

MACRO DAILY

07 June 2021

Macro developments

- India's total GST collections for Apr'21 moderated to Rs 1tn from Rs 1.4tn in Mar'21 (27% MoM decline). Unadjusted CGST collections fell to Rs 176bn in Apr'21 from Rs 278bn in Mar'21 (37% MoM decline). Unadjusted SGST collections also fell to Rs 227bn from Rs 356bn (36% MoM decline). IGST collections edged down to Rs 532bn from Rs 685bn.
- India's forex reserves rose to a historic high of US\$ 598.2bn in the week ended 28 May 2021. On a weekly basis, forex reserves rose by US\$ 5.3bn versus US\$ 2.9bn last week. In FYTD22, forex reserves have increased by US\$ 18.9bn versus US\$ 17.9bn accretion in the same period last year.
- China's exports rose by 27.9% in May'21 versus 32.2% rise in Apr'21. Low base (3.3% decline in May'20) and recovery in global demand has helped exports on YoY basis. On MoM basis exports remained flat, burdened by higher prices of raw materials and supply chain bottlenecks. Imports rose on YoY basis by 51.1% in May'21 (highest since Jan'11) versus 43.1% in Apr'21. Both lower base (16.7% drop in May'20) and higher commodity prices have contributed to this trend.

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Markets

- Bonds:** Global yields closed mixed. US 10Y yield fell the most by 7bps (1.55%), due to weaker than expected jobs data. Crude prices rose by 0.8% (US\$ 72/bbl) on hopes of demand recovery. India's 10Y yield rose by 3bps (6.03%) as RBI revised its inflation forecast upwards for FY22. It is trading at 6.02% today.
- Currency:** Except INR (lower), other global currencies closed higher against the dollar. DXY fell by 0.4% as US payroll additions rose less than expected. AUD gained the most by 1.1%. However, INR depreciated by 0.1% as oil prices rose. It is trading higher today while other Asian currencies are trading mixed.
- Equity:** Barring Nikkei and Sensex, other global indices ended higher led by receding Covid-19 cases and strong PMI print. Dow (0.5%) gained the most followed by Dax (0.4%). However, Sensex (0.3%) was dragged down by losses in banking and consumer durable stocks. It is trading higher today while with 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	1.55	(7)	(4)	(4)	(1)	66
UK	0.79	(5)	(1)	(1)	3	44
Japan	0.09	0	0	(1)	(1)	4
Germany	(0.21)	(3)	(3)	3	9	6
India	6.03	3	3	1	(20)	26
China	3.13	4	4	(3)	(12)	27
2Y yields (Δ bps)						
US	0.14	(1)	0	(1)	1	(6)
UK	0.07	(2)	1	2	(3)	6
Japan	(0.12)	0	1	1	1	1
Germany	(0.67)	0	(1)	3	2	(7)
India	4.33	0	6	(11)	(51)	(12)
China	2.35	1	0	(16)	(21)	31
Currencies (Δ %)						
EUR	1.2167	0.3	(0.2)	1.3	2.1	7.7
GBP	1.4157	0.4	(0.2)	1.9	2.3	11.8
JPY	109.52	0.7	0.3	(0.2)	(1.1)	0.1
AUD	0.7739	1.1	0.4	0.4	0.7	11.0
INR	73.00	(0.1)	(0.8)	1.2	0.0	3.4
CNY	6.3952	0.1	(0.4)	1.2	1.6	9.7
Equity & Other indices (Δ %)						
Dow	34,756	0.5	0.7	1.8	10.4	28.2
FTSE	7,069	0.1	0.7	2.1	6.6	9.0
DAX	15,693	0.4	1.1	5.6	12.7	22.1
NIKKEI	28,942	(0.4)	(0.7)	0.4	0.3	26.6
Shanghai Comp	3,592	0.2	(0.2)	3.4	2.6	22.6
SENSEX	52,100	(0.3)	1.3	8.0	3.4	52.0
Brent (US\$/bbl)	71.89	0.8	3.2	4.4	3.6	70.0
Gold (US\$/oz)	1,892	1.1	(0.6)	6.3	11.2	12.3
CRB Index	551.3	0.7	0.5	3.1	12.2	49.3
Rogers Agri Index	1,087.2	1.6	3.1	0.8	12.2	58.6
LIBOR (3M)*	0.13	0	0	(4)	(5)	(18)
INR 5Y Swap*	5.58	9	(14)	(6)	(40)	47
India FII data (US\$ mn)						
	3 Jun	2 Jun	WTD	MTD	CYTD	FYTD
FII-Debt	65.6	(46.8)	2.7	76.5	(2,504.2)	(476.9)
FII-Equity	162.3	149.2	1,095.5	383.5	6,969.6	(356.7)

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

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