MACRO DAILY

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Aditi Gupta
aditi.gupta3@bankofbaroda.com

Sameer Narang
+91 22 6698 5713
chief.economist@bankofbaroda.com

Macro developments

- Centre's indirect tax collections for FY21 have exceeded the revised target set in the Union Budget. Total collections reached Rs 10.71tn (+8.3%) versus Rs 9.89tn projected for FY21RE. This was largely owing to higher revenue from customs (+21%) and excise (+58%). GST collections on the other hand were down by 8%. With this, total tax collections in FY21 were at Rs 20.16tn (+0.5%) versus Rs 20.05tn in FY20.
- As per RBI data, SCBs credit growth edged down to 5.6% for the fortnight ending 26 Mar 2021 as against 6.5% in the previous fortnight. Deposits growth moderated to 11.4% from 12.1% in the previous fortnight. Demand and time deposits inched down to 15.1% (16.4% earlier) and 10.9% (11.6% earlier) respectively. CD ratio was at 72.5.
- Singapore's GDP rose by 0.2% in Q1CY21 on a YoY basis, after declining for 4-straight quarters (contraction of 5.4% in Q4CY20). Output in goods producing industries rose by 3.3% in Q1 supported by manufacturing (7.5%). Construction output contracted at a slower pace of 20.2% versus 35.9% in Q4. Contraction in services sector also moderated. Separately, Monetary Authority of Singapore (MAS) kept its policy settings unchanged and maintained its accommodative stance.

Markets

- **Bonds:** Global yields closed mixed. US 10Y yield closed flat (1.64%) eyeing jobless claims data. UK and Germany 10Y yield rose by 3bps as vaccination gained pace. Crude prices rose by 4.1% (US$ 66/bbl) as IEA upgraded its oil demand forecast for CY21. India's 10Y yield fell by 1bps (6.01%) in the truncated week. It is trading at 6.03% today as CPI edged up.
- **Currency:** Global currencies closed higher. DXY fell by 0.2% to a 1-month low amidst expectations that lower interest rates will continue. EUR rose by 0.2%. INR too appreciated by 0.3% even as oil prices rose. However, it is trading lower today while other Asian currencies are trading mixed.
- **Equity:** Barring Dax and Nikkei, global indices ended higher. Amongst other indices, FTSE (0.7%) gained the most followed by Shanghai Comp (0.6%) as investors shifted their focus towards corporate earnings. Sensex is trading lower 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	1.64	0	(3)	12	54	94
UK	0.81	3	4	4	49	47
Japan	0.09	(2)	(1)	1	8	9
Germany	(0.26)	3	6	3	22	4
India	6.01	(1)	(7)	(19)	14	(47)
China	3.18	1	(5)	(4)	6	67
2Y yields (Δ bps)						
US	0.16	0	1	2	2	(7)
UK	0.05	1	(2)	(3)	17	1
Japan	(0.14)	0	(2)	(1)	0	4
Germany	(0.70)	1	0	(1)	0	(8)
India	4.56	0	(4)	(31)	40	(68)
China	2.47	-0	(5)	(9)	21	130
Currencies (Δ %)						
EUR	1.1974	0.2	0.4	(0.7)	(2.6)	8.8
GBP	1.3760	0.1	0.5	(2.0)	1.0	10.1
JPY	108.57	0.1	0	(1.1)	(5.5)	(1.1)
AUD	0.7688	0.1	1.2	(2.1)	(1.7)	20.1
INR	75.14	0.3	(0.8)	(2.5)	(2.1)	2.0
CNY	6.5173	0.1	0.1	(0.9)	(1.2)	6.9
Equity & Other indices (Δ %)						
Dow	33,731	0.2	0.9	4.0	8.7	42.5
FTSE	6,940	0.7	0.8	2.7	0.6	18.4
DAX	15,209	(0.2)	0.2	4.6	8.4	44.2
NIKKEI	29,621	(0.4)	(0.4)	1.9	5.8	53.9
Shanghai Comp	3,417	0.6	(1.8)	0.4	(3.3)	22.1
SENSEX	48,544	1.4	(2.3)	(2.8)	1.7	59.2
Brent (US$/bbl)	66.25	4.1	4.9	(9.6)	12.4	100.0
Gold (US$/oz)	1,744	(0.7)	0.9	1.2	(5.7)	3.6
CRB Index	511.2	0.1	1.2	2.5	13.9	41.2
Rogers Agri Index	965.1	0.1	2.6	(0.6)	7.5	46.4
LIBOR (3M)*	0.19	0	(1)	0	(4)	(103)
INR 5Y Swap*	5.66	(4)	(18)	(33)	23	(37)
India FII data (US$ mn)	**9 Apr**	**8 Apr**	**WTD**	**MTD**	**CYTD**	**FYTD**
FII-Debt	(94.3)	12.0	(407.0)	(407.0)	(2,434.3)	(407.0)
FII-Equity	(81.1)	280.2	44.4	44.4	7,370.7	44.4

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

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For further details about this publication, please contact:

Economics Research Department

Bank of Baroda

+91 22 6698 5713

chief.economist@bankofbaroda.com