

Good Morning,

The market roundup for the global and domestic markets for **Thursday (April 1, 2021) and Friday (April 2, 2021)** is as follows. Global equity markets (US, European, Indian) remained closed while Japanese and Chinese equity markets, US treasury yields, currency markets were open on **April 2, 2021**.

- **US equity markets** closed higher (S&P 500 closed at a record high above the 4,000) on account of upbeat market sentiments following President Biden's \$2.3 trillion infrastructure plan, strong manufacturing sector in March, as reflected by the ISM Manufacturing PMI data.
- **European stocks** ended higher (including FTSE) driven by robust economic data which showed better than expected manufacturing growth in Eurozone and France during March and German factory activity growing at a record pace supported by strong demand from US and China. However, the slow pace of manufacturing activity in China, imposition of restrictions amid rising covid cases across Europe (with France imposing a national lockdown) and slow pace of vaccination owing to supply issues limited the upside.
- **Asian equity indices** rallied tracking overnight gains in the US markets following announcement of US infrastructure plan. Gains in **Chinese equity markets** were limited as data showed manufacturing activity in March expanded albeit at a slower pace. **Hong Kong stocks** gained as Hong Kong Exchanges and Clearing announced reform plans likely to attract fund raising by easing the process of listing for small and US listed firms. **Nikkei** rose led by gains in semiconductor stocks, Bank of Japan's survey showing revival of business sentiment to the pre pandemic level and prospects of increased inoculations via improved supplies.
- **10 year US benchmark treasury yields** edged higher on the back of strong economic data (payroll and ISM data) which continued to support sustained economic recovery in the US economy. **US dollar** weakened against major currencies on the back of improved investor risk appetite in view of improved prospects of global economy.
- **Crude oil** prices rose on account of better demand outlook on the back of US infrastructure spending boost and improved economic data in the US and European markets. However, the gains were limited as OPEC and its allies on Thursday agreed to gradually ease production cuts. Gold prices rose tracking weakness in US dollar.
- **Indian equities** gained on the back of positive global cues following announcement of the US infrastructure plan. Market sentiments were boosted by the record GST collections for the month of March. However, investors continued to remain cautious amid surging coronavirus infections across the country.
- **Rupee** weakened against the **US Dollar** on account of slower pace of FPI inflows and rising crude oil prices. However, weakness in US dollar and strong domestic equities limited the downside. **The 10 year benchmark GSec yields** rose on the back of government's borrowing plan of Rs. 7.24 crore for the first half of FY21-22.

Table 1: Global Markets indicators

	31-03-2021	01-04-2021	% / bps change
Dow	32,982	33,153	0.52
NASDAQ	13,247	13,480	1.76
S & P 500	3,973	4,020	1.18
Nikkei 225	29,389	29,854	1.58
FTSE 100	6,714	6,737	0.35
US 10-yr (%)	1.68	1.71	3 bps
UK 10-yr (%)	0.86	0.80	-5.70 bps
Germany 10-yr (%)	-0.29	-0.33	-3.60 bps
3-month Libor (%) ^	0.202	0.200	-0.19 bps
6-month Libor (%) ^	0.207	0.201	-0.55 bps
Gold	1,716	1,728	0.70
Crude Oil (WTI)	59.16	61.45	3.87
Crude Oil (Brent)	63.54	64.86	2.08
\$/€*	1.17	1.18	0.85
¥/\$*	110.79	110.62	-0.15
\$/£*	1.38	1.38	0.36

* (-) Appreciation/ (+) Depreciation ; ^ with a day's lag
Source: CNN, WSJ, Bloomberg.

Table 2: Domestic Market indicators

	31-03-2021	01-04-2021	% change
Sensex	49,509	50,030	1.05
NIFTY	14,691	14,867	1.20
BSE SME IPO	1,627	1,631	0.26
Rs/\$	73.11	73.44	0.45
Rs/€	85.96	85.93	-0.03

Source: BSE, NSE, FEDAI * (-) Appreciation/ (+) Depreciation.

Table 3: FPI and MFs investment flows

US \$ Mn	Equity			Debt			Total (Net)
	Purchase	Sale	Net	Purchase	Sale	Net	
Net FPI Flows (US \$ mn)							
Feb-21	27,580	24,56	3,016	2,898	3,284	(386)	2,629
Mar-21*	26,974	24,397	2,577	4,309	3,204	1,105	3,682
26-Mar-21	967	913	55	279	247	32	87
27-Mar-21	1,427	1,492	(64)	1,013	69	944	879
MF Investments (Rs. Cr.)							
Mar-21#	76583	74107	2476	126753	112685	14068	16545

Source: NSDL, SEBI *Data till Mar 27,2021 # Data till March 31, 2021

Table 4: Money Market view

	30-03-2021	31-03-2021
Avg. Call Rate(%)	3.22	3.47
Vol. Traded (Rs. Cr.)	11,551	315
MIBOR (Overnight)^	3.47	3.44
Net banking system liquidity outstanding *	(379,892)	(456,830)
Daily liquidity injection (+) /absorption (-)# *	(493,793)	(246,286)
T-Bills 91 days	3.32	3.30
182 days	3.35	3.45
364 days	3.70	3.77
G-Sec 3 years	4.66	4.67
5 years	5.68	5.70
10 years	6.14	6.18

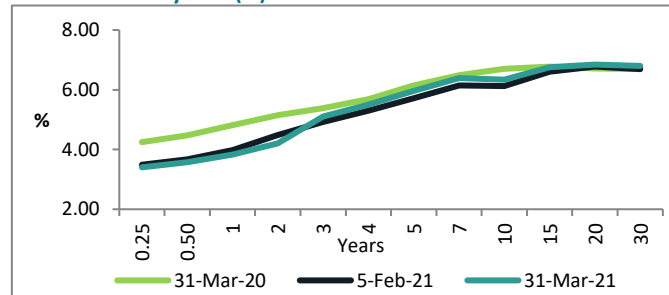
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day ; Source: RBI, FBIL; ^with a day's lag
*Data pertains to March 31, 2021 & April 1, 2021

Table 5: Corporate bond spreads over G-sec (%)

10 Year	30-03-2021	31-03-2021	10 year	30-03-2021	31-03-2021
AAA	0.44	0.46	A	3.29	3.27
AA+	0.91	0.91	A-	3.79	3.77
AA	1.16	1.19	BBB+	4.29	4.27
AA-	1.54	1.52	BBB	4.54	4.52
A+	3.04	3.02	BBB-	5.04	5.02

Source: FIMMDA

Exhibit 1: G-Sec yields (%)



Source: FIMMDA

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