

	Last Close	1 Day	1 mth	1 Year Ago
Equities return (%)				
Dow Jones	15699	(0.3)	(4.7)	12.1
FTSE	6501	(0.2)	(3.4)	2.4
Nikkei	14619	(2.0)	(10.3)	30.6
Hong Kong	22035	(0.5)	(5.5)	(7.1)
10Y Bond yield (bps)				
US	2.66	2.0	(33.1)	64.9
UK	2.74	3.0	(28.7)	64.0
Japan	0.62	(0.7)	(12.6)	(15.6)
Currencies return (%)				
DXY	81.18	(0.2)	0.5	2.6
EUR	1.3506	0.1	(0.6)	(0.1)
GBP	1.6328	(0.7)	(0.5)	3.6
JPY	101.90	(0.1)	(2.8)	10.3
Commodity return (%)				
WTI	97	(0.1)	3.6	(0.4)
Brent	106	(0.3)	(0.7)	(9.1)
Gold	1245	0.0	0.6	(25.7)
Indian market movements				
Equities return (%)				
Sensex	20209	(1.5)	(3.1)	2.2
Bankex	11554	(1.3)	(9.6)	(20.1)
Money market (bps)				
Call rate	7.00	75.0	(65.0)	(50.0)
3M CD	9.53	50.8	75.0	92.5
3M CP	9.87	9.8	48.5	80.8
Indian Bond yield (bps)				
10Y Gsec	8.73	(4.6)	(10.2)	82.8
10Y AAA	9.67	(5.2)	4.9	79.8
Rupee market (%)				
USD/INR	62.58	(0.1)	0.7	17.4
1Y Forward	67.6	(0.0)	0.7	19.2
1Y NDF	67.8	0.1	0.6	20.2

Key developments today

- India's January HSBC manufacturing PMI posted its highest reading since March 2013, coming in at 51.4 vs. 50.7 in December
- The Central Government increased domestic gas supply from 80% to 100% in the city gas distribution (CGD) sector which is expected to reduce CNG and PNG (piped natural gas) prices by INR 15/kg and INR 5/cubic metre respectively in Delhi; other cities are likely to benefit as well

Domestic markets wrap-up

- Sensex ends at over two-month low amidst weak overseas cues.** Meanwhile, corporate earnings results released today were mixed; While Lupin's results exceeded analysts' estimates, those of Gillette India and Vijaya Bank disappointed. Sensex ended lower by 1.5% and Nifty ended down by 1.4%.
- Rupee ends marginally stronger, tracking gains in the Euro.** However, weak cues from domestic equities limited the upside. USDINR ended at 62.58 vs. prior close of 62.66.
- Gilts end slightly stronger, extending Friday's gains.** Meanwhile, the recent decline in crude oil prices also aided the bonds. The 8.83% bond due 2023 ended the session at 8.73% vs. Friday's close of 8.77%.
- The RBI injected INR 1,000.85 bn (net), INR 88.25 bn and INR 401.16 bn under LAF (including 14-day and two 28-day term repos), MSF and special refinance facility respectively on Friday.

Global market developments

- Asian equity peers end lower as weak PMI data from China weighs on sentiment.** Nikkei and Kospi fell by 2.0% and 1.1% respectively. Australia's ASX ended largely flat amidst caution ahead of the RBA policy meeting tomorrow. Meanwhile, markets in China and Hong Kong were closed on account of holiday.
- Euro trading higher, buoyed by positive manufacturing PMI data** which improved to 54.0 in January as against the flash estimate of 53.9. The safe-haven Japanese Yen is also trading stronger amidst losses in global equities. The Pound is trading lower for the fifth session in a row, after manufacturing PMI for January came in lower than expectations at 56.7.
- US Treasuries are trading slightly weaker today on profit booking following significant gains on Friday.** Markets would closely watch US ISM manufacturing data due today and NFP data due later this week for further cues. The 10-year benchmark yield is currently hovering at 2.66% vs. Friday's close of 2.64%.

Commodity market developments

- Crude oil prices are trading lower today, extending Friday's losses.** Meanwhile, weak official PMI print from China released today morning weighed on the crude prices.
- Gold prices are trading marginally higher on the back of a weaker greenback.** Holdings in SPDR Gold Trust remained unchanged at 793.16 tonnes on Friday.

Fixed Income Market

GOI Sec Market

Security	Closing Yield	Previous Yield
7.16% GOI 2023	9.13%	9.18%
8.28% GOI 2027	9.15%	9.18%
8.83% GOI 2023	8.73%	8.77%
8.79% GOI 2021	--	8.86%

Overnight Indexed Swap

Tenor	February 3	January 31
1 Year	8.70	8.71
2 Year	8.44	8.50
5 Year	8.44	8.44

MIFOR

Tenor	February 3	January 31
1 Year	8.45	8.45
3 Year	7.78	7.85
5 Year	7.70	7.70

Money Market

	February 3	January 31
Call Money Range	7.00	8.80
MIBOR	8.19	8.12
Reverse Repo Amt	--	4.83
Repo Amt	315.65	315.61

Global Treasury Yields

	February 3	January 31
US 10 Year	2.66	2.64
EURO 10 Year	1.67	1.66
GBP 10 Year	2.73	2.71
JPY 10 Year	0.62	0.62

