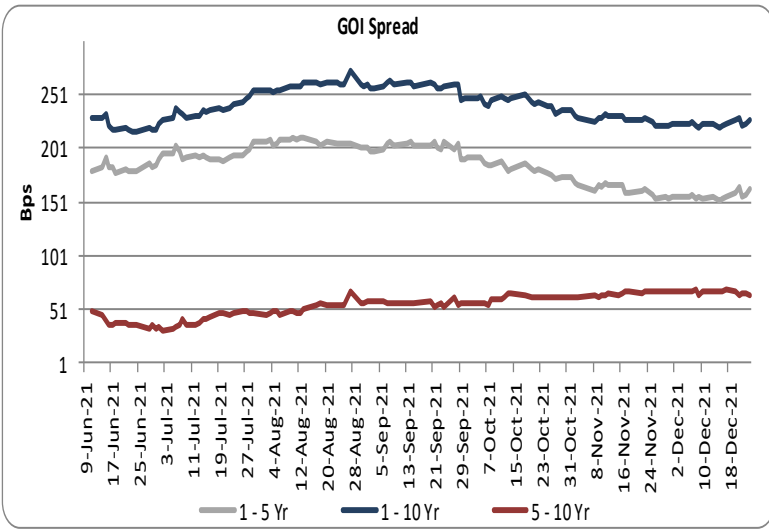
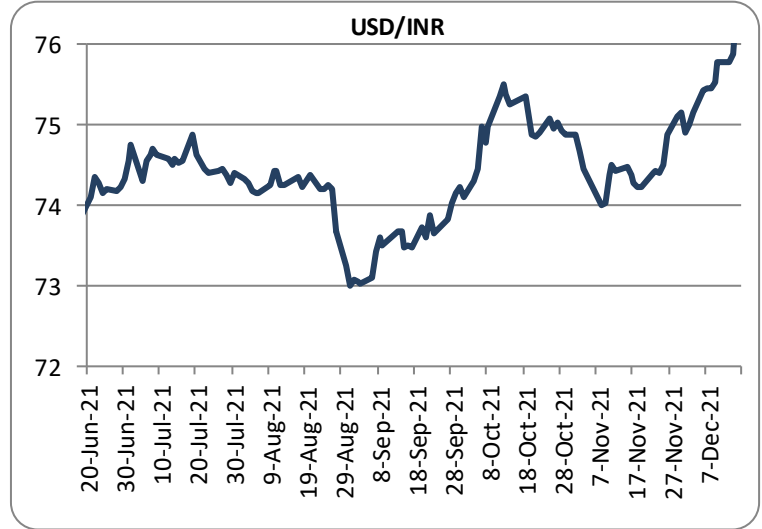
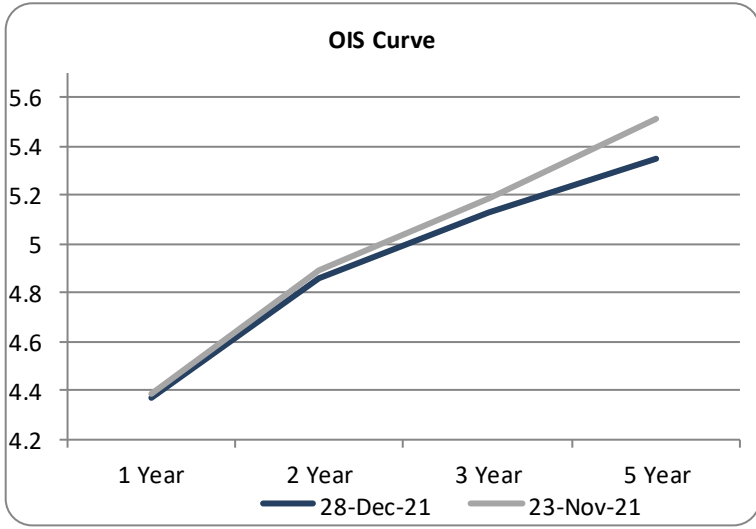
DEBT			
FII	Gross Purchase	Gross Sales	Net Investment
28-Dec-21	13	427	-413

