

MACRO DAILY

28 April 2021

Macro developments

- With localised lockdowns in India, rail freight activity has taken a hit in Apr'21 (upto 27 Apr) as activity is down by 7% (MoM), compared with 0.4% increase in Mar'21. This is also weaker than 3.3% drop registered in the first half of Apr'21. Similarly, even e-way bills generated are down in Apr'21 so far (upto 25Apr) by ~24% (MoM) versus 0.8% dip in Mar'21.
- US Conference Board consumer confidence index rose to 121.7 in Apr'21 (est.:112) from 109 in Mar'21. Both the present situation and expectation index soared in Apr'21. This was due to rapid vaccination drive (42% of population vaccinated) and fiscal stimulus lending support to income and demand outlook.
- CPI inflation in Australia moderated to 0.6% in Q1CY21 on a QoQ basis, after increasing by 0.9% in Q4CY20. Prices of fuel, pharma products and health services rose. However, prices of new dwellings and tertiary education fell. Core inflation (annual trimmed mean inflation) fell to the weakest on record at 1.1% (YoY) in Q1CY21 from 1.2% in Q4CY20.

Jahnvi | Sameer Narang

chief.economist@bankofbaroda.com

Markets

- Bonds:** Global yields closed higher/stable. US 10Y yield rose by 5bps (1.62%) ahead of Fed policy decision and US President's speech. 10Y yields in Japan, Germany and China closed stable. Crude prices rose by 1.2% (US\$ 66/bbl) as OPEC+ expressed confidence on future demand outlook. India's 10Y yield rose by 2bps (6.05%). It is trading higher at 6.06% today.
- Currency:** Global currencies closed mixed. DXY rose by 0.1% as US consumer confidence index inched higher in Apr'21. EUR and CNY closed flat. JPY fell by 0.6%. INR rose by 0.1% despite higher oil prices. It is trading further higher today while other Asian currencies are trading mixed.
- Equity:** Global indices closed mixed. While Sensex ended higher, Dow and Shanghai Comp closed flat. FTSE, Dax and Nikkei ended in red. Investors await Fed's policy decision and are also reacting to slew of earnings data. Sensex rose by 1.2% led by consumer durables and capital goods stocks. It is trading further higher today, while Asian stocks are trading mixed.



FIG 1 – MOVEMENT IN KEY GLOBAL ASSET CLASSES

Particulars	Current	1D	1W	1M	3M	12M
10Y yields (Δ bps)						
US	1.62	5	6	(5)	59	101
UK	0.77	2	4	2	51	49
Japan	0.09	0	0	0	5	12
Germany	(0.25)	0	1	10	28	22
India	6.05	2	(2)	(7)	13	(8)
China	3.20	0	4	0	3	70
2Y yields (Δ bps)						
US	0.18	1	3	4	6	(3)
UK	0.07	1	3	0	20	1
Japan	(0.13)	0	0	1	0	4
Germany	(0.69)	0	1	3	4	1
India	4.50	0	(9)	(11)	(2)	(2)
China	2.40	(1)	(2)	(17)	(20)	127
Currencies (Δ %)						
EUR	1.2091	0	0.5	2.5	(0.6)	11.7
GBP	1.3913	0.1	(0.2)	0.9	1.3	12.0
JPY	108.70	(0.6)	(0.5)	0.9	(4.9)	(1.7)
AUD	0.7765	(0.4)	0.5	1.7	0.2	19.6
INR	74.66	0.1	0.3	(3.0)	(2.3)	2.0
CNY	6.4831	0	0.3	0.9	(0.3)	8.4
Equity & Other indices (Δ %)						
Dow	33,985	0.0	0.5	2.8	9.9	41.0
FTSE	6,945	(0.3)	1.2	3.0	4.4	16.6
DAX	15,249	(0.3)	0.8	3.4	9.9	41.3
NIKKEI	28,992	(0.5)	(0.4)	(0.6)	1.6	46.6
Shanghai Comp	3,443	0	(0.9)	0.7	(3.6)	22.5
SENSEX	48,944	1.2	2.6	(0.1)	1.2	52.4
Brent (US\$/bbl)	66.42	1.2	(0.2)	2.9	18.8	224.6
Gold (US\$/oz)	1,777	(0.3)	(0.1)	2.5	(4.0)	4.0
CRB Index	534.9	1.3	3.1	4.9	16.4	52.5
Rogers Agri Index	1,068.8	0.2	6.5	12.9	15.6	66.6
LIBOR (3M)*	0.18	0	0	(2)	(3)	(58)
INR 5Y Swap*	5.53	(1)	5	(31)	(7)	31
India FII data (US\$ mn)						
	26 Apr	23 Apr	WTD	MTD	CYTD	FYTD
FII-Debt	17.2	(56.7)	17.2	(104.8)	(2,132.1)	(104.8)
FII-Equity	(141.2)	(157.0)	(141.2)	(1,232.3)	6,094.0	(1,232.3)

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

Disclaimer

The views expressed in this research note are personal views of the author(s) and do not necessarily reflect the views of Bank of Baroda. Nothing contained in this publication shall constitute or be deemed to constitute an offer to sell/ purchase or as an invitation or solicitation to do so for any securities of any entity. Bank of Baroda and/ or its Affiliates and its subsidiaries make no representation as to the accuracy; completeness or reliability of any information contained herein or otherwise provided and hereby disclaim any liability with regard to the same. Bank of Baroda Group or its officers, employees, personnel, directors may be associated in a commercial or personal capacity or may have a commercial interest including as proprietary traders in or with the securities and/ or companies or issues or matters as contained in this publication and such commercial capacity or interest whether or not differing with or conflicting with this publication, shall not make or render Bank of Baroda Group liable in any manner whatsoever & Bank of Baroda Group or any of its officers, employees, personnel, directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use or access of any information that may be displayed in this publication from time to time.

Visit us at www.bankofbaroda.com



For further details about this publication, please contact:

Economics Research Department

Bank of Baroda

chief.economist@bankofbaroda.com