

Good Morning,

The market roundup for the global and domestic markets for **Monday (June 7, 2021)** is as follows.

- **US equity markets** ended mixed (**Down Jones** ended higher; **S&P** was flat, and **NASDAQ** ended higher) as investors assessed the impact of the global minimum tax rate approved by the G7 and awaited US inflation data. Gains in tech shares drove **NADAQ** higher. Hawkish comments from Treasury Secretary Janet Yellen raised concerns of tapering by the Fed pushing the **10-year US benchmark treasury yields** higher. Weaker than expected US jobs data moved investors to riskier assets against the **US dollar**.
- **European equity markets** ended marginally higher as optimism around the tax decision by G7 countries was outweighed by rising inflationary concerns, weak Chinese trade data and scheduled ECB meeting. **FTSE** closed higher on the back of upbeat UK house prices data. **Nikkei** closed higher fuelled by recovery hopes as Japan's leading economic index rose to a 7-year high.
- **Crude oil prices** declined as sentiments were dented by fall in China's crude imports, maintenance of refineries, easing of supply restrictions by OPEC+ and possible return of Iranian crude oil supply. **Gold prices** rose tracking weakness in **US dollar**.
- **Indian benchmark equity indices** ended higher owing to strengthened investor sentiments as covid-19 cases continued on a downward trajectory, states eased restrictions and vaccination drives gained momentum.
- **Rupee** strengthened against the **US dollar** on the back of foreign fund inflows, positive domestic equities and falling crude oil prices. **The 10-year benchmark G sec yields** declined marginally with easing crude oil prices.

Table 1: Global Markets indicators

	04-06-2021	07-06-2021	% / bps change
Dow	34,756	34,630	-0.36
NASDAQ	13,814	13,882	0.49
S & P 500	4,230	4,227	-0.08
Nikkei 225	28,942	29,019	0.27
FTSE 100	7,069	7,077	0.12
US 10-yr (%)	1.57	1.57	-0.70 bps
UK 10-yr (%)	0.79	0.81	1.40 bps
Germany 10-yr (%)	-0.21	-0.20	1.35 bps
3-month Libor (%) ^	0.131	0.128	-0.25 bps
6-month Libor (%) ^	0.165	0.165	0.01 bps
Gold	1,892	1,899	0.36
Crude Oil (WTI)	69.62	69.23	-0.56
Crude Oil (Brent)	71.89	71.49	-0.56
\$/€*	1.22	1.22	0.21
¥/\$*	109.57	109.40	-0.16
\$/£*	1.41	1.42	0.21

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

Table 2: Domestic Market indicators

	04-06-2021	07-06-2021	% change
Sensex	52,100	52,329	0.44
NIFTY	15,670	15,752	0.52
BSE SME IPO	3,287	3,391	3.18
Rs/\$	73.00	72.81	-0.26
Rs/€	88.74	88.57	-0.19

Source: BSE, NSE, Mint * (-) 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)							
May-21	24,294	23,545	749	2,287	2,220	67	906
June-21*	4,392	3,801	591	528	496	32	611
03-June-21	1,003	841	162	134	77	58	216
04-June-21	1,058	850	207	146	208	(63)	142
MF Investments (Rs. Cr.)							
June-21#	133	71	62	427	422	5	67

Source: NSDL, SEBI *Data till June 4, 2021 # Data till June 1, 2021 ^Total (Net) of equity, debt & hybrid

Table 4: Money Market view#

	04-06-2021	07-06-2021
Avg. Call Rate (%)	2.85	3.13
Vol. Traded (Rs. Cr.)	532	8,257
MIBOR (Overnight) ^	3.37	3.39
Net banking system liquidity outstanding	(4,74,857)	(5,14,891)
Daily liquidity injection (+) /absorption (-) #	(5,59,001)	(3,98,856)
T-Bills 91 days *	3.41	3.42
182 days *	3.62	3.61
364 days *	3.70	3.70
G-Sec 3 years	5.03	4.98
5 years	5.59	5.56
10 years	6.03	6.02

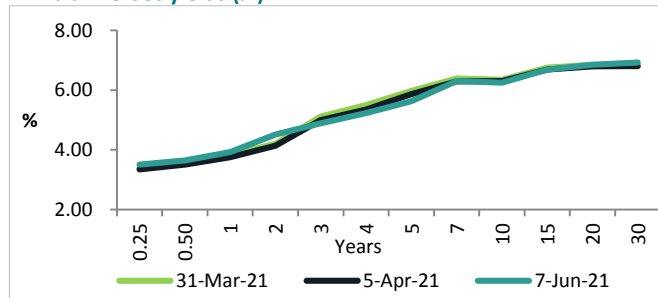
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day; Source: RBI, FBI, CCIL; ^pertains to 28th and 31st May 2021 *with a day's lag

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

10 Year	03-06-2021	04-06-2021	10 year	03-06-2021	04-06-2021
AAA	0.48	0.44	A	3.35	3.31
AA+	0.94	0.90	A-	3.85	3.81
AA	1.20	1.16	BBB+	4.35	4.31
AA-	1.60	1.56	BBB	4.60	4.56
A+	3.10	3.06	BBB-	5.10	5.06

Source: FIMMDA

Exhibit 1: G-Sec yields (%)



Source: FIMMDA