

Good Morning,

The market roundup for the global and domestic markets for **Friday (June 4, 2021)** is as follows.

- **US equity markets** ended higher driven by gains in technology stocks. The tepid growth in US jobs markets, which assuaged fears of overheating and is likely to delay the tapering action by US Fed was cheered by equity investors while it dragged **10-year US benchmark treasury yields** lower and **the US dollar** weakened against major currencies.
- **European equity markets** ended higher on the back of optimism around faster economic rebound and swifter vaccinations. **FTSE** ended flat as re-opening optimism was offset by losses in airline stocks owing to tightening of travel restrictions.
- **Asian markets** ended mixed as investors awaited US jobs data due later in the day amid heightened inflationary fears. **Chinese markets** closed higher as China and US resumed discussions to resolve differences on matters of trade and economy. **Nikkei** closed lower dragged by technology stocks.
- **Crude oil prices** ended higher owing to bigger than expected fall in stockpiles and strong demand prospects. **Gold prices** rose on the back of weakness in **US dollar** and lower than expected US jobs data.
- **Indian benchmark equity indices** ended as no major surprises in RBI's policy announcement and downward GDP revision dampened investor sentiments.
- **Rupee** weakened against the **US dollar** owing to quantitative easing by the RBI and expectations of higher inflation. **The 10-year benchmark G sec yields** increased driven by inflationary concerns and lower than expected GSAP announcement.

**Table 1: Global Markets indicators**

	03-06-2021	04-06-2021	% / bps change
Dow	34,577	34,756	0.52
NASDAQ	13,615	13,814	1.47
S & P 500	4,193	4,230	0.88
Nikkei 225	29,058	28,942	-0.40
FTSE 100	7,064	7,069	0.07
US 10-yr (%)	1.63	1.57	-5.60 bps
UK 10-yr (%)	0.83	0.79	-4.10 bps
Germany 10-yr (%)	-0.18	-0.21	-2.95 bps
3-month Libor (%) ^	0.134	0.131	-0.33 bps
6-month Libor (%) ^	0.167	0.165	-0.26 bps
Gold	1,873	1,892	1.00
Crude Oil (WTI)	68.81	69.62	1.18
Crude Oil (Brent)	71.31	71.89	0.81
\$/€*	1.21	1.22	0.29
¥/\$*	110.19	109.57	-0.56
\$/£*	1.41	1.41	0.26

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

**Table 2: Domestic Market indicators**

	03-06-2021	04-06-2021	% change
Sensex	52,232	52,100	-0.25
NIFTY	15,690	15,670	-0.13
BSE SME IPO	3,280	3,287	0.21
Rs/\$	72.91	73.00	0.12
Rs/€	88.91	88.74	-0.19

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

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

US \$ Mn	Equity		Debt		Net		Total (Net) ^
	Purchase	Sale	Purchase	Sale	Purchase	Sale	
Net FPI Flows (US \$ mn)							
May-21	24,294	23,545	749	2,287	2,220	67	906
June-21*	3,334	2,951	384	382	288	95	469
02-June-21	1,589	1,440	149	74	107	(33)	113
03-June-21	1,003	841	162	134	77	58	216
MF Investments (Rs. Cr.)							
June-21#	133	71	62	427	422	5	67

Source: NSDL, SEBI \*Data till June 3, 2021 # Data till June 1, 2021 ^Total (Net) of equity, debt & hybrid

**Table 4: Money Market view#**

	03-06-2021	04-06-2021
Avg. Call Rate (%)	3.09	2.85
Vol. Traded (Rs. Cr.)	7,683	532
MIBOR (Overnight) ^	3.39	3.37
Net banking system liquidity outstanding	(5,22,454)	(4,74,857)
Daily liquidity injection (+) / absorption (-) #	(4,06,577)	(5,59,001)
T-Bills 91 days *	3.41	3.41
182 days *	3.63	3.62
364 days *	3.73	NA
G-Sec 3 years	5.03	5.03
5 years	5.56	5.59
10 years	6.00	6.03

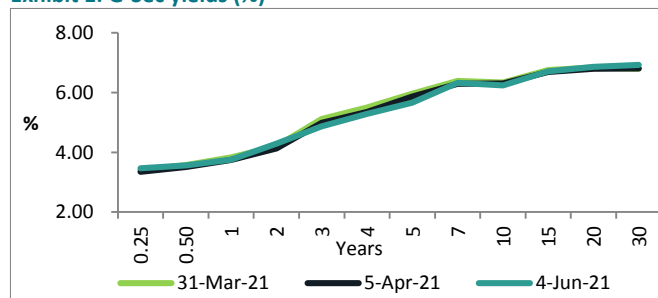
\* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day; Source: RBI, FBI, CCIL; ^pertains to 27<sup>th</sup> and 28<sup>th</sup> May 2021 \*with a day's lag

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

10 Year	02-06-2021	03-06-2021	10 year	02-06-2021	03-06-2021
AAA	0.47	0.48	A	3.34	3.35
AA+	0.93	0.94	A-	3.84	3.85
AA	1.19	1.20	BBB+	4.34	4.35
AA-	1.59	1.60	BBB	4.59	4.60
A+	3.09	3.10	BBB-	5.09	5.10

Source: FIMMDA

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



Source: FIMMDA