

MACRO DAILY

04 May 2020

Macro developments

- According to news reports, total GST collections for Mar'20 fell to Rs 283bn versus Rs 976bn in Feb'20 and Rs 1.13tn in Mar'19. The sharp dip comes as lockdown began in the last week of Mar'20 and filing date was extended to 5 May 2020 from 20 Apr. E-way bills generated in Mar'20 fell by 30% on MoM basis while in Apr'20 the dip was ~80%.
- COVID-19 cases increased globally to 3.6mn as of 3 May 2020, yet the pace of increase is declining. On a daily basis, new cases in US rose the most by 24,972, followed by India at 2,806 and Italy at 1,389. Globally, US has the maximum number of cases at 1.16mn. In India, the number of cases rose to 42,462 as of 4 May 2020 vs 29,451 last week.
- ECB in its latest policy kept rates unchanged and took a host of liquidity infusion measures. It will continue its monthly asset purchase program at the pace of € 20bn, together with the purchases of additional € 120bn until the end of the year. It reduced rates on TLTRO III to ease lending. A new series of non-targeted pandemic emergency longer-term refinancing operations (PELTROs) have also been introduced.

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Markets

- Bonds:** Global yields closed mixed as US president threatened to impose tariffs on China. US 10Y yield fell by 3bps (0.61%) as jobless claims report continued to remain dismal. Crude prices rose by 4.6% (US\$ 26/bbl) as hopes of revival in economic activity resurfaced. India's 10Y yield fell by 1bps (6.11%). It is trading at 6.14% today.
- Currency:** Except AUD and GBP, other global currencies closed higher against the dollar. AUD fell sharply by 1.4% after US threatened to impose tariffs on China due to the COVID-19 crisis. While DXY gained 0.1%, JPY rose by 0.3%. INR rose by 0.8% to 1-month high. It is trading lower today in line with other Asian currencies.
- Equity:** Barring Sensex and Shanghai Comp, other global indices ended lower as US threatened new tariffs on China. Nikkei (2.8%) declined the most followed by Dow (2.6%) and FTSE (2.3%). However, Sensex (1.3%) ended in green, supported by DII inflow of Rs 5.8bn. It is trading lower today in line with other Asian stocks.



FIG 1 – MOVEMENT IN KEY GLOBAL ASSET CLASSES

Particulars	Current	1D	1W	1M	3M	12M
10Y yields (Δ bps)						
US	0.61	(3)	1	(6)	(90)	(191)
UK	0.25	2	(4)	(11)	(28)	(97)
Japan	(0.02)	1	0	(4)	5	2
Germany	(0.59)	0	(11)	(12)	(15)	(61)
India	6.11	(1)	(6)	(3)	(49)	(129)
China	2.52	3	3	(7)	(35)	(89)
2Y yields (Δ bps)						
US	0.19	(1)	(3)	(6)	(112)	(214)
UK	0.04	2	(2)	(10)	(46)	(75)
Japan	(0.14)	4	1	0	0	1
Germany	(0.76)	0	(6)	(7)	(9)	(17)
India	4.55	4	0	(72)	(151)	(222)
China	1.12	0	(1)	(59)	(111)	(154)
Currencies (Δ %)						
EUR	1.0981	0.2	1.5	(0.5)	(1.0)	(1.9)
GBP	1.2506	(0.7)	1.1	0.7	(5.3)	(5.1)
JPY	106.91	0.3	0.6	0.6	1.3	3.8
AUD	0.6418	(1.4)	0.7	4.7	(4.1)	(8.5)
INR	75.10	0.8	1.8	0.6	(5.3)	(8.5)
CNY	7.0633	0.2	0.3	0.3	(0.6)	(4.9)
Equity & Other indices (Δ %)						
Dow	23,724	(2.6)	(0.2)	8.2	(16.0)	(10.5)
FTSE	5,763	(2.3)	0.2	1.6	(20.9)	(21.9)
DAX	10,862	(2.2)	5.1	9.3	(16.3)	(12.5)
NIKKEI	19,619	(2.8)	1.9	3.7	(15.5)	(11.9)
Shanghai Comp	2,860	1.3	1.8	4.0	2.8	(7.1)
SENSEX	33,718	3.0	7.6	14.4	(17.2)	(13.5)
Brent (US\$/bbl)	26.44	4.6	23.3	16.3	(54.5)	(62.7)
Gold (US\$/oz)	1,700	0.8	(1.7)	7.8	7.0	32.9
CRB Index	353.2	0	1.4	(4.6)	(12.6)	(15.6)
Rogers Agri Index	653.6	(0.2)	1.8	(1.3)	(11.1)	(9.3)
LIBOR (3M)*	0.56	(13)	(33)	(89)	(120)	(200)
INR 5Y Swap*	5.22	2	2	(61)	(146)	(202)
India FII data (US\$ mn)						
	29 Apr	28 Apr	WTD	MTD	CYTD	FYTD
FII-Debt	(82.4)	(82.4)	(543.3)	(1,280.5)	(11,040.0)	(1,280.5)
FII-Equity	103.7	6.4	8.9	(399.7)	(7,002.6)	(399.7)

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

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