

Good Morning,

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

- **US equity markets** ended higher (**Dow Jones** and **S&P** ended at record levels) driven by gains in value stocks on account of hopes of faster economic recovery in the US economy fuelled by stimulus support, central bank's commitment to liquidity and vaccination programs gaining momentum. The gains were also supported by expectations of strong corporate earnings ahead of the quarterly earnings season. Investors remained watchful following an uptick in US wholesale inflation for March which reinforced fears of near term inflation
- **FTSE** fell on account of losses in mining and travel stocks. The losses were capped by gains in consumer discretionary stocks optimism over the second phase of easing the lockdown restrictions and mass testing programme. **European markets** closed higher driven by strong prospects of economic recovery and vaccine roll-outs. However, sharp contraction in industrial production of **Germany** and **France** in February, surging coronavirus infections in European countries and concerns around AstraZeneca's vaccine use capped the gains in the equity markets.
- **Nikkei** ended higher as gains were supported by an improvement in Japan's consumer confidence (which rose to a 13-month high in March). However, impending imposition of stricter curbs amid rising cases of coronavirus infections and concerns of a new virus variant continued to weigh on the market sentiment. **Chinese markets** closed lower on account of increasing inflation (as data suggested an uptick in both producer and consumer prices in March) that raised worries over policy tightening. Moreover, geo-political tensions between US and China dampened investor sentiments.
- **10 year US benchmark treasury yields** rose with expectations of higher inflation on the back of rebound in economic activity. **US dollar** strengthened against major currencies on rise in **US Treasury yields** and hopes of faster economic recovery in the US.
- **Crude oil prices** ended lower as over-supply concerns persisted on account of decision by major oil producers to unwind supply cuts, uptick in US inventories, possibility of sanctions on Iranian oil exports being lifted and uncertainty over global demand outlook. **Gold** prices fell tracking strength in US dollar.
- **Indian equities** closed lower dragged by financial and energy stocks while pharma and PSU stocks gained. The expectation of finalisation of potential PSUs for privatisation drove the gains in PSU stocks. Overall market sentiments were dampened by surging coronavirus cases, imposition of fresh curbs in several parts of the country and uncertainty around progress of the mass vaccination drive.
- **Rupee** weakened tracking the strength in the US dollar on growing concerns over economic recovery amid rising coronavirus cases across the country. **The 10 year benchmark GSec yields** softened following RBI's commitment to purchase Gsecs under the GSAP 1.0 programme to stabilise long term yields. However, central government borrowings of Rs 37,853 crs in its scheduled weekly borrowing auction limited the fall in yields.

**Table 1: Global Markets indicators**

	08-04-2021	09-04-2021	% / bps change
Dow	33,504	33,801	0.89
NASDAQ	13,829	13,900	0.51
S & P 500	4,097	4,129	0.77
Nikkei 225	29,709	29,768	0.20
FTSE 100	6,942	6,916	-0.38
US 10-yr (%)	1.63	1.66	2.80 bps
UK 10-yr (%)	0.75	0.78	2.90 bps
Germany 10-yr (%)	-0.34	-0.30	4.60 bps
3-month Libor (%) ^	0.194	0.188	-0.59 bps
6-month Libor (%) ^	0.210	0.211	0.08 bps
Gold	1,758	1,745	-0.76
Crude Oil (WTI)	59.60	59.32	-0.47
Crude Oil (Brent)	63.20	62.95	-0.40
\$/€*	1.19	1.19	-0.13
¥/\$*	109.29	109.67	0.35
\$/£*	1.37	1.37	-0.25

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

**Table 2: Domestic Market indicators**

	08-04-2021	09-04-2021	% change
Sensex	49746	49591	-0.31
NIFTY	14874	14835	-0.26
BSE SME IPO	1,692	1710	1.04
Rs/\$	74.61	74.75	0.19
Rs/€	88.75	88.91	0.18

Source: BSE, NSE, FEDAI \* (-) 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)							
Mar-21	26,974	24,397	2,577	4,309	3,204	1,105	3,650
Apr-21 *	5,710	5,815	(105)	741	767	(26)	(133)
07-Apr-21	1,019	965	54	43	50	(7)	47
08-Apr-21	1,371	1,091	280	86	71	16	295
MF Investments (Rs. Cr.)							
Apr-21#	8630	9033	(403)	12330	7843	4487	4084

Source: NSDL, SEBI \*Data till April 8, 2021 # Data till April 6, 2021 ^Total (Net) of equity, debt & hybrid

**Table 4: Money Market view**

	08-04-2021	09-04-2021
Avg. Call Rate(%)	3.13	3.15
Vol. Traded (Rs. Cr.)	9,835	10,777
MIBOR (Overnight)^	3.42	3.43
Net banking system liquidity outstanding	(579,422)	(618,499)
Daily liquidity injection (+) /absorption (-)#	(692,626)	(731,703)
T-Bills 91 days ^	3.34	3.33
182 days ^	3.51	3.55
364 days ^	3.71	3.73
G-Sec 3 years	4.63	4.56
5 years	5.57	5.58
10 years	6.03	6.02

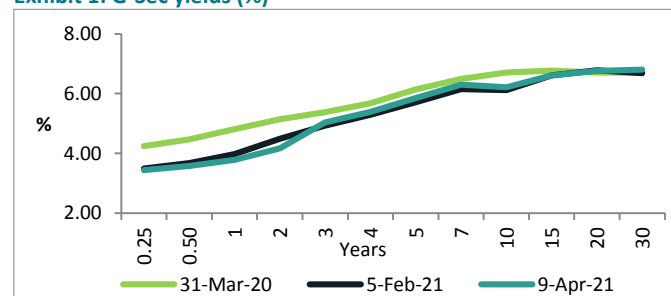
\* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day ; Source: RBI, FBIL; ^with a day's lag

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

10 Year	07-04-2021	08-04-2021	10 year	07-04-2021	08-04-2021
AAA	0.47	0.58	A	3.28	3.39
AA+	0.92	1.03	A-	3.78	3.89
AA	1.20	1.31	BBB+	4.28	4.39
AA-	1.53	1.64	BBB	4.53	4.64
A+	3.03	3.14	BBB-	5.03	5.14

Source: FIMMDA

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



Source: FIMMDA

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