

Good Morning,

The market roundup for the global and domestic markets for **Wednesday (June 9, 2021)** is as follows.

- **Global equity markets (US, European markets and Nikkei)** ended lower as investors were averse to making large bets ahead of the ECB meeting and highly anticipated US prices data while investors read the Chinese retail and producer inflation data with caution. **FTSE** was dragged on account of spread of COVID-19 variants in the UK and its implications for impending re-opening.
- **Chinese equity markets** ended higher supported by bright prospects for China's economic rebound, World Bank's upgrade of global growth forecast and government's regulation on food supply adequacy and prices.
- **10-year US benchmark treasury yields** fell as the recent 10-year notes auction was met with strong demand. **US Dollar** strengthened against major currencies tracking the fall in US treasury yields coupled with heightened inflationary fears which drove investors away from the riskier assets.
- **Crude oil prices** ended marginally lower as gradual supply easing by OPEC+ outweighed drop in US crude oil inventories (as per EIA data) and positive global demand outlook. **Gold prices** rose marginally despite strength in **US dollar** as inflationary concerns persists.
- **Indian equity markets** closed lower due to profit-taking in metals and financial stocks and tracking weak global cues. Lingering uncertainty over the pace of recovery dented the risk sentiment following downward revision in India's FY22 GDP growth forecast by the World Bank.
- **Rupee** weakened marginally against the **US dollar** amid subdued domestic equity markets and strengthening US dollar. **The 10-year benchmark G-sec yields** ended higher as investors are concerned about elevated crude oil prices.

Table 1: Global Markets indicators

	08-06-2021	09-06-2021	% / bps change
Dow	34,600	34,447	-0.44
NASDAQ	13,925	13,912	-0.09
S & P 500	4,227	4,220	-0.18
Nikkei 225	28,964	28,861	-0.35
FTSE 100	7,095	7,081	-0.20
US 10-yr (%)	1.53	1.49	-4.70 bps
UK 10-yr (%)	0.78	0.73	-4.35 bps
Germany 10-yr (%)	-0.22	-0.25	-2.55 bps
3-month Libor (%) ^	0.123	0.128	0.49 bps
6-month Libor (%) ^	0.161	0.155	-0.60 bps
Gold	1,894	1,896	0.06
Crude Oil (WTI)	70.05	69.96	-0.13
Crude Oil (Brent)	72.22	72.05	-0.24
\$/€*	1.22	1.22	-0.10
¥/\$*	109.44	109.54	0.09
\$/£*	1.42	1.41	-0.30

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

Table 2: Domestic Market indicators

	08-06-2021	09-06-2021	% change
Sensex	52,276	51,942	-0.64
NIFTY	15,740	15,635	-0.67
BSE SME IPO	3,448	3,420	-0.80
Rs/\$	72.89	72.98	0.12
Rs/€	88.65	88.89	0.27

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

Table 3: FPI and MFs investment flows

US \$ Mn	Equity		Debt		Total (Net) ^		
	Purchase	Sale	Purchase	Sale	Net		
Net FPI Flows (US \$ mn)							
May-21	24,294	23,545	749	2,287	2,220	67	906
June-21*	6,711	5,571	1,140	649	805	(155)	966
07-June-21	971	949	22	11	75	(64)	(48)
08-June-21	1,349	822	527	111	234	(123)	403
MF Investments (Rs. Cr.)							
June-21#	133	71	62	427	422	5	67

Source: NSDL, SEBI *Data till June 8, 2021 # Data till June 1, 2021 ^Total (Net) of equity, debt & hybrid

Table 4: Money Market view#

	08-06-2021	09-06-2021
Avg. Call Rate (%)	3.09	3.12
Vol. Traded (Rs. Cr.)	7,652	7,357
MIBOR (Overnight) ^	3.39	3.36
Net banking system liquidity outstanding	(4,99,964)	(4,94,948)
Daily liquidity injection (+) /absorption (-) #	(3,83,929)	(3,78,913)
T-Bills 91 days *	3.39	3.38
182 days *	3.61	3.62
364 days *	3.69	3.70
G-Sec 3 years	4.94	4.93
5 years	5.51	5.52
10 years	6.01	6.02

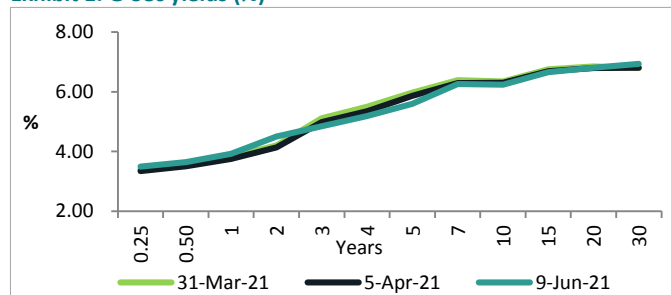
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day; Source: RBI, FBI, CCIL; ^pertains to 1st & 2nd June 2021 *with a day's lag

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

10 Year	07-06-2021	08-06-2021	10 year	07-06-2021	08-06-2021
AAA	0.41	0.43	A	3.28	3.30
AA+	0.87	0.89	A-	3.78	3.80
AA	1.13	1.15	BBB+	4.28	4.30
AA-	1.53	1.55	BBB	4.53	4.55
A+	3.03	3.05	BBB-	5.03	5.05

Source: FIMMDA

Exhibit 1: G-Sec yields (%)



Source: FIMMDA