



## INDIA

- ❖ The benchmark 6.54% bond maturing in 2032 ended at 97.53 rupees, yielding 6.89%, its highest since Jun. 26, 2019 and against 98.05 rupees, yielding 6.81%, on Friday.
- ❖ The benchmark Brent crude oil contract jumped above \$139 per barrel today, a level last seen in July 2008. U.S. Secretary of State Antony Blinken said on Sunday that the U.S. and European allies are exploring banning imports of Russian oil and that the White House had coordinated with key Congressional committees moving forward with their own ban, according to Reuters. The rally was also spurred by uncertainty over the U.S.-Iran deal. The Brent contract was last 6.05% higher at \$125.26 per barrel.
- ❖ The central bank's rate-setting panel has kept policy rates at record lows for nearly two years and stayed accommodative to lift growth in India's Covid-hit economy, while ensuring inflation remains within its target. The RBI, which bought debt earlier this year to ensure govt borrowing costs remain capped, has halted its secondary market bond purchases since October.
- ❖ The Govt. plans to borrow a record 14.95 trillion rupees through sale of bonds in the next fiscal year, starting Apr. 1.
- ❖ Meanwhile, the U.S. Federal Reserve is scheduled to meet March 15-16 and amid expectation of a 25-basis-point interest rate increase this time to quell inflation.
- ❖ The Indian rupee ended at a record closing low, even as dollar sales earlier today by state-run banks, likely on behalf of the central bank, helped curb volatility, which had spiked following a jump in global crude prices triggered by the Ukraine crisis. The rupee was quoted at 76.96 per dollar off an all-time low of 76.97 hit earlier in the session, and compared with 76.16 on Friday.
- ❖ Repo: The weighted average call rates in the interbank segment decreased to 3.29% vs 3.31% as on previous day while that in the TREP segment increased to 3.43% vs 3.38% as on previous day.

| GOI Yield | 7-Mar | 4-Mar | 28-Feb | 8-Feb |
|-----------|-------|-------|--------|-------|
| 1 Year    | 4.620 | 4.600 | 4.550  | 4.620 |
| 5 Year    | 6.209 | 6.113 | 5.970  | 6.123 |
| 10 Year   | 6.913 | 6.840 | 6.770  | 6.832 |

| AAA Brnk | 7-Mar | 4-Mar | 28-Feb | 8-Feb |
|----------|-------|-------|--------|-------|
| 1 Year   | 5.10  | 5.05  | 4.90   | 5.00  |
| 5 Year   | 6.50  | 6.40  | 6.30   | 6.34  |
| 10 Year  | 7.15  | 7.07  | 7.00   | 7.19  |

| CD      | 7-Mar | 4-Mar | 28-Feb | 8-Feb |
|---------|-------|-------|--------|-------|
| 3 Month | 4.05  | 3.95  | 3.90   | 4.02  |
| 6 Month | 4.56  | 4.46  | 4.40   | 4.25  |
| 1 Year  | 4.96  | 4.86  | 4.80   | 4.90  |

| CP      | 7-Mar | 4-Mar | 28-Feb | 8-Feb |
|---------|-------|-------|--------|-------|
| 3 Month | 4.20  | 4.10  | 4.05   | 4.10  |
| 6 Month | 4.77  | 4.66  | 4.60   | 4.55  |
| 1 Year  | 5.25  | 5.16  | 5.10   | 5.05  |

| OIS Rate | 7-Mar | 4-Mar | 28-Feb | 8-Feb |
|----------|-------|-------|--------|-------|
| 1 Year   | 4.50  | 4.40  | 4.32   | 4.56  |
| 2 Year   | 5.08  | 4.94  | 4.87   | 5.13  |
| 3 Year   | 5.50  | 5.37  | 5.30   | 5.47  |
| 5 Year   | 5.90  | 5.79  | 5.76   | 5.86  |

### Market Observations

#### G-sec

- Bond yields jumped at the start of the week as an extended rally in oil prices made investors nervous about the country's inflation outlook.
- Corporates and Mutual funds seen buying shorter maturity papers.

#### Corporate Bonds

- Corporates were actively buying 1-3 year segment papers.
- Mutual Funds were under a selling pressure.

