

Good Morning,

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

- **US equity markets** ended mixed (Dow Jones and S&P ended flat while NASDAQ rose) as investors avoided making large bets ahead of US inflation report. **NASDAQ** rose on account of gains in technology shares. **10-year US benchmark treasury yields declined** while **US Dollar** strengthened owing to safe haven demand on persistent inflationary fears.
- **European markets (including FTSE)** mostly ended higher as investors focussed on the prospects of economic recovery amid gradual re-opening and awaited the outcome of the ECB meeting scheduled for Thursday.
- **Asian markets** closed lower on account of cautious trading by investors ahead of US inflation data. Meanwhile, tightening of restrictions related to cryptocurrencies by Beijing weighed on the market sentiments in China.
- **Crude oil prices** rose on strong demand fundamentals as global economic recovery gained momentum. However, the possible return of Iranian oil supply to the markets coupled with less than expected fall in US oil inventories capped the gains. **Gold prices** fell tracking strength in **US dollar**.
- **Indian equity** ended marginally lower as profit booking by investors owing to weak global cues was offset the optimism around ramping up of vaccinations, declining trend in covid-19 infections and easing of restrictions across states.
- **Rupee** strengthened marginally against the **US dollar** on account of likely funds inflows and improved sentiment with declining covid-19 cases domestically. **The 10-year benchmark G sec yields** ended lower ahead of the announcement of the details of the third tranche of the GSAP 1.0 program of Rs 40,000 crs.

**Table 1: Global Markets indicators**

	07-06-2021	08-06-2021	% / bps change
Dow	34,630	34,600	-0.09
NASDAQ	13,882	13,925	0.31
S & P 500	4,227	4,227	0.02
Nikkei 225	29,019	28,964	-0.19
FTSE 100	7,077	7,095	0.25
US 10-yr (%)	1.57	1.53	-3.20 bps
UK 10-yr (%)	0.81	0.78	-3.05 bps
Germany 10-yr (%)	-0.20	-0.22	-2.55 bps
3-month Libor (%) ^	0.128	0.123	-0.51 bps
6-month Libor (%) ^	0.165	0.161	-0.43 bps
Gold	1,899	1,894	-0.23
Crude Oil (WTI)	69.23	70.05	1.18
Crude Oil (Brent)	71.49	72.22	1.02
\$/€*	1.22	1.22	-0.06
¥/\$*	109.40	109.44	0.04
\$/£*	1.42	1.42	-0.07

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

**Table 2: Domestic Market indicators**

	07-06-2021	08-06-2021	% change
Sensex	52,329	52,276	-0.10
NIFTY	15,752	15,740	-0.07
BSE SME IPO	3,391	3,448	1.68
Rs/\$	72.81	72.89	0.11
Rs/€	88.57	88.65	0.09

Source: BSE, NSE, Mint \* (-) 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)							
May-21	24,294	23,545	749	2,287	2,220	67	906
June-21*	5,362	4,749	613	539	571	(32)	563
04-June-21	1,058	850	207	146	208	(63)	142
07-June-21	971	949	22	11	75	(64)	(48)
MF Investments (Rs. Cr.)							
June-21#	133	71	62	427	422	5	67

Source: NSDL, SEBI \*Data till June 7, 2021 # Data till June 1, 2021 ^Total (Net) of equity, debt & hybrid

**Table 4: Money Market view#**

	07-06-2021	08-06-2021
Avg. Call Rate (%)	3.13	3.09
Vol. Traded (Rs. Cr.)	8,257	7,652
MIBOR (Overnight) ^	3.39	3.39
Net banking system liquidity outstanding	(5,14,891)	(4,99,964)
Daily liquidity injection (+) /absorption (-) #	(3,98,856)	(3,83,929)
T-Bills 91 days *	3.42	3.39
182 days *	3.61	3.61
364 days *	3.70	3.69
G-Sec 3 years	4.98	4.94
5 years	5.56	5.51
10 years	6.02	6.01

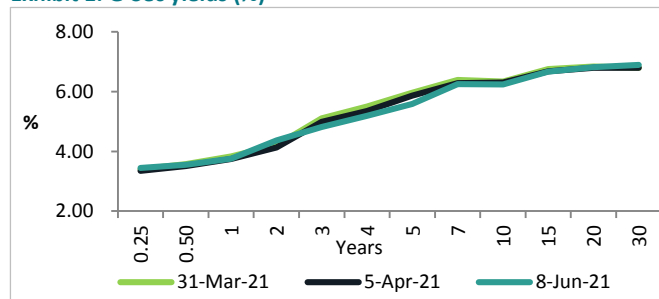
\* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day; Source: RBI, FBI, CCLF; ^pertains to 31<sup>st</sup> May & 1<sup>st</sup> June 2021 \*with a day's lag

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

10 Year	04-06-2021	07-06-2021	10 year	04-06-2021	07-06-2021
AAA	0.44	0.41	A	3.31	3.28
AA+	0.90	0.87	A-	3.81	3.78
AA	1.16	1.13	BBB+	4.31	4.28
AA-	1.56	1.53	BBB	4.56	4.53
A+	3.06	3.03	BBB-	5.06	5.03

Source: FIMMDA

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



Source: FIMMDA