

Good Morning,

The market roundup for the global and domestic markets for **Friday (January 15, 2021)** is as follows:

- **Global stocks (US, European, Asian)** ended lower owing to prospects of stringent lockdowns in France and Germany, political uncertainty in Italy and Netherlands and resurgence of COVID-19 cases in China. Fall in UK's GDP by 2.6% (m-o-m) in November also weighed on investor sentiments. The optimism surrounding the unveiling of the \$1.9 trillion US stimulus plan buoyed investor sentiments and limited the fall in global equity stocks.
- **US benchmark treasury yields** ended lower while **US dollar** strengthened against **major currencies** on safe-haven demand owing to weaker than expected US retail sales data in December and resurgence in stricter lockdown in European countries amidst resurgence in COVID-19 cases.
- **Crude oil prices** ended lower on account on account demand concerns owing to prospects of renewed lockdowns amidst rising coronavirus cases. However, supply curbs announced recently by OPEC+ limited the downside. **Gold prices** fell owing to the strength in the **US Dollar**.
- **Indian equity markets** ended lower tracking losses in global equity markets amidst re-emergence of COVID-19 in China coupled with profit-booking by investors.
- **Rupee** weakened tracking the strength in the **US dollar**. **10 year benchmark GSec yields** ended higher on RBI's variable reverse repo auction of Rs 2 lakh crs and the scheduled GSec auction.

Table 1: Global Markets indicators

	14-01-2021	15-01-2021	% change
Dow	30,992	30,814	-0.57
NASDAQ	13,113	12,999	-0.87
S & P 500	3,796	3,768	-0.72
Nikkei 225	28,698	28,519	-0.62
FTSE 100	6,802	6,736	-0.97
US 10-yr (%)	1.10	1.09	-1.70 bps
UK 10-yr (%)	0.29	0.29	-0.50 bps
Germany 10-yr (%)	-0.55	-0.54	0.40 bps
3-month Libor (%)	0.241	0.225	-1.56 bps
6-month Libor (%)	0.248	0.251	0.34 bps
Gold	1,851	1,830	-1.16
Crude Oil (WTI)	53.57	52.36	-2.26
Crude Oil (Brent)	56.42	55.10	-2.34
\$/€*	1.22	1.21	-0.60
¥/\$*	103.80	103.85	0.05
\$/£*	1.37	1.36	-0.72

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

Table 2: Domestic Market indicators

	14-01-2021	15-01-2021	% change
Sensex	49,584	49,035	-1.11
NIFTY	14,596	14,434	-1.11
BSE SME IPO	1,407	1,397	-0.73
Rs/\$	73.05	73.07	0.03
Rs/€	88.77	88.38	-0.44

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*	11,680	9,240	2,440	1,162	1,680	(518)	1,922
13-Jan-21	1,418	1,122	296	101	177	(76)	220
14-Jan-21	1,469	1,248	220	87	172	(85)	136
MF Investments (Rs. Cr.)							
Jan-21	25,763	37,028	-11,265	46,891	38,677	8,214	03,051

Source: NSDL, SEBI *Till 14 Jan 2021 #Till Jan 13, 2021

Table 4: Money Market view

	14-01-2020	15-01-2021
Avg. Call Rate(%)	3.25	2.75
Vol. Traded (Rs. Cr.)	8,028	681
MIBOR (Overnight)^	3.48	3.46
Net banking system liquidity outstanding*	(5,59,952)	(5,13,709)
Daily liquidity injection (+) /absorption (-)#	(6,70,641)	(6,23,845)
T-Bills 91 days	3.27	3.32
182 days	3.44	3.43
364 days	3.57	3.56
G-Sec 3 years	4.19	4.18
5 years	5.18	5.24
10 years	5.89	5.95

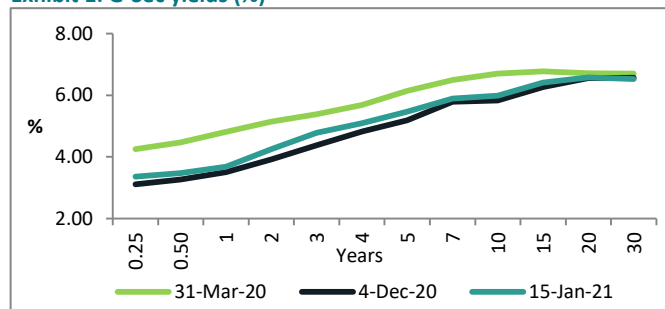
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day ; Source: RBI, FBIL; ^with a day's lag

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

10 Year	13-01-2021	14-01-2021	10 year	13-01-2021	14-01-2021
AAA	0.55	0.56	A	3.49	3.50
AA+	1.06	1.07	A-	3.99	4.00
AA	1.36	1.37	BBB+	4.49	4.50
AA-	1.74	1.75	BBB	4.74	4.75
A+	3.24	3.25	BBB-	5.24	5.25

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

Connect:



Contact:

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