#### CP/CD

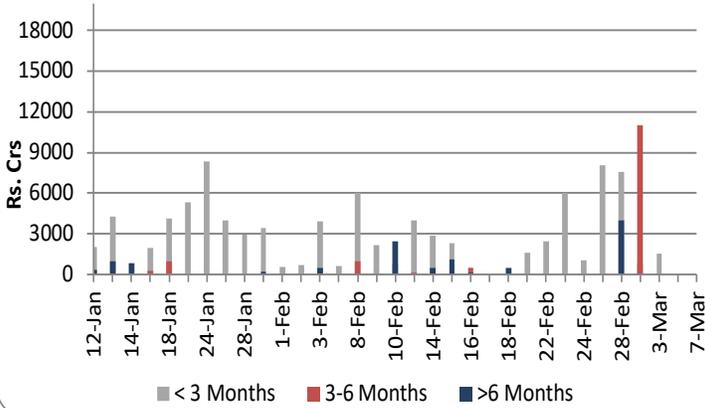
- Yields were higher by 10 BPS across CPs (NBFC & Manufacturing) as well as CDs.
- 1 and 5 year OIS rates were at a month's high up by 5 and 10 BPS this month amid higher crude oil (topping \$139 per barrel today) prices which raises bets of a rate hike.

|            | 7-Mar  | 4-Mar  | 28-Feb | 8-Feb  |
|------------|--------|--------|--------|--------|
| Sensex     | 52,843 | 54,334 | 56,247 | 57,809 |
| Nifty      | 15,863 | 16,245 | 16,794 | 17,267 |
| USD/INR    | 76.96  | 76.16  | 75.34  | 74.75  |
| Gold (USD) | 1,986  | 1,968  | 1,908  | 1,825  |
| Oil (USD)  | 125.94 | 118.11 | 100.99 | 90.78  |

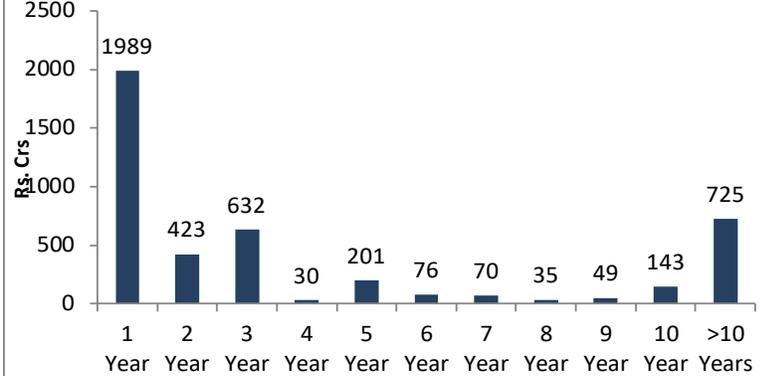
| NDF     | 7-Mar | 4-Mar | 28-Feb | 8-Feb |
|---------|-------|-------|--------|-------|
| 3 Month | 77.89 | 77.35 | 76.01  | 75.52 |
| 1 Year  | 80.28 | 79.60 | 78.33  | 77.93 |
| 2 Year  | 83.39 | 83.07 | 81.78  | 81.37 |
| 3 Year  | 87.46 | 86.80 | 85.33  | 84.99 |



**CP Primary Volume**



**Bonds Volume**



| 10 Year Benchmarks | 7-Mar | 4-Mar | 28-Feb | 8-Feb |
|--------------------|-------|-------|--------|-------|
| India              | 6.89  | 6.81  | 6.77   | 6.81  |
| US                 | 1.75  | 1.74  | 1.82   | 1.97  |
| South Korea        | 2.71  | 2.66  | 2.68   | 2.73  |
| Russia             | 19.89 | 19.89 | 12.81  | 9.37  |
| Brazil             | 11.42 | 11.42 | 11.32  | 11.30 |
| Germany            | -0.06 | -0.10 | 0.16   | 0.26  |
| China              | 2.84  | 2.83  | 2.79   | 2.72  |

| Top Traded Securities | Volume | 7-Mar | 4-Mar | 28-Feb | 8-Feb |
|-----------------------|--------|-------|-------|--------|-------|
| 5.15 GOI 2025         | 2825   | 5.93  | 5.85  | 5.77   | 5.90  |
| 5.63 GOI 2026         | 495    | 6.13  | 6.03  | 5.97   | 6.00  |
| 5.74 GOI 2026         | 3765   | 6.21  | 6.11  | 6.05   | 6.12  |
| 6.10 GOI 2031         | 5      | 6.92  | 6.84  | 6.77   | 6.83  |
| 6.64 GOI 2035         | 0      | 7.22  | 7.15  | 7.04   | 7.19  |
| 6.67 GOI 2035         | 30     | 7.20  | 7.12  | 7.01   | 7.17  |

| DEBT     |                |             |                |
|----------|----------------|-------------|----------------|
| MF       | Gross Purchase | Gross Sales | Net Investment |
| 2-Mar-22 | 1268           | 582         | 686            |

| EQUITY         |             |                |
|----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 723            | 2910        | -2187          |

| TOTAL (Rs.Crs) |             |                |
|----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 1991           | 3492        | -1501          |

