

Good Morning,

The market roundup for the global and domestic markets for **Wednesday (September 1, 2021)** is as follows.

- **US markets** ended mixed (**Dow Jones** edged lower, tech-heavy **NASDAQ** closed higher and **S&P** ended flat) as strong manufacturing sector activity was offset by the weak private payrolls data. The **10-year US benchmark treasury yields** declined marginally, and the **US Dollar** weakened against major currencies as the disappointing jobs data raised concerns over the pace of labour market recovery.
- **European markets** closed higher on account of upbeat market sentiments as Eurozone unemployment rate fell in July and PMI data for August showed expansion in factory activity despite supply-side challenges. Concerns persisted over hardening inflation and tapering by ECB.
- **Nikkei** ended higher as investors cheered comments from Bank of Japan's deputy governor cautioning against early scaling back of monetary support as the economy recovers from the worst of the pandemic.
- **Crude oil** prices declined for the second consecutive day following decision by OPEC+ to continue with the planned output hike. The US crude stocks declined while gasoline stocks rose according to data released by the US Energy Information Administration (EIA). **Gold prices** edged lower despite the weakening in **US Dollar**.
- **Indian equity markets** scaled back from record highs amid mixed global cues and profit-booking by investors. Economic data pointed at robust GDP growth in Q1-FY22 backed by a statistical push and healthy GST collections. However, the slowdown in manufacturing activity raised concerns over the pace of economic recovery.
- **Rupee** weakened marginally against the **US Dollar** on account of muted domestic equities. **The 10-year benchmark G-sec yields** softened to 6.20% following a dip in the international crude oil prices and lower US Treasury yields.

**Table 1: Global Markets indicators**

	31-08-2021	01-09-2021	% / bps change
Dow	35,361	35,313	-0.14
NASDAQ	15,259	15,309	0.33
S & P 500	4,523	4,524	0.03
Nikkei 225	28,090	28,451	1.29
FTSE 100	7,120	7,150	0.42
US 10-yr (%)	1.30	1.30	-0.20 bps
UK 10-yr (%)	0.62	0.70	7.90 bps
Germany 10-yr (%)	-0.38	-0.37	0.90 bps
Gold	1,818	1,816	-0.12
Crude Oil (WTI)	68.5	68.22	-0.41
Crude Oil (Brent)	72.99	71.29	-2.33
\$/€*	1.18	1.18	0.31
¥/\$*	110.21	109.96	-0.23
\$/£*	1.37	1.38	0.30

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

**Table 2: Domestic Market indicators**

	31-08-2021	01-09-2021	% change
Sensex	57,552	57,338	-0.37
NIFTY	17,132	17,076	-0.33
BSE SME IPO	6,273	6,171	-1.62
Rs/\$	73.00	73.09	0.12
Rs/€	86.10	86.38	0.33

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

**Table 3: FPI and MFs investment flows**

US \$ Mn	Equity		Net	Debt		Net	Total (Net) ^
	Purchase	Sale		Purchase	Sale		
Net FPI Flows (US \$ mn)							
Aug-21	23,390	23,106	284	3,639	1,696	1,936	2,233
Sept-21*	2,988	2,603	385	458	270	189	573
31-Aug-21	1,404	1,170	233	124	64	61	293
01-Sept-21	2,988	2,603	385	458	270	189	573
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 September 1, 2021# Data till August 26, 2021 ^Total (Net) of equity, debt & hybrid

**Table 4: Money Market view#**

	31-08-2021	01-09-2021
Avg. Call Rate (%)	3.18	3.19
Vol. Traded (Rs. Cr.)	7,376	7,573
Net banking system liquidity outstanding	(8,32,692)	(8,57,445)
Daily liquidity injection (+) /absorption (-) #	(6,38,118)	(6,62,871)
T-Bills 91 days	3.27	3.28
182 days	3.41	3.41
364 days	3.63	3.61
G-Sec 3 years	4.44	4.82
5 years	5.65	5.61
10 years	6.22	6.20

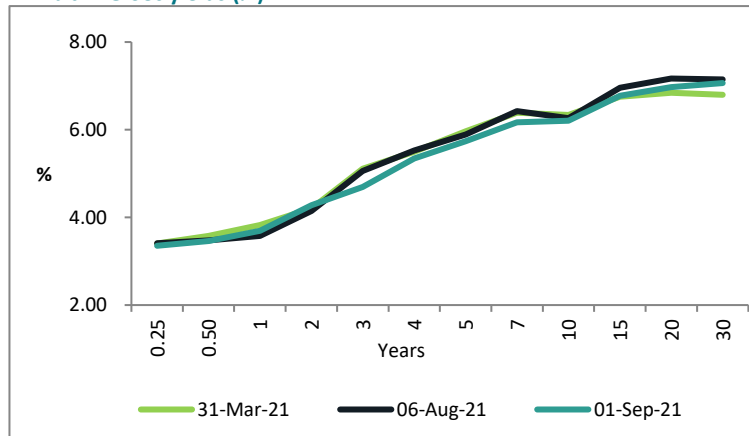
\* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day; Source: RBI, FBI, CCIL.

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

10 Year	PSU, Fls & Banks	NBFCs	Corporates
AAA	0.52	0.62	0.58
AA+	0.98	1.04	1.06
AA	1.29	1.38	1.38
AA-	1.69	1.73	1.78
A+	2.69	3.73	3.28
A	2.94	3.98	3.53
A-	3.19	4.23	4.03
BBB+	3.69	4.73	4.53
BBB	3.94	4.98	4.78
BBB-	4.44	5.48	5.28

Source: FIMMDA \*As on 31<sup>st</sup> August 2021

**Exhibit 1: G-Sec yields (%)**



Source: FIMMDA

CARE Ratings Limited  
Corporate Office: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022  
Tel: +91-22-6754 3456  
CIN - L67190MH1993PLC071691



Connect:

Contact:  
Akanksha Bhende  
Associate Economist  
akanksha.bhende@careratings.com  
+91-22-6837 4400