Swap Rate

Currency	1-year	2-year	5-year	10-year
USD	0.2815	0.4606	1.627	2.807
EUR	0.382	0.4500	1.0320	1.9040
GBP	0.6785	0.9690	1.9720	2.7880
JPY	0.2025	0.2035	0.3335	0.8120
CHF	0.0621	0.0791	0.5100	1.3650

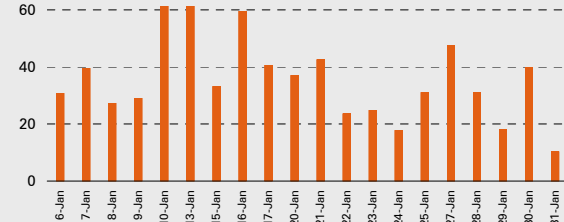
Forex Market

Currency	USD	EUR	GBP	JPY	CHF
USD	-	0.7404	0.6123	101.89	0.9047
EUR	1.3505	-	0.8269	137.61	1.2218
GBP	1.6332	1.2094	-	166.41	1.4775
JPY	0.0098	0.7267	0.6009	-	0.8879
CHF	1.1054	0.8185	0.6768	112.62	-

USD INR Forwards

	Annualised	Paise
3-month	8.65	124.00
6-month	8.32	250.50
9-month	8.16	374.00
12-month	8.02	493.00

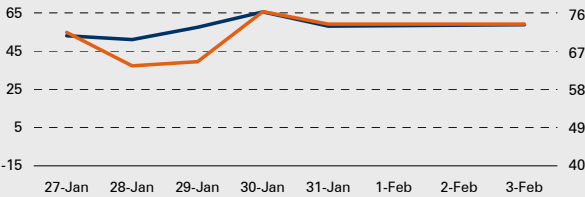
NSE WDM Volumes (INR bn)



OIS-MIFOR Spreads

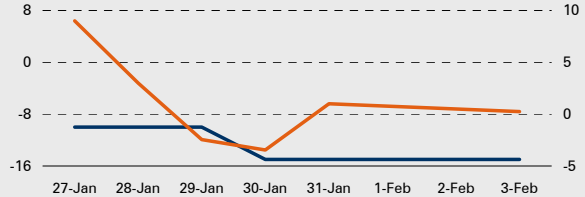
OIS-MIFOR 2 YR SPREAD

OIS MIFOR 5 YR SPREAD(RHS)



MIFOR 2-5 SPREAD

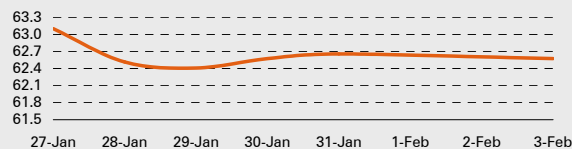
OIS 2-5 SPREAD(RHS)



LIBOR

	3 month	6 month
EURO LIBOR	0.26	0.34
USD LIBOR	0.24	0.33
GBP LIBOR	0.52	0.62
JPY LIBOR	0.14	0.20
CHF LIBOR	0.08	0.08

USD/INR Movement



Asia Pacific Currencies

	February 3	January 31
USD/INR	62.58	62.66
USD/SGD	1.2753	1.2767
AUD/USD	0.8795	0.8756
USD/THB	32.95	33.02
USD/KRW	1084.68	1080.97

Vols (1 month)

Currency	February 3	January 31
INR	10.68	10.68
EUR	7.20	7.19
JPY	9.60	9.41
GBP	7.41	7.20
CHF	10.98	11.01

ICICI Bank: ICICI Bank Towers. Bandra Kurla Complex. Mumbai- 400 051. Phone: (+91-22) 2653-1414

Treasury Research Group

Economics Research

Sunandan Chaudhuri	Senior Economist	(+91-22) 2653-7525	sunandan.chaudhuri@icicibank.com
Kamalika Das	Economist	(+91-22) 2653-1414 (ext 6280)	kamalika.das@icicibank.com
Kanika Pasricha	Economist	(+91-22) 2653-1414 (ext 2260)	kanika.pasricha@icicibank.com
Samir Tripathi	Economist	(+91-22) 2653-7233	samir.tripathi@icicibank.com
Tadit Kundu	Economist	(+91-22) 2653-1414 (ext 2087)	tadit.kundu@icicibank.com
Pooja Sriram	Economist	(+91-22) 2653-1414 (ext 2023)	pooja.sriram@icicibank.com
Nikhil Gupta	Economist	(+91-22) 4259-2180	nikhil.gupta@icicibank.com
Shanjukta Nath	Economist	(+91-22) 2653-1414 (ext 2085)	shanjukta.nath@icicibank.com

Treasury Desks

Treasury Sales	(+91-22) 2653-1076-80	Currency Desk	(+91-22) 2652-3228-33
Gsec Desk	(+91-22) 2653-1001-05	FX Derivatives	(+91-22) 2653-8941/43
Interest Rate Derivatives	(+91-22) 2653-1011-15	Commodities Desk	(+91-22) 2653-1037-42
Corporate Bonds	(+91-22) 2653-7242		

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