

## MACRO DAILY

22 March 2021

### Macro developments

- EPFO's data indicates that 0.82mn new subscribers were added in Jan'21, broadly steady compared with 0.85mn added in Dec'20. However in YoY terms, figure for Jan'21 is 1.6% lower, while in Dec'20 it was 3.3% lower than last year. On FYTD basis, 6.9mn subscribers have been added so far, compared with 9.9mn subscribers added in FYTD20.
- RBI purchased net US\$ 2.9bn in the spot market in Jan'21 compared with net purchase of US\$ 4bn in Dec'20. In FYTD21, RBI has bought US\$ 75.2bn in the spot market versus US\$ 40bn in the same period last year. In the forwards market, RBI bought US\$ 7.6bn versus US\$ 11.4bn in Dec'20. RBI's outstanding forward position stands at US\$ 47.4bn as of Jan'21.
- Consumer confidence in UK rose to (-) 16 from (-) 23 and against expectation of (-) 20. This was led by phased reopening of the economy, renewed support given in the Budget and rapid vaccine rollout (37.9% of population got vaccinated). The reading was also the largest monthly jump in almost a decade.

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### Markets

- Bonds:** Global yields closed mixed. US 10Y yield rose by 1bps (1.72%) as reflation trade gained momentum. UK 10Y yield fell by 4bps (0.84%) as BoE remained dovish. Crude prices rose by 2% (US\$ 65/bbl). India's 10Y yield fell by 1bps (6.19%) as RBI announced special OMOs of Rs 100bn. It is trading at 6.18% today.
- Currency:** Global currencies closed broadly lower against the dollar. DXY rose by 0.1% on the back of better growth outlook. EUR fell by 0.1% as France announced new lockdown to curb the rise in Covid-19 cases. GBP also depreciated by 0.4%. INR closed flat. It is trading higher today, while other Asian currencies are trading lower.
- Equity:** Except Sensex, global indices closed lower as new wave of infections across Europe and safety concerns of vaccine dampened investor sentiments. FTSE and Dax fell by 1% each. Sensex rose by 1.3% supported by metal and oil and gas stocks. It is trading lower today while other Asian stocks are trading mixed.



FIG 1 – MOVEMENT IN KEY GLOBAL ASSET CLASSES

Particulars	Current	1D	1W	1M	3M	12M
<b>10Y yields (Δ bps)</b>						
US	1.72	1	10	41	77	88
UK	0.84	(4)	2	22	59	28
Japan	0.11	0	(1)	3	10	3
Germany	(0.29)	(3)	1	5	28	3
India	6.19	(1)	(4)	17	28	(7)
China	3.24	(2)	(2)	(1)	(6)	55
<b>2Y yields (Δ bps)</b>						
US	0.15	0	0	3	3	(16)
UK	0.09	(2)	(1)	13	18	(4)
Japan	(0.14)	0	(1)	(2)	(1)	3
Germany	(0.70)	(1)	(1)	(1)	3	(2)
India	4.81	(7)	(13)	25	93	(73)
China	2.57	0	0	(8)	(16)	66
<b>Currencies (Δ %)</b>						
EUR	1.1904	(0.1)	(0.4)	(1.7)	(2.9)	11.4
GBP	1.3872	(0.4)	(0.4)	(0.2)	2.6	19.3
JPY	108.88	0	0.1	(2.7)	(5.4)	1.8
AUD	0.7742	(0.2)	(0.3)	(0.2)	1.6	33.8
INR	72.52	0	0.4	0.2	1.4	3.6
CNY	6.5090	0	0	(0.8)	0.5	8.3
<b>Equity &amp; Other indices (Δ %)</b>						
Dow	32,628	(0.7)	(0.5)	3.5	8.1	70.2
FTSE	6,709	(1.0)	(0.8)	(0.6)	2.7	29.2
DAX	14,621	(1.0)	0.8	4.0	7.3	63.7
NIKKEI	29,792	(1.4)	0.2	(2.2)	11.3	80.0
Shanghai Comp	3,405	(1.7)	(1.4)	(6.9)	0.3	24.0
SENSEX	49,858	1.3	(1.8)	(4.3)	6.2	66.7
Brent (US\$/bbl)	64.53	2.0	(6.8)	1.9	23.5	139.2
Gold (US\$/oz)	1,745	0.5	1.0	(2.7)	(7.2)	16.5
CRB Index	498.9	0.1	0.5	4.8	13.9	33.4
Rogers Agri Index	959.7	0.3	(0.8)	0.3	13.0	46.2
LIBOR (3M)*	0.19	0	0	0	(5)	(102)
INR 5Y Swap*	5.97	(4)	6	2	64	(23)
<b>India FII data (US\$ mn)</b>						
	<b>18 Mar</b>	<b>17Mar</b>	<b>WTD</b>	<b>MTD</b>	<b>CYTD</b>	<b>FYTD</b>
FII-Debt	(42.6)	(29.5)	60.6	(1,193.4)	(2,677.6)	(6,771.2)
FII-Equity	181.2	445.3	1,495.5	3,074.4	8,068.2	38,043.9

Source: Bloomberg, Bank of Baroda | \*Indicates change in bps

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