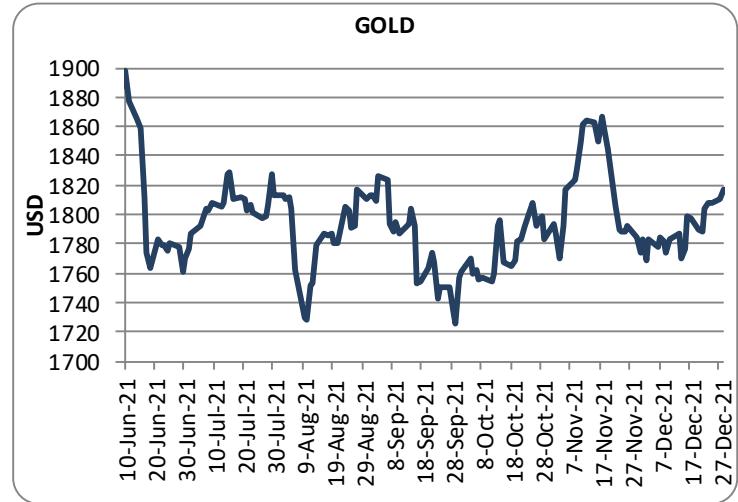
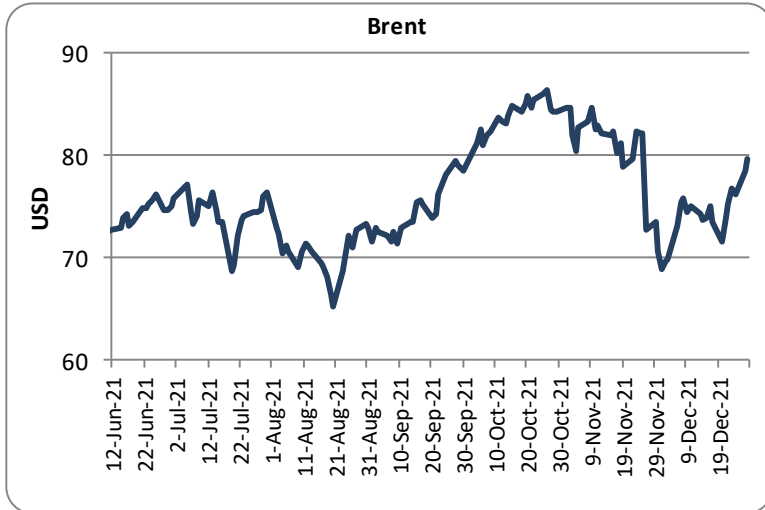
EQUITY		
Gross Purchase	Gross Sales	Net Investment
1986	2705	-719

TOTAL (Rs. Crs)		
Gross Purchase	Gross Sales	Net Investment
2000	3132	-1132

INDICATORS	PERIOD	ACTUAL	PRIOR
GDP Quarterly (%)	Sep-21	8.4	20.1
CAD (\$ Bn)	Jun-21	6.5	-8.1
Trade Deficit (\$ Bn)	Jun-21	-30.7	-41.7
WPI (%)	Nov-21	14.2	12.5
CPI (%)	Nov-21	4.9	4.5
IIP (%)	Oct-21	3.2	3.3
PMI Manufacturing	Nov-21	57.6	55.9
PMI Service	Nov-21	58.1	58.4

Economic Calender	Country	Date	Poll	Prior
Unemployment Rate	Japan	28-Dec-21	2.70	2.70
Unemployment Rate	Russia	29-Dec-21	-	4.30
Industrial Output	South Korea	30-Dec-21	3.20	4.50
Industrial Output	Brazil	06-Jan-22	-	(7.80)
Retail Sales	Euro Zone	07-Jan-22	5.60	1.40
CPI	China	10-Jan-22	-	2.30
Unemployment Rate	Euro Zone	10-Jan-22	-	7.30
CPI	Russia	10-Jan-22	8.20	8.40





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

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