

Good Morning,

The market roundup for the global and domestic markets for **Thursday (September 2, 2021)** is as follows.

- **US markets** ended higher (**S&P** and **NASDAQ** closed at record levels) on upbeat labour market data as US jobless claims fell more than expected. Investors awaited the payrolls data to gauge the level of economic progress and possible timeline for tapering by the Fed.
- **European markets** edged higher fuelled by continued optimism over the encouraging manufacturing sector activity and improvement in the labour market scenario. Investors avoided making large bets as they awaited the US jobs data due on Friday and the ECB meeting scheduled next week.
- **Nikkei** ended higher as market sentiments were buoyed over the announcement of measures to boost labour market productivity, promote green technology and digitalization with an objective of enhancing Japan's economic growth prospects in the long term.
- **10-year US benchmark treasury yields** fell on account of mixed signals from US jobs data (Better than expected weekly jobless claims and disappointing private payrolls data). **US Dollar** weakened against major currencies tracking a decline in US Treasury yields.
- **Crude oil** prices rose on Thursday following decision by OPEC+ to continue with the existing plan of output hike, disruptions in oil and gas production in the Gulf of Mexico and a larger than expected fall in US crude stocks. **Gold prices** fell despite weakness in US Dollar.
- **Indian equity markets** ended at record highs on the back of broad-based buying across sectors. Optimism in the Asian and European markets added to the positive sentiment.
- **Rupee** strengthened against the **US Dollar** on the back of strong domestic equities. **The 10-year benchmark G-sec yields** declined to 6.17% ahead of the scheduled auction. The fall in yields was supported by the easing of international crude oil prices and decline in US Treasury yields.

Table 1: Global Markets indicators

	01-09-2021	02-09-2021	% / bps change
Dow	35,313	35,444	0.37
NASDAQ	15,309	15,331	0.14
S & P 500	4,524	4,537	0.28
Nikkei 225	28,451	28,544	0.33
FTSE 100	7,150	7,164	0.20
US 10-yr (%)	1.30	1.29	-0.80 bps
UK 10-yr (%)	0.70	0.68	-1.70 bps
Germany 10-yr (%)	-0.37	-0.39	-1.35 bps
Gold	1,816	1,812	-0.25
Crude Oil (WTI)	68.59	69.73	1.66
Crude Oil (Brent)	71.59	72.84	1.75
\$/€*	1.18	1.19	0.35
¥/\$*	109.96	109.92	-0.04
\$/£*	1.38	1.38	0.47

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

Table 2: Domestic Market indicators

	01-09-2021	02-09-2021	% change
Sensex	57,338	57,853	0.90
NIFTY	17,076	17,234	0.92
BSE SME IPO	6,171	6,116	-0.89
Rs/\$	73.09	73.02	-0.10
Rs/€	86.38	86.52	0.16

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

Table 3: FPI and MFs investment flows

US \$ Mn	Equity		Debt			Total (Net) ^	
	Purchase	Sale	Net	Purchase	Sale		
Net FPI Flows (US \$ mn)							
Aug-21	23,390	23,106	284	3,639	1,696	1,936	2,233
Sept-21*	4,271	3,799	472	712	316	396	866
01-Sept-21	2,988	2,603	385	458	270	189	573
02-Sept-21	1,284	1,196	88	253	47	207	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 September 2, 2021# Data till August 26, 2021 ^Total (Net) of equity, debt & hybrid

Table 4: Money Market view#

	01-09-2021	02-09-2021
Avg. Call Rate (%)	3.19	3.16
Vol. Traded (Rs. Cr.)	7,573	7,113
Net banking system liquidity outstanding	(8,57,445)	(9,08,786)
Daily liquidity injection (+) /absorption (-) #	(6,62,871)	(7,14,212)
T-Bills 91 days	3.28	3.27
182 days	3.41	NA
364 days	3.61	3.60
G-Sec 3 years	4.82	4.80
5 years	5.61	5.59
10 years	6.20	6.17

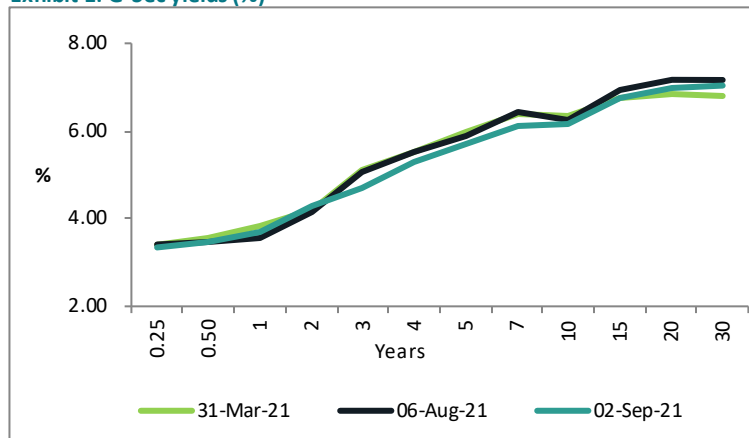
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day; Source: RBI, FBI, CCIL.

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

10 Year	PSU, FIs & Banks	NBFCs	Corporates
AAA	0.61	0.50	0.46
AA+	1.03	0.92	0.94
AA	1.34	1.26	1.26
AA-	1.74	1.61	1.66
A+	2.74	3.61	3.16
A	2.99	3.86	3.41
A-	3.24	4.11	3.91
BBB+	3.74	4.61	4.41
BBB	3.99	4.86	4.66
BBB-	4.49	5.36	5.16

Source: FIMMDA *As on 1st September 2021

Exhibit 1: G-Sec yields (%)



Source: FIMMDA

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