

Good Morning,

The market roundup for the global and domestic markets for Wednesday (January 12, 2022) is as follows:

- **US stocks** advanced on Wednesday, extending a rally in the previous session following the release of the December inflation report that showed the fastest surge in consumer prices in nearly four decades.
- **Asian markets** were mostly higher on Wednesday, following the broadly positive cues overnight from Wall Street after US Federal Reserve Chair Jerome Powell's comments at a congressional hearing were less hawkish than expected. **European shares** traded higher as investors monitored the latest reading of US inflation data.
- The **10-year benchmark treasury yield** rose moderately as US inflation figures were in line with the bond market's expectations.
- **Crude oil prices** hit two-month highs on Wednesday on tight supply and easing concerns about the potential hit to demand from the Omicron coronavirus variant. **Dollar** fell to a two-month low after data showed US inflation posted its largest annual rise in nearly four decades. **Gold** firmed on weaker dollar.
- **Domestic benchmark indices** rose aided by positive global cues, receding Omicron threat and resumption in FPI flows. Power, realty, metals, auto and telecom indices rose the most, while consumer durables and healthcare indices fell the most.
- **Rupee** ended almost flat against the US dollar on Wednesday as elevated crude oil prices offset the impact of weak American currency and positive domestic equities. **10-Year benchmark G-Sec yield** inched 2 bps higher amid inflation worries.

Table 1: Global Markets indicators

	11-01-2022	12-01-2022	% / bps change
Dow	36,252	36,290	0.11
NASDAQ	15,153	15,188	0.23
S & P 500	4,713	4,726	0.28
Nikkei 225	28,222	28,766	1.92
FTSE 100	7,491	7,552	0.81
US 10-yr (%)	1.74	1.75	0.40 bps
UK 10-yr (%)	1.17	1.14	-3.30 bps
Germany 10-yr (%)	-0.02	-0.06	-3.40 bps
Gold	1,819	1,827	0.48
Crude Oil (WTI)	81.22	82.64	1.75
Crude Oil (Brent)	83.72	84.67	1.13
\$/€*	1.14	1.14	0.63
¥/\$*	115.30	114.64	-0.57
\$/£*	1.36	1.37	0.48

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

Table 4: Money Market view#

	11-01-2022	12-01-2022
Avg. Call Rate (%)	3.36	3.33
Vol. Traded (Rs. Cr.)	9,067	9,146
MIBOR (overnight)^	3.49	3.41
Net banking system liquidity outstanding	(6,73,052)	(6,72,598)
Daily liquidity injection (+) /absorption (-) #	(2,84,200)	(1,08,704)
T-Bills 91 days	3.53	3.45
182 days	3.99	3.99
364 days	4.34	4.34
G-Sec 3 years	5.35	5.36
5 years	5.93	5.94
10 years	6.57	6.59

* + 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; ^pertains to 04th and 05th January 2022; Source: RBI, FBI, CCIL.

Table 2: Domestic Market indicators

	11-01-2022	12-01-2022	% change
Sensex	60,617	61,153	0.88
NIFTY	18,056	18,252	1.09
BSE SME IPO	18,164	17,398	-4.22
Rs/\$	73.91	73.91	0.00
Rs/€	83.76	84.02	0.31

Source: BSE, NSE, Mint *(-) 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-21	26,493	29,018	(2,525)	2,456	3,833	(1,377)	(3,938)
Jan-22*	7,063	6,531	532	964	1,160	(196)	413
11-Jan-22	830	850	(20)	130	232	(102)	114
12-Jan-22	1,077	1,023	55	118	65	53	107
MF Investments (Rs. Cr.)							
Jan-22#	41,185	36,577	4,608	43,891	38,215	5,675	10,284

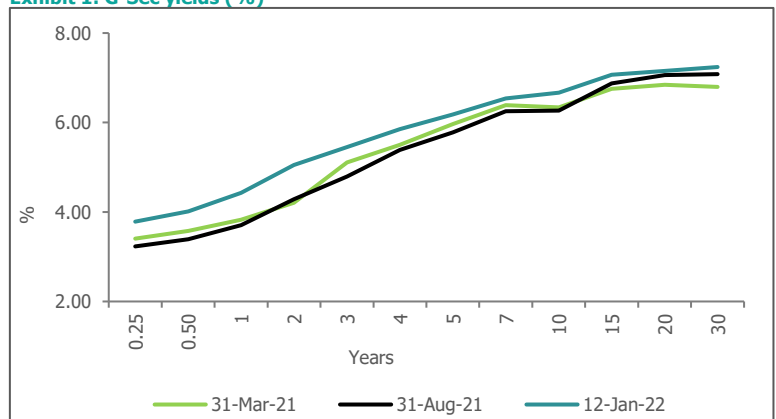
Source: NSDL, SEBI; *Latest data as of previous trading; #Data till January 11, 2022; ^Total (Net) of equity, debt & hybrid

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

	10 Year	PSU, FIs & Banks	NBFCs	Corporates
AAA		0.16	0.36	0.12
AA+		0.61	0.68	0.59
AA		0.92	1.07	0.91
AA-		1.36	1.42	1.32
A+		2.11	3.17	2.57
A		2.36	3.42	2.82
A-		2.61	3.67	3.32
BBB+		3.11	4.17	3.82
BBB		3.36	4.42	4.07
BBB-		3.86	4.92	4.57

Source: FIMMDA; *As on 11 January 2022

Exhibit 1: G-Sec yields (%)



Source: FIMMDA

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