

Good Morning,

The market roundup for the global and domestic markets for **Tuesday (August 31, 2021)** is as follows.

- **US and European equity markets** closed lower as market sentiments were dampened by the disappointing PMI data from China and tapering concerns. Removal of US from EUs approved travel list also added to the bearish tone. Investors awaited the release of US payrolls and PMI data due during this week.
- **Nikkei** ended higher supported by encouraging economic data for July which showed growth in housing starts and a decline in the unemployment rate to the lowest level in three months.
- **10-year US benchmark treasury yields** rose following hawkish comments from officials of European Central Bank. Meanwhile, investors looked forward to the US jobs data due on Friday. **US Dollar** strengthened against Yen and Pound supported by the uptick in US treasury yields.
- **Crude oil** prices fell as the global covid-19 scenario and resultant restrictions on travel dented the oil demand outlook. A larger than expected fall in US crude stocks and supply concerns following shutdown of US Gulf oil production caused by hurricane Ida capped the downside. **Gold prices** rose despite strength in **US Dollar**.
- **Indian equity markets** ended at record highs on account of positive global cues and upbeat investor sentiments ahead of the release of key economic parameters (Q1-FY22 GDP and core sector data).
- **Rupee** strengthened against the **US Dollar** on the back of upbeat domestic equities and likely fund inflows. **The 10-year benchmark G-sec yields** remained unchanged at 6.22%.

Table 1: Global Markets indicators

	30-08-2021	31-08-2021	% / bps change
Dow	35,400	35,361	-0.11
NASDAQ	15,266	15,259	-0.04
S & P 500	4,529	4,523	-0.13
Nikkei 225	27,789	28,090	1.08
FTSE 100	NA	7,120	-0.40
US 10-yr (%)	1.28	1.30	2.40 bps
UK 10-yr (%)	0.58	0.62	3.30 bps
Germany 10-yr (%)	-0.42	-0.38	3.40 bps
Gold	1809	1818	0.50
Crude Oil (WTI)	69.21	68.5	-1.03
Crude Oil (Brent)	73.41	71.69	-2.34
\$/€*	1.18	1.18	0.03
¥/\$*	109.92	110.21	0.26
\$/£*	1.38	1.37	-0.18

* (-) Appreciation/ (+) Depreciation; ^ with a day's lag
Source: CNN, WSI, Bloomberg.

Table 2: Domestic Market indicators

	30-08-2021	31-08-2021	% change
Sensex	56,890	57,552	1.16
NIFTY	16,931	17,132	1.19
BSE SME IPO	6,521	6,273	-3.81
Rs/\$	73.27	73.00	-0.37
Rs/€	86.47	86.10	-0.43

Source: BSE, NSE, Mint * (-) Appreciation/ (+) Depreciation.

Table 3: FPI and MFs investment flows

US \$ Mn	Equity		Debt	Total			
	Purchase	Sale		Net	(Net) ^		
Net FPI Flows (US \$ mn)							
July-21	16,938	18,301	(1,363)	2,211	1,616	545	(837)
August-21*	23,390	23,106	284	3,639	1,696	1,936	2,233
30-Aug-21	1,014	1,097	(83)	88	30	59	(25)
31-Aug-21	1,404	1,170	233	124	64	61	293
MF Investments (Rs. Cr.)							
August-21#	85,556	75,261	10,295	97,467	81,848	15,619	25,915

Source: NSDL, SEBI *Data till August 31, 2021# Data till August 26, 2021 ^Total (Net) of equity, debt & hybrid

Table 4: Money Market view#

	30-08-2021	31-08-2021
Avg. Call Rate (%)	3.21	3.18
Vol. Traded (Rs. Cr.)	5,498	7,376
Net banking system liquidity outstanding	(7,53,113)	(8,32,692)
Daily liquidity injection (+) /absorption (-) #	(5,58,489)	(6,38,118)
T-Bills 91 days	3.11	3.27
182 days	3.26	3.41
364 days	3.62	3.63
G-Sec 3 years	4.45	4.44
5 years	5.65	5.65
10 years	6.22	6.22

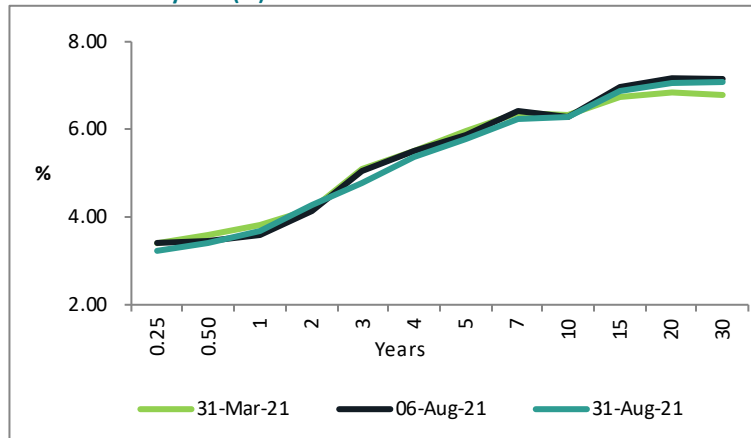
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day; Source: RBI, FBI, CCIL.

Table 5: Corporate bond spreads over G-sec (%) *

10 Year	PSU, FIs & Banks	NBFCs	Corporates
AAA	0.69	0.46	0.39
AA+	1.15	0.89	0.86
AA	1.48	1.22	1.19
AA-	1.84	1.56	1.61
A+	2.84	3.56	3.11
A	3.09	3.81	3.36
A-	3.34	4.06	3.86
BBB+	3.84	4.56	4.36
BBB	4.09	4.81	4.61
BBB-	4.59	5.31	5.11

Source: FIMMDA *As on 30th August 2021

Exhibit 1: G-Sec yields (%)



Source: FIMMDA