

MACRO DAILY

30 March 2021

Macro developments

- As per CMIE data, India's unemployment rate (30-day moving average) inched down to 6.48% as on 29 Mar 2021 against 6.53% in the previous week. This was led by fall in rural unemployment rate from 6.19% to 6.13%. Even urban unemployment fell a tad to 7.26% from 7.27%. With government reforms such as higher allocation for MGNREGA and Atmanirbhar Bharat Rozgar Yojana, employment scenario might improve further.
- As per Agriculture Ministry, farmers have completed harvest of over 48% of Rabi crops. Plantation of Kharif crops such as rice has also slowly begun and has covered over 56.5lakh hectare for the ongoing Kharif season (2020-21). As these are rainfed crops, sowing of these crops is likely to pick up with the onset of south-west monsoon in Jun'21.
- Retail sales in Japan fell (YoY) for the 3rd consecutive month in Feb'21, by 1.5% (est.: 2.8% decline) following 2.4% drop in Jan'21. This was driven by dip in sales of clothing, general merchandise and fuel. Separately, unemployment rate in Feb'21 remained unchanged at 2.9% (est.: 3%). However, job availability (jobs/applicant) eased to 1.09 from 1.10 in Jan'21.

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Markets

- Bonds:** Global yields closed mixed. US and UK 10Y yield rose by 3bps each amidst inflation worries. Japan's 10Y yield fell by 1bps due to muted macro data. Crude prices rose by 0.6% (US\$ 65/bbl) eyeing OPEC+ meeting. India's 10Y yield fell by 1bps (6.12%). It is trading higher at 6.14% today.
- Currency:** Major global currencies closed lower amidst concerns over inflationary pressures in the US and spike in 10Y yield. DXY rose to its highest since Nov'20 (+0.2%). EUR fell by 0.2% to close near 4.5 month low. Global banks facing risk of losses from potential default of a hedge fund also drove the demand for safe-haven. Today, INR is trading lower, in line with other Asian currencies.
- Equity:** Barring FTSE, other global indices ended higher as resumption of traffic in the Suez Canal boosted investor sentiments. Amongst other indices, Nikkei (0.7%) gained the most followed by both Dax and Shanghai Comp rising by 0.5% each. Sensex is trading higher today while other 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	1.71	3	1	30	79	98
UK	0.79	3	(3)	(3)	53	45
Japan	0.08	(1)	(1)	(9)	5	6
Germany	(0.32)	3	(1)	(6)	25	17
India	6.12	(1)	(6)	(11)	24	(9)
China	3.20	0	(4)	(8)	3	58
2Y yields (Δ bps)						
US	0.14	0	(1)	1	2	(9)
UK	0.07	1	(1)	(6)	19	(8)
Japan	(0.14)	0	(1)	(3)	(2)	0
Germany	(0.71)	1	(1)	(5)	0	(3)
India	4.61	(9)	(18)	(11)	73	(64)
China	2.56	(1)	(1)	(1)	(3)	85
Currencies (Δ %)						
EUR	1.1765	(0.2)	(1.4)	(2.6)	(3.7)	6.5
GBP	1.3762	(0.2)	(0.7)	(1.2)	2.3	10.9
JPY	109.81	(0.2)	(0.9)	(3.0)	(5.8)	(1.9)
AUD	0.7633	(0.1)	(1.5)	(0.9)	0.7	23.6
INR	72.51	0.2	(0.2)	1.3	1.4	3.9
CNY	6.5701	(0.4)	(1.0)	(1.4)	(0.5)	7.5
Equity & Other indices (Δ %)						
Dow	33,171	0.3	1.3	7.2	9.1	48.6
FTSE	6,736	(0.1)	0.1	3.9	3.6	21.1
DAX	14,818	0.5	1.1	7.5	7.5	51.0
NIKKEI	29,385	0.7	0.7	1.4	9.4	54.0
Shanghai Comp	3,435	0.5	(0.2)	(2.1)	1.1	25.0
SENSEX	49,009	1.2	(1.5)	(0.2)	3.5	72.3
Brent (US\$/bbl)	64.98	0.6	0.6	(1.7)	27.8	185.5
Gold (US\$/oz)	1,712	(1.2)	(1.5)	(1.3)	(8.6)	5.5
CRB Index	509.2	(0.1)	0.5	4.6	15.3	37.1
Rogers Agri Index	943.5	(0.3)	(1.8)	(2.8)	9.5	42.6
LIBOR (3M)*	0.20	1	1	1	(4)	(123)
INR 5Y Swap*	5.84	0	(11)	(2)	57	(13)
India FII data (US\$ mn)						
	25 Mar	24 Mar	WTD	MTD	CYTD	FYTD
FII-Debt	6.5	277.3	361.3	(874.9)	(2,359.1)	(6,452.7)
FII-Equity	(397.7)	(221.6)	(585.1)	2,572.8	7,566.6	37,542.4

Source: Bloomberg, Bank of Baroda | *Indicates change in bps | Indian markets were closed on 29.3.21.

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