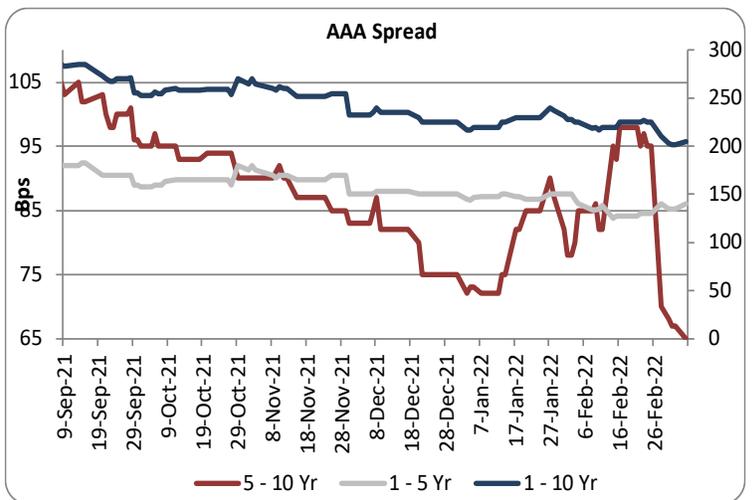
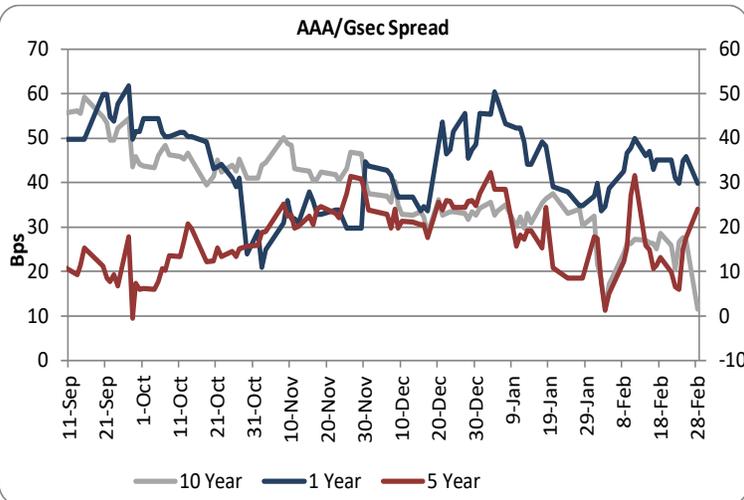
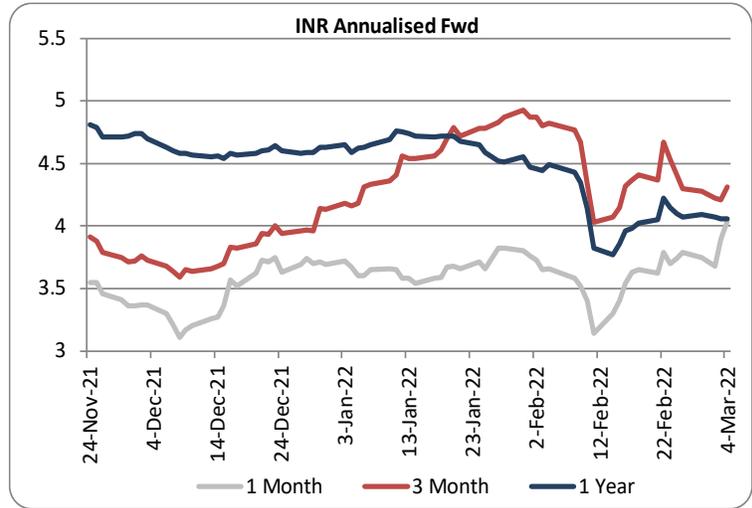
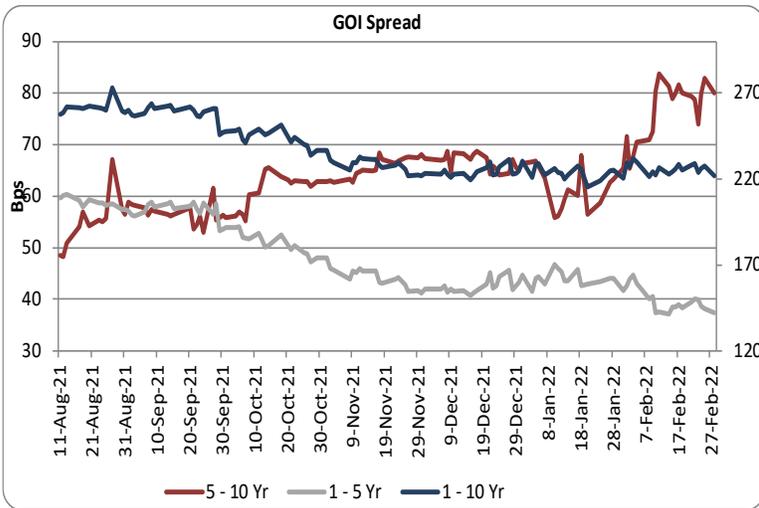
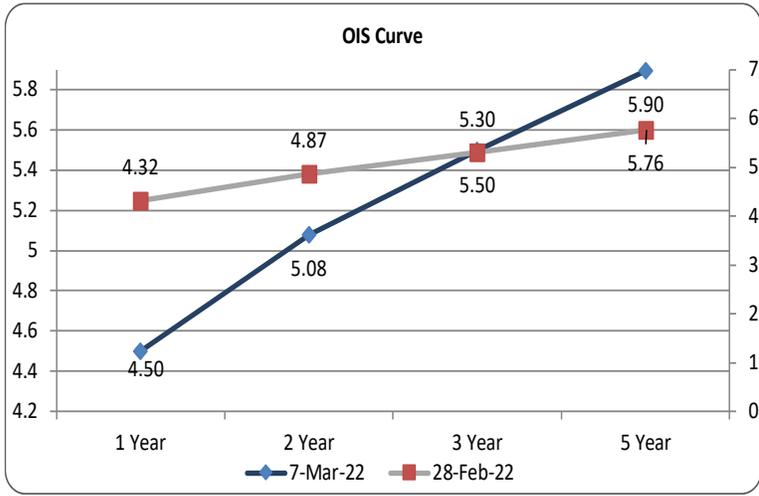
| DEBT     |                |             |                |
|----------|----------------|-------------|----------------|
| FII      | Gross Purchase | Gross Sales | Net Investment |
| 7-Mar-22 | 315            | 1444        | -1128          |

