

Good Morning,

The market roundup for the global and domestic markets for **Thursday (April 8, 2021)** is as follows.

- **US equity markets** ended higher driven by buying in technology stocks as treasury yields retreated while investor sentiments were buoyed by sustained US government and central bank support to the economy. The upside was limited on account of spike in US jobless claims and imminent threat to the global economic recovery amidst surging coronavirus cases globally.
- **European markets** closed higher (**FTSE** rose to a one-year high) on the back of encouraging economic data as construction activity in the Eurozone expanded in March along with better than expected growth in German industrial orders. The market sentiments were also buoyed over Fed's dovish policy commitment. The gains were capped by investors closely monitoring the developments on restriction of AstraZeneca vaccine use amid a third wave of coronavirus in Europe.
- **Nikkei** ended lower as market sentiments were dented by the rising rates of local coronavirus infections, worries over a new virus variant, re-imposition of restrictions and discouraging economic data (lower current account surplus in February). However, Japan's consumer confidence index improved in March limiting the losses. **Chinese equities** closed higher on optimism over consumer credit growth in US, Fed's commitment towards low interest rates and bond-buying program to extend support to the US economy.
- **10 year US benchmark treasury yields** declined on account of increased safe-haven demand owing to unexpected spike in the US unemployment claims. **US dollar** weakened against **Euro and Yen** on account of a dovish commitment by the US Federal Reserve along with strong global economy outlook.
- **Crude oil prices ended mixed (WTI fell while Brent ended flat)** on account of demand concerns due to slow pace of vaccination across Europe and surging coronavirus cases in India & Brazil coupled with supply concerns as reflected by an uptick in US crude oil inventory. **Gold** prices rose on the back of weakness in US dollar.
- **Indian equities** rallied supported by gains in metal and IT stocks. The gains were offset by losses in the financials. RBI's pledge for sustained liquidity support, it's decision to retain the growth forecast for FY22 continued to drive optimism in the domestic markets. The gains were limited with imposition of fresh curbs amid rising coronavirus cases across the country coupled with concerns around the progress of the vaccination drive in the country.
- **Rupee** weakened against the US dollar on account of rising covid infections across the country which is likely to impede the pace of economic recovery. **The 10 year benchmark GSec yields** softened following RBI's recent announcement of Gsec acquisition program to stabilise long term yields.

Table 1: Global Markets indicators

	07-04-2021	08-04-2021	% / bps change
Dow	33,446	33,504	0.17
NASDAQ	13,689	13,829	1.03
S & P 500	4,080	4,097	0.42
Nikkei 225	29,731	29,709	-0.07
FTSE 100	6,885	6,942	0.83
US 10-yr (%)	1.67	1.63	-4.20 bps
UK 10-yr (%)	0.78	0.75	-3.00 bps
Germany 10-yr (%)	-0.32	-0.34	-2.80 bps
3-month Libor (%) ^	0.197	0.194	-0.38 bps
6-month Libor (%) ^	0.201	0.210	0.90 bps
Gold	1,742	1,758	0.95
Crude Oil (WTI)	59.77	59.60	-0.28
Crude Oil (Brent)	63.16	63.20	0.06
\$/€*	1.19	1.19	0.45
¥/\$*	109.74	109.29	-0.41
\$/£*	1.37	1.37	-0.05

* (-) Appreciation/ (+) Depreciation ; ^ with a day's lag

Source: CNN, WSI, Bloomberg.

Table 2: Domestic Market indicators

	07-04-2021	08-04-2021	% change
Sensex	49662	49746	0.17
NIFTY	14819	14874	0.37
BSE SME IPO	1,655	1,692	2.21
Rs/\$	74.56	74.61	0.07
Rs/€	88.47	88.75	0.32

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	3,650
Apr-21 *	4,339	4,724	(385)	655	697	(42)	(428)
06-Apr-21	684	803	(119)	111	218	(107)	(226)
07-Apr-21	1,019	965	54	43	50	(7)	47
MF Investments (Rs. Cr.)							
Apr-21#	8630	9033	(403)	12330	7843	4487	4084

Source: NSDL, SEBI *Data till April 7, 2021 # Data till April 6, 2021 ^Total (Net) of equity, debt & hybrid

Table 4: Money Market view

	07-04-2021	08-04-2021
Avg. Call Rate(%)	3.14	3.13
Vol. Traded (Rs. Cr.)	10,360	9,835
MIBOR (Overnight)^	3.47	3.42
Net banking system liquidity outstanding	(606,786)	(579,422)
Daily liquidity injection (+) /absorption (-)#	(719,990)	(692,626)
T-Bills 91 days ^	3.24	3.34
182 days ^	3.34	3.51
364 days ^	3.68	3.71
G-Sec 3 years	4.60	4.63
5 years	5.61	5.57
10 years	6.08	6.03

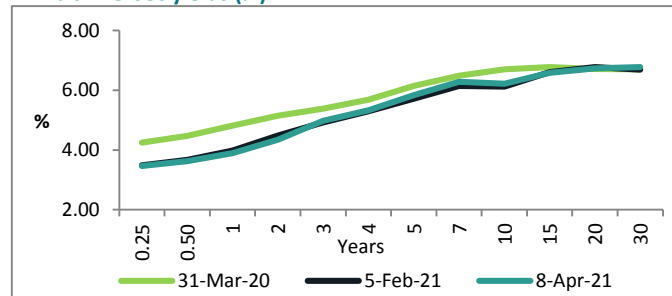
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day ; Source: RBI, FBIL; ^with a day's lag

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

10 Year	06-04-2021	07-04-2021	10 year	06-04-2021	07-04-2021
AAA	0.43	0.47	A	3.24	3.28
AA+	0.88	0.92	A-	3.74	3.78
AA	1.16	1.20	BBB+	4.24	4.28
AA-	1.49	1.53	BBB	4.49	4.53
A+	2.99	3.03	BBB-	4.99	5.03

Source: FIMMDA

Exhibit 1: G-Sec yields (%)



Source: FIMMDA

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