

Good Morning,

The market roundup for the global and domestic markets for **Tuesday (April 6, 2021)** is as follows.

- **US equity markets** closed lower as investors turned cautious ahead of the quarterly earnings season, concerns over rising inflation and likely increase in the corporate tax rates to fund the mega infrastructure investment plan. However, the losses were capped by upbeat labour market data (US job openings swelled to a two year high and hiring picked up), accelerated pace of vaccination in the US and sharp upward revision in the US and global GDP growth projections at 6.4% and 6% respectively for 2021.
- **European markets** ended higher (including **FTSE**) on account of upbeat market sentiments following robust US payrolls data signalling strong economic recovery and prospects of improved economic outlook with upward revisions in growth forecasts for Eurozone by the IMF. However, gains were capped by rising infection rates, slower pace of immunization programmes and restrictive measures to control the third wave of coronavirus infections (in France). The gains in the **FTSE index** were also driven by sharp upward revision in IMF's GDP forecast for UK in 2021 coupled with announcement of new mass-testing programme for better tracking of the pandemic.
- **Nikkei** closed lower as investors booked profit amid implementation of local emergency measures in some regions owing to surge in infection rates and disappointing household spending data. Investors also remained watchful ahead of the movement in the US treasury yields and tensions between China and Japan ahead of the US-Japan summit. **Chinese markets** closed lower on account of resurgence of covid infections, China-Taiwan tension and fears around policy tightening.
- **10 year US benchmark treasury yields** declined tracking the losses in the equity markets ahead of 42-day bill auction. However, prospects of strong economic recovery limited the decline. **US dollar** weakened against **Euro** and **Yen** with improved investor risk appetite. **Pound** strengthened against the **US dollar** on the back of optimism over economic recovery.
- **Crude oil** prices rose following US-Iran talks to revive the nuclear accord of 2015 and improved economic outlook supported by robust economic data. The gains were capped by the decision by OPEC+ to ease production cuts, restrictive measures plus slow vaccination rollouts in Europe and rising COVID-19 cases in India and Brazil. **Gold prices** rose following weakness in **US dollar**.
- **Indian equities** ended flat as metal, healthcare and realty stocks gained while profit-booking was observed across IT and financials. Investors remained cautious ahead of the monetary policy meeting and market sentiments were dampened due to renewed restrictions imposed across several states.
- **Rupee weakened** against US dollar on account of surge in crude oil prices and renewed restrictions across the country. **The 10 year benchmark GSec yields** remained unchanged as investors remained cautious ahead of RBI's scheduled MPC meeting.

**Table 1: Global Markets indicators**

	05-04-2021	06-04-2021	% / bps change
Dow	33,527	33,430	-0.29
NASDAQ	13,706	13,698	-0.05
S & P 500	4,078	4,074	-0.10
Nikkei 225	30,089	29,697	-1.30
FTSE 100	NA	6,824	NA
US 10-yr (%)	1.69	1.67	-1.90 bps
UK 10-yr (%)	NA	0.79	NA
Germany 10-yr (%)	-0.33	-0.32	0.70 bps
3-month Libor (%) ^	0.200	0.194	-0.55 bps
6-month Libor (%) ^	0.205	0.201	-0.40 bps
Gold	1,729	1,743	0.82
Crude Oil (WTI)	58.65	59.33	1.16
Crude Oil (Brent)	62.15	62.74	0.95
\$/€*	1.18	1.19	0.84
¥/\$*	110.19	109.77	-0.38
\$/£*	1.39	1.38	-0.71

\* (-) Appreciation/ (+) Depreciation ; ^ pertains to March 31st and 1st April  
Source: CNN, WSI, Bloomberg.

**Table 2: Domestic Market indicators**

	05-04-2021	06-04-2021	% change
Sensex	49159	49201	0.09
NIFTY	14638	14684	0.31
BSE SME IPO	1,638	1,639	0.11
Rs/\$	73.30	73.43	0.18
Rs/€	86.38	86.89	0.59

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)							
Mar-21	26,974	24,397	2,577	4,309	3,204	1,105	3,682
Apr-21 *	2,636	2,956	(320)	500	429	71	(249)
01-Apr-21	1,995	2,225	(230)	459	202	257	26
05-Apr-21	641	731	(90)	42	227	(185)	(275)
MF Investments (Rs. Cr.)							
Apr-21#	4168	4543	(375)	2550	753	1797	1422

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

**Table 4: Money Market view**

	05-04-2021	06-04-2021
Avg. Call Rate(%)	3.11	3.13
Vol. Traded (Rs. Cr.)	9,528	9,527
MIBOR (Overnight)^ *	3.5	3.43
Net banking system liquidity outstanding	(606,648)	(615,680)
Daily liquidity injection (+) /absorption (-)#	(720,549)	(728,884)
T-Bills 91 days *	3.27	3.30
182 days *	3.36	3.37
364 days *	3.76	3.73
G-Sec 3 years	4.55	4.53
5 years	5.57	5.57
10 years	6.12	6.12

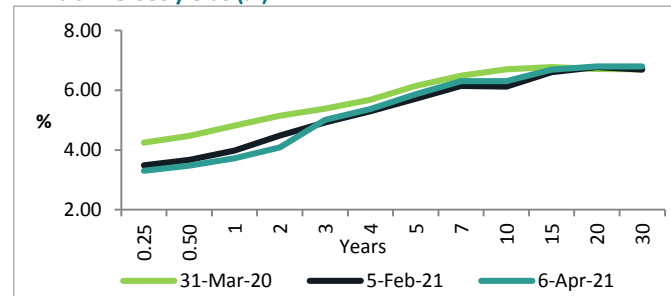
\* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day ; Source: RBI, FBIL; ^with a day's lag  
\*Data pertains to 31<sup>st</sup> March, 2021 & 5<sup>th</sup> April, 2021

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

10 Year	31-03-2021	05-04-2021	10 year	31-03-2021	05-04-2021
AAA	0.46	0.44	A	3.27	3.25
AA+	0.91	0.89	A-	3.77	3.75
AA	1.19	1.17	BBB+	4.27	4.25
AA-	1.52	1.50	BBB	4.52	4.50
A+	3.02	3.00	BBB-	5.02	5.00

Source: FIMMDA

**Exhibit 1: G-Sec yields (%)**



Source: FIMMDA

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