

Good Morning,

The market roundup for the global and domestic markets for **Monday (April 5, 2021)** is as follows.

- **US equity markets** closed higher (**Dow and S&P 500** scaled record highs) on account of upbeat economic data (PMI - services showed record expansion in the services sector coupled with US nonfarm payrolls data released on Friday suggested that the economy added 916,000 jobs in March) continued to signal robust economic recovery in the US economy. Further the infrastructure spending plan announced last week helped maintain the momentum in the markets. However, investors are closely monitoring developments about the likely hike in the US corporate tax rates to fund the infrastructure plan.
- **European markets** were closed on account of Easter Monday.
- **Nikkei** closed higher tracking overnight gains in the US markets following robust economic data and US infrastructure plan. However, the gains were limited as despite the upward revision in the PMI-services for Japan, the data showed that the services sector is in contraction zone in March. Markets in **China & Hong Kong** were closed on account of a public holiday.
- **10 year US benchmark treasury yields** retreated following a recent pause in bond sell-offs by investors. Increased buying from traders can also be ascribed to quicker than expected hike in policy rates. However, improved economic data in the US economy curtailed the decline. **US dollar** weakened against major currencies with improved outlook for global economy and investor risk appetite.
- **Crude oil** prices declined following decision to gradually ease production cuts by OPEC and its allies. **Gold prices** rose marginally following weakness in US dollar.
- **Indian equities** ended lower on account of profit booking across financial, FMCG and auto sectors. Investor sentiments were dampened by disappointing economic data (fall in PMI manufacturing to 7-month low) while swelling coronavirus infections across the country and imposition of stringent restrictions dented hopes of a faster economic recovery.
- **Rupee** strengthened tracking the weakness in the US dollar. However, weak domestic equities amid reinforcement of curbs capped the strength in rupee. **The 10 year benchmark GSec yields** softened ahead of RBI's MPC meeting scheduled for Wednesday and expectations of sustained liquidity support by the RBI amid the surge in coronavirus cases.

**Table 1: Global Markets indicators**

	01-04-2021	05-04-2021	% / bps change
Dow	33,153	33,527	1.13
NASDAQ	13,480	13,706	1.67
S & P 500	4,020	4,078	1.44
Nikkei 225 #	29,854	30,089	0.79
FTSE 100	6,737	NA	NA
US 10-yr (%) #	1.71	1.69	-2.80 bps
UK 10-yr (%)	0.80	NA	NA
Germany 10-yr (%)	-0.33	-0.33	-0.40 bps
3-month Libor (%) ^	0.202	0.200	-0.19 bps
6-month Libor (%) ^	0.207	0.201	-0.55 bps
Gold	1,728	1,729	0.06
Crude Oil (WTI)	61.45	58.65	-4.56
Crude Oil (Brent)	64.86	62.15	-4.18
\$/€*	1.18	1.18	0.33
¥/\$*	110.62	110.19	-0.39
\$/£*	1.38	1.39	0.72

\* (-) Appreciation/ (+) Depreciation ;

^ with a day's lag (Data pertains to 30<sup>th</sup> & 31<sup>st</sup> March 2021)

Source: CNN, WSJ, Bloomberg.

#Data pertains to 2<sup>nd</sup> & 5<sup>th</sup> April, 2021

**Table 4: Money Market view**

	31-03-2021	05-04-2021
Avg. Call Rate(%)	3.47	3.11
Vol. Traded (Rs. Cr.)	315	9,528
MIBOR (Overnight)^ *	3.44	3.5
Net banking system liquidity outstanding	(379,892)	(606,648)
Daily liquidity injection (+) /absorption (-)#	(493,793)	(720,549)
T-Bills 91 days *	3.30	3.27
182 days *	3.45	3.36
364 days *	3.77	3.76
G-Sec 3 years	4.67	4.55
5 years	5.70	5.57
10 years	6.18	6.12

\* + 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 30<sup>th</sup> & 31<sup>st</sup> March, 2021

**Table 2: Domestic Market indicators**

	01-04-2021	05-04-2021	% change
Sensex	50,030	49,159	-1.74
NIFTY	14,867	14,638	-1.54
BSE SME IPO	1,631	1,638	0.40
Rs/\$	73.44	73.30	-0.19
Rs/€	85.93	86.38	0.52

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

**Table 3: FPI and MFs investment flows**

US \$ Mn	Equity		Net	Debt		Total (Net)	
	Purchase	Sale		Purchase	Sale		
Net FPI Flows (US \$ mn)							
Mar-21	26,974	24,397	2,577	4,309	3,204	1,105	3,682
Apr-21 *	1,995	2,225	(230)	459	202	257	26
27-Mar-21	1,427	1,492	(64)	1,013	69	944	879
05-Apr-21	1,995	2,225	(230)	459	202	257	26
MF Investments (Rs. Cr.)							
Mar-21#	76583	74107	2476	126753	112685	14068	16545

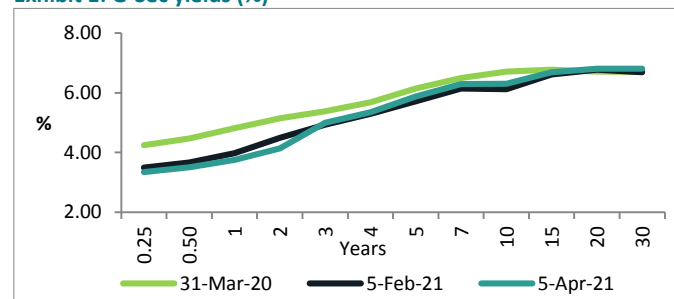
Source: NSDL, SEBI \*Data till April 5, 2021 # Data till March 31, 2021

**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