

Good Morning,

The market roundup for the global and domestic markets for **Thursday (January 14, 2021)** is as follows:

- **US equity stocks** ended lower owing to more than expected increase in unemployment benefits in the USA highlighting the weakness in the labour market. However, reports of the new US President elect unveiling a fiscal stimulus plan buoyed investor sentiments and limited the fall in the **US stocks**.
- **European equity stocks** ended higher as hopes of a substantial fiscal stimulus from the incoming US administration and positive COVID-19 vaccine news boosted investor sentiments. Contraction in Germany's economy by 5% in 2020 limited the upside in the stocks. The **FTSE index** ended higher despite the rising COVID-19 cases as investors were hopeful of a faster economic recovery.
- **Nikkei** ended higher led by gains in technology shares and better than expected core machinery orders. Investor sentiments were also buoyed by the likely announcement regarding the US fiscal stimulus. **Chinese stocks** ended lower owing to profit booking by investors.
- **US benchmark treasury yields** rose after dovish comments from the US Federal Reserve Chairman and likely announcement of a new stimulus package by the incoming US President elect.
- **US dollar** weakened against major currencies following accommodative comments from the US Federal Reserve Chairman.
- **Crude oil prices** ended higher by positive Chinese import demand and supply curbs announced recently by OPEC+. However, the gains were limited owing to worries about global oil demand due to surging COVID-19 cases. **Gold prices** fell despite the weakness in the **US dollar** owing to profit booking by investors.
- **Indian equity markets** ended higher on account of underlying optimism over corporate earnings, signs of economic revival mass vaccinations and widespread expectation of more economic stimulus. **Rupee** strengthened tracking the weakness in the **US dollar** amidst robust FPI inflows. **10 year benchmark GSec yields** ended lower as the RBI set a high cut-off price at the special OMO auctions.

**Table 1: Global Markets indicators**

	13-01-2021	14-01-2021	% change
Dow	31,060	30,992	-0.22
NASDAQ	13,129	13,113	-0.12
S & P 500	3,810	3,796	-0.38
Nikkei 225	28,457	28,698	0.85
FTSE 100	6,746	6,802	0.84
US 10-yr (%)	1.09	1.10	1.60 bps
UK 10-yr (%)	0.31	0.29	-1.50 bps
Germany 10-yr (%)	-0.53	-0.55	-1.80 bps
3-month Libor (%)	0.234	0.241	0.75 bps
6-month Libor (%)	0.247	0.248	0.03 bps
Gold	1,855	1,851	-0.19
Crude Oil (WTI)	52.91	53.57	1.25
Crude Oil (Brent)	56.06	56.42	0.64
\$/€*	1.22	1.22	-0.02
¥/\$*	103.89	103.80	-0.09
\$/£*	1.36	1.37	0.37

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

**Table 2: Domestic Market indicators**

	13-01-2021	14-01-2021	% change
Sensex	49,492	49,584	0.19
NIFTY	14,565	14,596	0.21
BSE SME IPO	1,439	1,407	-2.21
Rs/\$	73.15	73.05	-0.14
Rs/€	88.96	88.77	-0.21

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	
<b>Net FPI Flows (US \$ mn)</b>							
Dec-20	25,330	18,063	7,267	4,205	3,206	999	8,267
Jan-21*	10,211	7,992	2,220	1,075	1,508	(433)	1,787
12-Jan-21	1,306	1,178	128	44	229	(185)	(57)
13-Jan-21	1,418	1,122	296	101	177	(76)	220
<b>MF Investments (Rs. Cr.)</b>							
Jan-21	20,121	30,011	-9,890	39,452	29,988	9,464	-426

Source: NSDL, SEBI \*Till 13 Jan 2021 #Till Jan 12, 2021

**Table 4: Money Market view**

	13-01-2020	14-01-2021
Avg. Call Rate(%)	3.21	3.25
Vol. Traded (Rs. Cr.)	7,274	8,028
MIBOR (Overnight)^	3.47	3.47
Net banking system liquidity outstanding*	(5,37,501)	(5,59,952)
Daily liquidity injection (+) /absorption (-)#	(6,48,190)	(6,70,641)
T-Bills 91 days	3.25	3.25
182 days	3.40	3.42
364 days	3.49	3.56
G-Sec 3 years	4.20	4.19
5 years	5.19	5.18
10 years	5.91	5.89

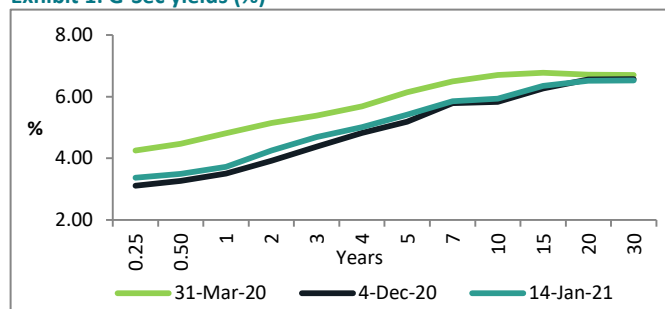
\* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day ; Source: RBI, FBIL; ^with a day's lag

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

10 Year	12-01-2021	13-01-2021	10 year	12-01-2021	13-01-2021
AAA	0.54	0.55	A	3.48	3.49
AA+	1.05	1.06	A-	3.98	3.99
AA	1.35	1.36	BBB+	4.48	4.49
AA-	1.73	1.74	BBB	4.73	4.74
A+	3.23	3.24	BBB-	5.23	5.24

Source: FIMMDA

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



Source: FIMMDA

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