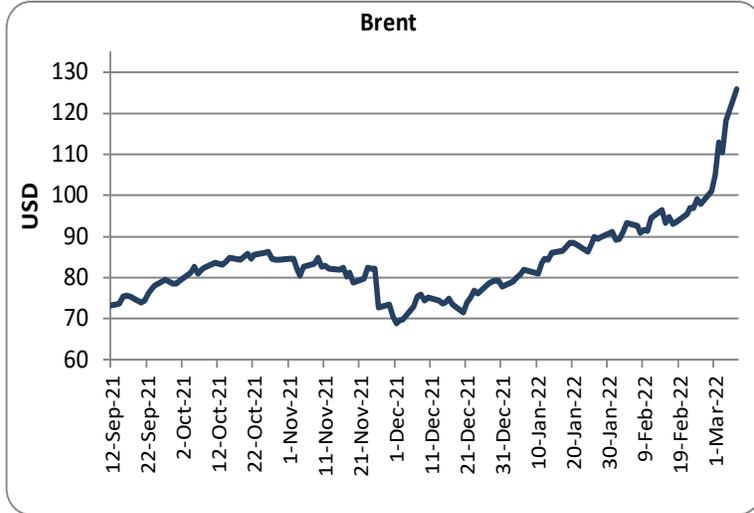
| EQUITY         |             |                |
|----------------|-------------|----------------|
| Gross Purchase | Gross Sales | Net Investment |
| 5996           | 13494       | -7499          |

| TOTAL (Rs. Crs) |             |                |
|-----------------|-------------|----------------|
| Gross Purchase  | Gross Sales | Net Investment |
| 6311            | 14938       | -8627          |

| INDICATORS            | PERIOD | ACTUAL | PRIOR |
|-----------------------|--------|--------|-------|
| GDP Quaterly (%)      | Dec-21 | 5.4    | 8.4   |
| 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     | Feb-22 | 54.9   | 54    |
| PMI Service           | Feb-22 | 51.8   | 51.5  |

| Economic Calender | Country        | Date      | Poll  | Prior  |
|-------------------|----------------|-----------|-------|--------|
| Exports           | China          | 07-Mar-22 | 15.00 | 20.90  |
| Unemployment Rate | Czech Republic | 08-Mar-22 | 3.60  | 3.60   |
| GDP Revised       | Euro Zone      | 08-Mar-22 | 4.60  | 4.60   |
| CPI               | China          | 09-Mar-22 | 0.80  | 0.90   |
| Retail Sales      | Brazil         | 10-Mar-22 | -     | (2.90) |
| Industrial Output | UK             | 11-Mar-22 | -     | 0.40   |
| Industrial Output | India          | 11-Mar-22 | -     | 0.40   |
| CPI               | India          | 14-Mar-22 | -     | 6.01   |





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

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