

Yubi Daily Wrap

17 April, 2023

Retail sales in USA fell for second consecutive month in March by 1% vs 0.2% reduction in last month, suggesting that higher interest rates are now working to slow the economy. Reduction in sales was driven by lower spending on vehicles, and consumer discretionary items like food services.

Federal Reserve Bank of Chicago President Goolsbee is indicating dovish signals on the monetary policy, compared to the other Fed governor's committee. He's hinted that tighter credit conditions emanating from the banking turmoil could aid the Fed in its effort to bring down inflation.

ECB president Christine Lagarde has stated that underlying resilient labour market and strong wage growth is expected to keep underlying inflationary pressures strong. Additionally, she mentioned that ECB "will act as needed" in such situation. The European Central Bank (ECB) policymaker Olli Rehn stated that ECB must "carry on and act consistently" with interest rate hikes as it continues its efforts to tackle high inflation stated.

Merchandise exports contracted by 13.9% Y-o-Y in March, to \$38.4 billion (vs \$37 billion in February) while imports contracted to \$58.1 billion led by lower oil prices. Services exports growth moderated to 3% YoY at \$27.8 billion. Trade deficit increased to \$ 19.7 billion from \$ 16.2 billion in February. During FY23, trade deficit stands at \$ 266.8 billion vs \$ 191.1 billion in FY22.

Indian FM Sitharaman hinted that India could explore the option of buying Russian crude oil near or even above the \$60/bbl price cap that's imposed by the G-7, given that 80% of the crude oil requirements are met with imports can negatively impact inflation amidst the OPEC+ production cuts.

Major Events: WPI data release

Nupur Tandon (Economist) Email: nupur.tandon@go-yubi.com

Important disclaimers and disclosures can be found on the last page of this publication

Equity indices	Current level	Previous close	Change %	One month ago
S&P500	4137.64	4146.22	-0.21	3916.64
Dow Jones	33886.47	34029.69	-0.42	31861.98
FTSE 100	7871.91	7843.38	0.36	7335.4
Nikkei 225	28459.67	28493.47	-0.12	27333.79
Hang Seng	20548.84	20438.81	0.54	19518.59
Shanghai Composite	3370.751	3338.153	0.98	3250.546
Kospi 50	2567.06	2571.49	-0.17	2395.69
Sensex	59633.78	60431	-1.32	57989.9
Nifty50	17623.45	17828	-1.15	17100.05

Govt yields	Current level	Previous close	Change %	One month ago
US 10-yr	3.51	3.51	-0.11	3.43
UK 10-yr	3.66	3.66	0.00	3.28
Japan 10-yr	0.48	0.46	3.92	0.28
Germany 10-yr	2.44	2.44	0.00	2.10
India Govt 30-yr	7.37	7.36	0.10	7.41
India Govt 10-yr	7.23	7.22	0.25	7.34
India Govt 5-yr	7.06	7.06	0.00	7.23



Corp yields: India	Current level	Previous close	Change %	One month ago
AAA 10-yr	7.68	7.67	0.14	7.85
AAA 5-yr	7.68	7.67	0.13	7.91
AAA 3-yr	7.57	7.59	-0.27	7.85
AAA 1-yr	7.55	7.59	-0.55	7.79

	Current level	Previous close	Change %	One month ago
DXY	101.70	101.55	0.14	103.71
EUR/USD	1.10	1.10	-0.10	1.07
GBP/USD	1.24	1.24	-0.06	1.22
USD/JPY	133.94	133.79	0.11	131.85
USD/INR	81.95	81.86	0.11	82.55
AUD/USD	0.67	0.67	0.01	0.67
USD/CNY	6.88	6.87	0.10	6.89
Gold (USD/oz)	2005.15	2004.17	0.05	1989.25
Brent (USD/bbl)	86.98	87.68	-0.80	71.87



Money market India	Current level	Previous close
Call money rate	6.16	6.31
CBLO rate	6.26	6.27
Call traded volume (INR bn)	31.56	4977.04
Net banking system liquidity injection (+)/absorption(-) (INR bn)	-1703.04	-1990.79
	T-bills	
91-days	6.75	6.73
182-days	6.99	6.97
364-days	6.99	6.94



Disclaimer

This report is issued solely by CredAvenue Private Limited (“Yubi”). Any information in this report should not be construed as an offer, invitation, solicitation, solution or advice of any kind to buy or sell any securities, financial products or services as may be offered by Yubi or any of its affiliate entity, unless specifically stated so. The contents of this report do not take into account your personal circumstances. Before entering into any transaction, you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction and should seek your own financial, business, legal, tax and other advice regarding the appropriateness of buying or selling any securities, financial products or services. Yubi or any of its affiliate entity, do not provide any financial advice, and is not your fiduciary or agent, in relation to the securities or any proposed transaction with you unless otherwise expressly agreed by us in writing. The information, opinions and material in this report (i) are derived from sources that Yubi believes to be reliable but the reliability or accuracy of which have not been independently verified (ii) are given as part of Yubi’s internal research activity and not as manager of or adviser in relation to any assets or investments and no consideration has been given to the particular needs of any recipient; and (iii) may contain forward looking statements, which may be materially affected by various risk, uncertainties and other factors. The opinions contained in such material, constitute the judgment of Yubi in relation to the matters which are the subject of such material as at the date of its publication, all of which are expressed without any responsibility on Yubi’s part and are subject to change without notice. Yubi has no duty to update this [document/report], the opinions, factual or analytical data contained herein. Yubi and/or its affiliates makes no representation as to the accuracy, completeness or reliability of any information contained herein or otherwise provided and hereby disclaim any liability with regard to the same. The recipient of the information should take necessary steps as they deem necessary prior to placing reliance upon it.

Nothing contained in this report, shall constitute or be deemed to constitute an offer to sell/purchase or as an invitation or solicitation to do so for any securities or financial products/ instruments of any entity. This report, is intended solely for an authorised personnel of Yubi and may contain proprietary, confidential or legally privileged information. No part of this report, may be copied, disseminated or redistributed by any recipient for any purpose without Yubi’s prior written consent. If the reader of this report, is not the intended recipient and has received this transmission in error, please immediately notify Yubi, Centre of Excellence, E-mail: vibhor.mittal@yubisecurities.com or by telephone at +9820115980 and delete this report, from your system. Please also note that Yubi and/or its affiliates, is unable to exercise control or ensure or guarantee the integrity of/over the contents of the information contained in report and / or attachments and that any views expressed in this report and/or attachments are not endorsed by/binding on Yubi.

Before opening any attachments, please check them for viruses and defects and please note that Yubi accepts no liability or responsibility for any damage caused by any virus that may be transmitted by this report and/ or attachments thereto.

