

Good Morning,

The market roundup for the global and domestic markets for **Monday (January 11, 2021)** is as follows:

- **US and European equity stocks** ended lower as investors were cautious over rising coronavirus cases globally coupled with introduction of impeachment by the Democrats against President Donald Trump. **Japanese equity markets** remained closed on account of public holiday.
- **US benchmark treasury yields** rose following comments from the US President elect about more economic relief measures which would entail additional government spending.
- **US dollar** strengthened against **Euro and Yen** attributed partly to safe-haven demand following recent weak jobs data from the USA and rise in COVID-19 cases globally. The recent spike in US Treasury yields has also supported the strength in the **US dollar**.
- **Crude oil prices** ended marginally lower owing to renewed concerns about global fuel demand amid tough coronavirus lockdowns across the globe. **Gold prices** rose despite strength in the **US dollar** owing to safe haven demand on account of rising coronavirus cases.
- **Indian equity markets** ended higher driven by technology stocks on account of robust earnings and positive outlook by one of the leading technology company. Optimism over vaccine rollout also buoyed investor sentiments.
- **Rupee** weakened tracking the strength in the **US dollar**. **10 year benchmark GSec yields** rose on account of RBI's announcement to restore normal liquidity management operations in a phased manner.

Table 1: Global Markets indicators

	08-01-2021	11-01-2021	% change
Dow	31,098	31,009	-0.29
NASDAQ	13,202	13,036	-1.25
S & P 500	3,825	3,800	-0.66
Nikkei 225	27,490	NA	NA
FTSE 100	6,873	6,798	-1.09
US 10-yr (%)	1.11	1.13	2.70 bps
UK 10-yr (%)	0.29	0.31	2.30 bps
Germany 10-yr (%)	-0.52	-0.50	2.80 bps
3-month Libor (%)	0.224	0.224	-0.04 bps
6-month Libor (%)	0.251	0.246	-0.52 bps
Gold			
	1,835	1,851	0.84
Crude Oil (WTI)	52.24	52.25	0.02
Crude Oil (Brent)	55.99	55.66	-0.59
\$/€*	1.22	1.22	-0.55
¥/\$*	103.94	104.26	0.31
\$/£*	1.35	1.35	0.09

* (-) Appreciation/ (+) Depreciation ;
Source: CNN, WSJ, Bloomberg

Table 2: Domestic Market indicators

	08-01-2021	11-01-2021	% change
Sensex	48,783	49,269	1.00
NIFTY	14,347	14,485	0.96
BSE SME IPO	1,430	1,427	-0.20
Rs/\$	73.25	73.39	0.19
Rs/€	89.63	89.39	-0.27

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)							
Dec-20	25,330	18,063	7,267	4,205	3,206	999	8,267
Jan-21*	6,204	4,809	1,395	882	800	82	1,478
07-Jan-21	1,176	1,066	110	57	199	(142)	(33)
08-Jan-21	1,794	975	820	190	129	61	880
MF Investments (Rs. Cr.)							
Dec-20 #	32,997	52,370	(19,373)	79,116	66,970	12,146	(7,227)

Source: NSDL, SEBI *Till 8 Jan 2021 #Till Dec 17, 2020

Table 4: Money Market view

	08-01-2020	11-01-2021
Avg. Call Rate(%)	3.18	3.19
Vol. Traded (Rs. Cr.)	9,773	9,528
MIBOR (Overnight)^	3.46	3.45
Net banking system liquidity outstanding*	(5,58,732)	(5,44,789)
Daily liquidity injection (+) /absorption (-)#	(6,69,422)	(6,55,478)
T-Bills 91 days	3.04	3.03
182 days	3.32	3.32
364 days	3.44	3.45
G-Sec 3 years	3.90	4.05
5 years	5.01	5.11
10 years	5.87	5.91

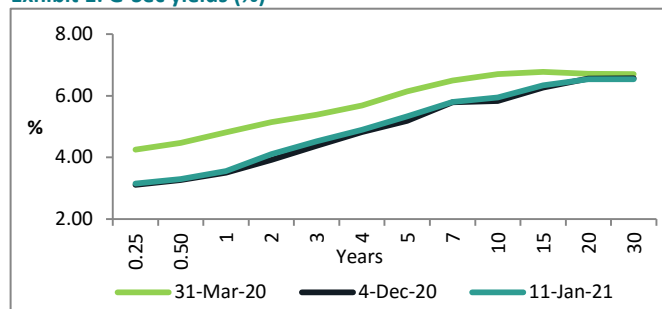
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day ; Source: RBI, FBIL; ^with a day's lag

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

10 Year	07-01-2021	08-01-2021	10 year	07-01-2021	08-01-2021
AAA	0.69	0.68	A	3.63	3.62
AA+	1.20	1.19	A-	4.13	4.12
AA	1.50	1.49	BBB+	4.63	4.62
AA-	1.88	1.87	BBB	4.88	4.87
A+	3.38	3.37	BBB-	5.38	5.37

Source: FIMMDA

Exhibit 1: G-Sec yields (%)



Source: FIMMDA

CARE Ratings Limited

Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Tel: +91-22-6754 3456
CIN - L67190MH1993PLC071691



Contact:

Sushant Hede
Associate Economist
sushant.hede@careratings.com
+91-22-6837 4348