

Good Morning,

The market roundup for the global and domestic markets for **Monday (January 18, 2021)** is as follows:

- **US equity and bond markets** remained closed on account of a public holiday.
- **European stocks (excluding FTSE)** ended marginally higher as investors reacted positively to China's GDP data (grew by 6.5% in Q4-2020) and optimism surrounding the roll-out of the vaccine. Political uncertainty in Italy and protests in Netherlands limited the gains in the equity stocks. **FTSE index** ended marginally lower as faster than expected rollout of the vaccine was outweighed by concerns surrounding resurgence of COVID-19 cases.
- **Nikkei** ended lower tracking overnight losses in US equity stocks and profit-booking by investors. Buying of ETFs by Bank of Japan limited the losses in the stock market. **Chinese stocks** ended higher following upbeat news about China's GDP in 2020 (rose by 2.3% during the full year), making China the only major economy to achieve positive growth in the year.
- **US dollar** strengthened against **Euro and Pound** on safe-haven demand owing to resurgence in stricter lockdown in European countries amidst resurgence in COVID-19 cases.
- **Crude oil prices** ended lower on account of demand concerns owing to prospects of renewed lockdowns amidst rising coronavirus cases. **Gold prices** fell despite the strength in the **US Dollar** owing to safe-haven demand.
- **Indian equity markets** ended lower tracking losses in global equity markets amidst re-emergence of COVID-19 in China, stringent lockdowns in European countries coupled with profit-booking by investors. Simmering tensions between US and China also weighed on investor sentiments.
- **Rupee** weakened tracking the strength in the **US dollar** and muted movement in domestic equities. **10 year benchmark GSec yields** ended lower on likely purchases by the RBI in the secondary market.

**Table 1: Global Markets indicators**

	15-01-2021	18-01-2021	% change
Dow	30,814	NA	NA
NASDAQ	12,999	NA	NA
S & P 500	3,768	NA	NA
Nikkei 225	28,519	28,242	-0.97
FTSE 100	6,736	6,721	-0.22
US 10-yr (%)	1.09	NA	NA
UK 10-yr (%)	0.29	0.29	0.30 bps
Germany 10-yr (%)	-0.54	-0.53	1.80 bps
3-month Libor (%)	0.225	0.223	-0.23 bps
6-month Libor (%)	0.251	0.248	-0.31 bps
Gold	1,830	1,838	0.46
Crude Oil (WTI)	52.36	NA	NA
Crude Oil (Brent)	55.10	54.75	-0.64
\$/€*	1.21	1.21	-0.04
¥/\$*	103.85	103.69	-0.15
\$/£*	1.36	1.36	-0.02

\* (-) Appreciation/ (+) Depreciation ;

Source: CNN, WSJ, Bloomberg

**Table 4: Money Market view**

	15-01-2020	18-01-2021
Avg. Call Rate(%)	2.75	3.16
Vol. Traded (Rs. Cr.)	681	10,036
MIBOR (Overnight)^	3.48	3.46
Net banking system liquidity outstanding*	(5,13,709)	(4,38,545)
Daily liquidity injection (+) /absorption (-)#	(6,23,845)	(5,28,418)
T-Bills 91 days	3.27	3.32
182 days	3.44	3.43
364 days	3.57	3.56
G-Sec 3 years	4.18	4.19
5 years	5.24	5.23
10 years	5.95	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 2: Domestic Market indicators**

	15-01-2021	18-01-2021	% change
Sensex	49,035	48,564	-0.96
NIFTY	14,434	14,281	-1.06
BSE SME IPO	1,397	1,418	1.53
Rs/\$	73.07	73.28	0.29
Rs/€	88.38	88.37	-0.01

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*	12,399	10,103	2,296	1,283	1,853	(570)	1,726
14-Jan-21	1,469	1,248	220	87	172	(85)	136
15-Jan-21	719	863	(144)	121	173	(52)	(196)
<b>MF Investments (Rs. Cr.)</b>							
Jan-21	25,763	37,028	-11,265	46,891	38,677	8,214	03,051

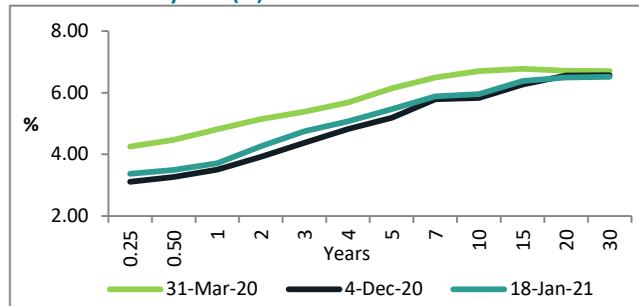
Source: NSDL, SEBI \*Till 15 Jan 2021 #Till Jan 13, 2021

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

10 Year	14-01-2021	15-01-2021	10 year	14-01-2021	15-01-2021
AAA	0.56	0.62	A	3.50	3.46
AA+	1.07	1.10	A-	4.00	3.96
AA	1.37	1.33	BBB+	4.50	4.46
AA-	1.75	1.71	BBB	4.75	4.71
A+	3.25	3.21	BBB-	5.25	5.21

Source: FIMMDA

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



Source: FIMMDA

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