

Good Morning,

The market roundup for the global and domestic markets for **Wednesday (January 13, 2021)** is as follows:

- **US equity stocks** ended mixed (**Dow** ended flat while **NASDAQ** and **S&P 500** rose marginally) as investors were closely monitoring the political developments of impeachment of the US President and are awaiting the earnings season. The gains were led by data released by the US Federal Reserve highlighting modest improvement in economic activities in the USA in recent weeks.
- **European equity stocks** ended marginally higher as investors monitored vaccine rollouts and coronavirus containment measures. The **FTSE index** ended marginally lower dragged by fall in crude oil prices.
- **Nikkei** ended higher led by gains in semi-conductor stocks amidst expectations of strong demand recovery in the industry. Upbeat positive outlook for corporate performance also buoyed investor sentiments. **Chinese stocks** ended lower as investors booked profits in consumer and healthcare stocks amidst resurgence in coronavirus cases in China.
- **US benchmark treasury yields** fell after a successful government debt auction which highlighted strong demand for long term instruments. **US dollar** strengthened against **major currencies** on recent increase in US treasury yields coupled with safe-haven demand owing to lockdown restrictions announced in certain European countries.
- **Crude oil prices** ended lower owing to demand concerns surrounding recent surge in coronavirus cases. However, the fall was curtailed on account of supply curbs following the recent announcement by OPEC+ about production cuts. **Gold prices** rose despite the strength in the **US dollar**.
- **Indian equity markets** ended lower as investors were cautious ahead of the release of corporate earnings and uncertainty surrounding RBI's recent decision to gradually withdraw domestic liquidity from the banking system. However, optimism surrounding the vaccine, robust FPI inflows and prevailing economic recovery scenario buoyed investor sentiments and limited the fall.
- **Rupee** strengthened against the **US dollar** on account of likely FPI inflows. **10 year benchmark GSec yields** fell on account of fall in crude oil prices.

Table 1: Global Markets indicators

	12-01-2021	13-01-2021	% change
Dow	31,069	31,060	-0.03
NASDAQ	13,072	13,129	0.43
S & P 500	3,801	3,810	0.23
Nikkei 225	28,164	28,457	1.04
FTSE 100	6,754	6,746	-0.13
US 10-yr (%)	1.14	1.09	-5.00 bps
UK 10-yr (%)	0.35	0.31	-4.50 bps
Germany 10-yr (%)	-0.48	-0.53	-5.20 bps
3-month Libor (%)	0.224	0.234	0.93 bps
6-month Libor (%)	0.250	0.247	-0.26 bps
Gold	1,844	1,855	0.58
Crude Oil (WTI)	53.21	52.91	-0.56
Crude Oil (Brent)	56.58	56.06	-0.92
\$/€*	1.22	1.22	-0.41
¥/\$*	103.76	103.89	0.13
\$/£*	1.37	1.36	-0.18

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

Table 2: Domestic Market indicators

	12-01-2021	13-01-2021	% change
Sensex	49,517	49,492	-0.05
NIFTY	14,563	14,565	0.01
BSE SME IPO	1,423	1,439	1.09
Rs/\$	73.25	73.15	-0.14
Rs/€	89.00	88.96	-0.04

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*	8,793	6,869	1,924	974	1,331	(357)	1,567
11-Jan-21	1,283	883	400	48	301	(254)	146
12-Jan-21	1,306	1,178	128	44	229	(185)	(57)
MF Investments (Rs. Cr.)							
Jan-21	20,121	30,011	-9,890	39,452	29,988	9,464	-426

Source: NSDL, SEBI *Till 12 Jan 2021 #Till Jan 12, 2021

Table 4: Money Market view

	12-01-2020	13-01-2021
Avg. Call Rate(%)	3.19	3.21
Vol. Traded (Rs. Cr.)	9,001	7,274
MIBOR (Overnight)^	3.48	3.47
Net banking system liquidity outstanding*	(5,49,125)	(5,37,501)
Daily liquidity injection (+) /absorption (-)#	(6,59,814)	(6,48,190)
T-Bills 91 days	3.23	3.25
182 days	3.38	3.40
364 days	3.55	3.49
G-Sec 3 years	4.20	4.20
5 years	5.15	5.19
10 years	5.92	5.91

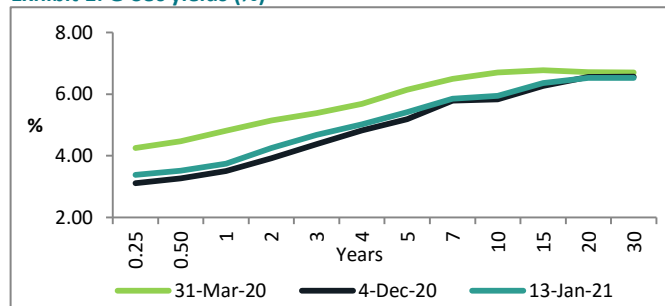
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day ; Source: RBI, FBIL; ^with a day's lag

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

10 Year	11-01-2021	12-01-2021	10 year	11-01-2021	12-01-2021
AAA	0.80	0.54	A	4.06	3.48
AA+	1.16	1.05	A-	4.31	3.98
AA	1.46	1.35	BBB+	4.81	4.48
AA-	1.81	1.73	BBB	5.06	4.73
A+	3.81	3.23	BBB-	5.56	5.23

Source: FIMMDA

Exhibit 1: G-Sec yields (%)



Source: FIMMDA

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