

Good Morning,

The market roundup for the global and domestic markets for **Thursday (June 10, 2021)** is as follows.

- **US Equity markets** ended higher while **10-year US benchmark treasury yields** declined as investors believed inflationary pressures to be transient and few item specific despite the headline CPI number soaring to a 13-year high and core inflation rising to the highest level in 30 years. **US Dollar** weakened as falling weekly joblessness claims moved investors to riskier assets.
- **European markets** ended mixed as higher US inflation data and post-Brexit trade tensions between UK and EU offset the ECBs pledge to maintain an accommodative stance to support growth impulses. **FTSE** rose driven by gains in telecoms group BT stake-buying by Altice Telecom group.
- **Asian markets** closed with gains on likely easing in US-China trade tensions. Investors continued to factor in higher prices and its likely impact on the monetary policy. **Nikkei** gained on strong prospects of post-pandemic rebound.
- **Crude oil prices** ended higher on encouraging fundamentals for global oil demand which outweighed the increase in US gasoline stocks and dented oil demand from India. **Gold prices** rose marginally as **US dollar** weakened.
- **Indian equity markets** rallied driven by gains in the financial stocks amidst massive liquidity in the financial markets, hopes of economic recovery, relaxation of state-wise lockdowns, rise in vaccinations and improving China and US trade talks.
- **Rupee** weakened against the **US dollar** on the back of elevated crude oil prices. **The 10-year benchmark G-sec yields** remained unchanged as market participants awaited details of the third tranche of the GSAP 1.0 program.

Table 1: Global Markets indicators

| | 09-06-2021 | 10-06-2021 | % / bps change |
|---------------------|------------|------------|----------------|
| Dow | 34,447 | 34,466 | 0.06 |
| NASDAQ | 13,912 | 14,020 | 0.78 |
| S & P 500 | 4,220 | 4,239 | 0.47 |
| Nikkei 225 | 28,861 | 28,959 | 0.34 |
| FTSE 100 | 7,081 | 7,088 | 0.10 |
| US 10-yr (%) | 1.49 | 1.43 | -5.30 bps |
| UK 10-yr (%) | 0.73 | 0.75 | 2.30 bps |
| Germany 10-yr (%) | -0.25 | -0.26 | -0.95 bps |
| 3-month Libor (%) ^ | 0.128 | 0.125 | -0.33 bps |
| 6-month Libor (%) ^ | 0.155 | 0.157 | 0.23 bps |
| Gold | 1,896 | 1,896 | 0.05 |
| Crude Oil (WTI) | 69.96 | 70.29 | 0.47 |
| Crude Oil (Brent) | 72.05 | 72.52 | 0.65 |
| \$/€* | 1.22 | 1.22 | 0.16 |
| ¥/\$* | 109.54 | 109.38 | -0.15 |
| \$/£* | 1.41 | 1.42 | 0.42 |

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

Table 2: Domestic Market indicators

| | 09-06-2021 | 10-06-2021 | % change |
|-------------|------------|------------|----------|
| Sensex | 51,942 | 52,300 | 0.69 |
| NIFTY | 15,635 | 15,738 | 0.65 |
| BSE SME IPO | 3,420 | 3,446 | 0.74 |
| Rs/\$ | 72.98 | 73.06 | 0.11 |
| Rs/€ | 88.89 | 88.94 | 0.06 |

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* | 7,678 | 6,457 | 1,222 | 680 | 1,122 | (442) | 749 |
| 08-June-21 | 1,349 | 822 | 527 | 111 | 234 | (123) | 403 |
| 09-June-21 | 967 | 885 | 82 | 31 | 318 | (287) | (217) |
| MF Investments (Rs. Cr.) | | | | | | | |
| June-21# | 18,889 | 19,277 | -387 | 41,432 | 38,207 | 3,225 | 2,838 |

Source: NSDL, SEBI *Data till June 9, 2021 # Data till June 8, 2021 ^Total (Net) of equity, debt & hybrid

Table 4: Money Market view#

| | 09-06-2021 | 10-06-2021 |
|---|------------|------------|
| Avg. Call Rate (%) | 3.12 | 3.09 |
| Vol. Traded (Rs. Cr.) | 7,357 | 6,947 |
| MIBOR (Overnight) ^ | 3.36 | 3.37 |
| Net banking system liquidity outstanding | (4,94,948) | (4,83,607) |
| Daily liquidity injection (+) /absorption (-) # | (3,78,913) | (3,67,572) |
| T-Bills 91 days * | 3.38 | 3.38 |
| 182 days * | 3.62 | 3.61 |
| 364 days * | 3.70 | 3.69 |
| G-Sec 3 years | 4.93 | 4.92 |
| 5 years | 5.52 | 5.50 |
| 10 years | 6.02 | 6.02 |

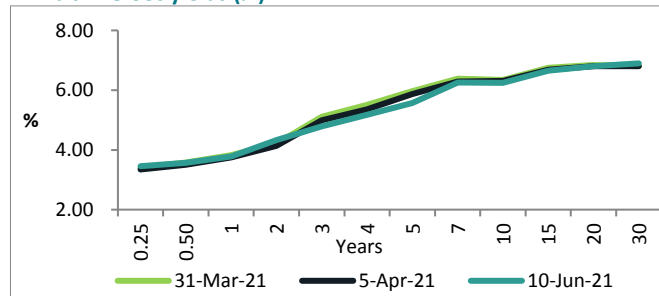
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day; Source: RBI, FBI, CCL; ^pertains to 2nd & 3rd June 2021 *with a day's lag

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

| 10 Year | 08-06-2021 | 09-06-2021 | 10 year | 08-06-2021 | 09-06-2021 |
|---------|------------|------------|---------|------------|------------|
| AAA | 0.43 | 0.31 | A | 3.30 | 3.18 |
| AA+ | 0.89 | 0.77 | A- | 3.80 | 3.68 |
| AA | 1.15 | 1.03 | BBB+ | 4.30 | 4.18 |
| AA- | 1.55 | 1.43 | BBB | 4.55 | 4.43 |
| A+ | 3.05 | 2.93 | BBB- | 5.05 | 4.93 |

Source: FIMMDA

Exhibit 1: G-Sec yields (%)



Source: FIMMDA