


**MACRO DAILY**

02 May 2019

**Macro developments**

- Total GST collections for Mar'19 reached Rs 1,139bn vs Rs 1,066bn in Feb'19, with CGST at Rs 475bn & SGST at Rs 508bn (post IGST settlement). Overall, this takes centre's GST collections in FY19 to Rs 5.9tn vs FY19RE of Rs 6.4tn. The shortfall is mainly on account of CGST (Rs 4.6tn vs FY19RE Rs 5tn) & IGST (Rs 330bn vs FY19RE Rs 500bn). Cess collected has exceeded the targeted amount (Rs 961bn vs Rs 900bn).
- US Fed in its latest policy kept fund rates unchanged at 2.25-2.5%. They clarified that their approach will be patient on the back of muted inflation despite tightening labour market conditions. Fed has also reduced interest paid on excess reserves of banks to 2.35% (2.4% earlier). In a separate print, US ISM manufacturing index slipped to 52.8% in Apr'19 vs 55.3% in Mar'19 reflecting slowdown in growth indicators.
- South Korea's exports declined for the 5th consecutive month in Apr'19 by (-) 2% vs (-) 8.2% in Mar'19 (est.: -6%). The decline was led by a (-) 13.5% fall in exports of memory chips, as slowing Chinese growth along with US-China trade dispute resulted in weaker demand. Further, while exports to China contracted by (-) 4.5%, exports to US rose by 3.9% in Apr'19. Imports grew by 2.4% in Apr'19. As a result, trade surplus shrunk from US\$ 5.2bn to US\$ 4.1bn in Apr'19.

**Jahnavi**

jahnavi@bankofbaroda.com

**Sameer Narang**

chief.economist@bankofbaroda.com

**Markets**

- Bonds:** Global yields closed flat with the exception of UK and China. US 10Y yield flatlined at 2.5% after Fed held its benchmark rates steady and noted the dip in inflation is temporary. Crude prices declined by (-) 0.9% (US\$ 72/bbl). India's 7.26GS2029 was trading at 7.39% today.
- Currency:** Global currencies closed mixed. DXY rose by 0.2% as the US Fed reiterated a patient approach to rate hike. As a result, EUR closed lower by (-) 0.2%. CNY and JPY closed flat. INR rose by 0.7%. It was trading flat today, while Asian currencies were trading lower.
- Equity:** Barring Dax and Shanghai Comp, global equity indices closed lower driven by Fed's signalling a patient approach towards interest rates. Dow was down by (-) 0.6% followed by FTSE (-) 0.4%. While Asian markets were trading mixed today, Sensex was trading lower.



**FIG 1 – MOVEMENT IN KEY GLOBAL ASSET CLASSES**

Particulars	Current	1D	1W	1M	3M	12M
<b>10Y yields (Δ bps)</b>						
US	2.50	0	(2)	9	(18)	(47)
UK	1.15	(4)	(3)	15	(11)	(31)
Japan	(0.04)	0	0	4	(5)	(9)
Germany	0.01	0	3	8	(18)	(57)
India#	7.53	0	(8)	4	(2)	(21)
China	3.40	(3)	0	33	27	(28)
<b>2Y yields (Δ bps)</b>						
US	2.30	4	(1)	4	(20)	(18)
UK	0.74	(2)	(2)	10	(4)	(8)
Japan	(0.15)	0	0	2	1	(2)
Germany	(0.58)	0	0	2	(2)	(1)
India	6.82	2	5	27	(15)	(50)
China**	2.66	(1)	(3)	29	25	(35)
<b>Currencies (Δ %)</b>						
EUR	1.1196	(0.2)	0.4	(0.2)	(2.5)	(6.3)
GBP	1.3050	0.1	1.1	0.1	(0.5)	(3.9)
JPY	111.38	0	0.7	(0.5)	(2.1)	(1.4)
AUD	0.7015	(0.5)	0	(1.1)	(3.2)	(6.4)
INR	69.56	0.7	0.1	(0.6)	2.2	(4.3)
CNY	6.7349	0	(0.1)	(0.3)	(0.3)	(5.9)
<b>Equity &amp; Other indices (Δ %)</b>						
DOW	26,430	(0.6)	(0.6)	1.9	5.7	10.5
FTSE	7,385	(0.4)	(1.2)	1.5	6.4	(2.1)
DAX	12,344	0.1	0.3	7.1	10.4	(3.6)
NIKKEI	22,259	(0.2)	0.3	5.0	8.3	(1.0)
Shanghai Comp	3,078	0.5	(3.9)	(0.4)	19.5	(0.1)
SENSEX	39,032	(0.1)	(0.1)	0.9	9.7	11.0
Brent (USD/bbl)	72.18	(0.9)	(3.2)	5.5	17.1	(1.6)
Gold (USD/oz)	1,277	(0.5)	0.1	(1.2)	(3.3)	(2.2)
CRB Index	420.1	(0.5)	(0.2)	(1.5)	1.6	(5.8)
Rogers Agri Index	723.7	0.2	(0.3)	(2.7)	(7.1)	(15.2)
LIBOR (3M)*	2.58	0	0	(2)	(16)	21
INR 5Yr Swap*	7.11	0	(6)	65	(9)	1
<b>India FII data (US\$ mn)</b>						
	<b>26 Apr</b>	<b>25 Apr</b>	<b>WTD</b>	<b>MTD</b>	<b>CYTD</b>	<b>FYTD</b>
FII-Debt	(183.4)	(21.0)	(366.3)	(1,209.2)	(192.9)	(1,209.2)
FII-Equity	23.0	551.1	685.9	1,603.3	9,897.9	1,603.3

Source: Bloomberg, Bank of Baroda | \*Indicates change in bps, # 7.17 GS 2028 security, \*\* 1Y yield. Indian and Japanese Markets were closed on 1.05.19.

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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](mailto:chief.economist@bankofbaroda.com)