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International oil prices rose by 2.7% on reports of phased sanction by EU on Russian oil. Further, IEA had warned that roughly 3mbpd of Russian oil could be shut from the market from May'22 onwards. US 10Y yield rose the most following hawkish comments from New York Fed President. PBOC kept 1Y MLF rate unchanged against market expectation of a rate cut. Notably, China's Q1CY22 GDP print rose more than expected.

- Barring FTSE and Hang Seng (higher), other global markets ended the truncated week in red. S&P fell the most, followed by markets in China, India and Japan. Rising yields in the US have impacted equity inflows. US macro prints (jobless claims and retail sales) also impacted sentiments. FTSE was supported by ECB's decision to hold rates. Sensex is trading lower today while Asian stocks are trading mixed.

Fig 1 – Stock markets

	14-04-2022	15-04-2022	% change
Dow Jones	34,565	34,451	(0.3)
S & P 500	4,447	4,393	(1.2)
FTSE	7,581	7,616	0.5
Nikkei	27,172	27,093	(0.3)
Hang Seng	21,374	21,518	0.7
Shanghai Comp	3,226	3,211	(0.4)
Sensex	58,576	58,339	(0.4)
Nifty	17,530	17,476	(0.3)

Source: Bloomberg, Bank of Baroda Research | Note Except Nikkei and Shanghai Comp all markets were closed on 15 Apr 2022. Indian markets were also closed on 14 Apr 2022

- Except CNY (higher), other global currencies closed lower. DXY rose by 0.4% to remain at its highest since May'20. The rally was supported by jump in US treasury yields, led by hawkish comments from Fed officials indicating faster monetary policy tightening. EUR fell on the back of more than expected dovish stance of ECB. INR is trading lower today, in line with other Asian currencies.

Fig 2 – Currencies

	14-04-2022	15-04-2022	% change
EUR/USD	1.0828	1.0810	(0.2)
GBP/USD	1.3071	1.3060	(0.1)
USD/JPY	125.88	126.46	(0.5)
USD/INR	76.14	76.18	(0.1)
USD/CNY	6.3784	6.3715	0.1

Source: Bloomberg, Bank of Baroda Research

- Except Japan (lower) and China (stable), global yields closed higher. US 10Y yield rose the most by 13bps amidst comments from New York Fed President John Williams about half point rate hike in the next policy as a 'reasonable



option'. UK's 10Y yield rose by 9bps as CPI print rose to its 30-year high of 7% in Mar'22. China's 10Y yield closed stable as PBOC left 1Y MLF rate unchanged against market expectation of a rate cut. India's 10Y yield rose by 2bps, following devolution of Rs 16bn of 6.54GS2032 security.

Fig 3 – Bond 10Y yield

	13-04-2022	14-04-2022	change in bps
US	2.70	2.83	13
UK	1.80	1.89	9
Germany	0.77	0.84	8
Japan	0.24	0.23	(1)
China	2.77	2.76	0
India	7.19	7.22	2

Source: Bloomberg, Bank of Baroda Research

Fig 4 – Short term rates

	12-04-2022	13-04-2022	% change
Tbill-91 days	3.97	3.97	0
Tbill-182 days	4.41	4.43	2
Tbill-364 days	4.78	4.76	(2)
G-Sec 2Y	5.16	5.23	7
SONIA int rate benchmark	0.69	0.69	0
US SOFR	0.29	0.29	0

Source: Bloomberg, Bank of Baroda Research

Fig 5 – Liquidity

Rs tn	12-04-2022	13-04-2022	Change (Rs tn)
Net Liquidity (-Surplus/+deficit)	(7.1)	(6.8)	0.3
Reverse repo	5.9	5.9	0
Repo	0	0	0

Source: RBI, Bank of Baroda Research

Fig 6 – Capital market flows

	11-04-2022	12-04-2022	Change (US\$ mn/Rs cr)
FII (US\$ mn)	(234.1)	(356.6)	(122.4)
Debt	(41.5)	(7.2)	34.3
Equity	(192.7)	(349.4)	(156.8)
Mutual funds (Rs cr)	1,509.7	(1,522.7)	(3,032.4)
Debt	582.1	(1,560.5)	(2,142.5)
Equity	927.7	37.8	(889.9)

Source: Bloomberg, Bank of Baroda Research | Mutual fund data refers to 7 and 8 Apr 2022

- Crude prices rose by 2.7% to US\$ 112/bbl, as news reports indicate that EU might go for a phased ban on Russian oil imports. US production is also witnessing labour shortage and supply chain constraints. Gold prices fell, as treasury yields rose.

Fig 7 – Commodities

	13-04-2022	14-04-2022	% change
Brent crude (US\$/bbl)	108.8	111.7	2.7
Gold (US\$/ Troy Ounce)	1,977.8	1,973.7	(0.2)
Copper (US\$/ MT)	10,284.0	10,297.5	0.1
Zinc (US\$/MT)	4,525.0	4,475.0	(1.1)
Aluminum (US\$/MT)	3,236.0	3,285.5	1.5

Source: Bloomberg, Bank of Baroda Research



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