

Good Morning,

The market roundup for the global and domestic markets for **Friday (September 3, 2021)** is as follows.

- **US markets** were mixed (**Dow Jones** and **S&P** closed in red while tech-heavy **NASDAQ** gained) and **European markets** ended lower as growth in services softened in the US and the non-farm payrolls data disappointed investors. This pushed the **10-year US benchmark treasury yields** higher. **US Dollar** weakened against Yen and Pound on expectations of an unlikely change in Fed's accommodative monetary policy stance following lower than forecast jobs data.
- **Nikkei** ended higher driven by upbeat investor sentiments following announcement of measures to enhance Japan's economic growth prospects. **Chinese markets** ended lower as concerns grew over slowdown in economic recovery on account of disappointing services activity for August.
- **Crude oil** prices plunged on account of slowdown in China's economic recovery and weak jobs data from the US. **Gold** prices rose tracking weakness in US Dollar.
- **Indian equity markets** rallied propelled by buying in auto and metal stocks. The positive market sentiment was supported by the strong services sector activity as the PMI-services bounced back into the expansion territory in August after witnessing contraction in the previous three months.
- **Rupee** ended flat against the **US Dollar** despite robust domestic equities and foreign fund inflows. **The 10-year benchmark G-sec yields** softened to 6.16% on the back of improved investor sentiments, unlikely change in Fed's interest rate commitment and easing of international crude oil prices.

Table 1: Global Markets indicators

	02-09-2021	03-09-2021	% / bps change
Dow	35,444	35,369	-0.21
NASDAQ	15,331	15,364	0.21
S & P 500	4,537	4,535	-0.03
Nikkei 225	28,544	29,128	2.05
FTSE 100	7,164	7,138	-0.36
US 10-yr (%)	1.29	1.32	2.8 bps
UK 10-yr (%)	0.68	0.71	3.45 bps
Germany 10-yr (%)	-0.39	-0.37	2.25 bps
Gold	1,812	1,834	1.23
Crude Oil (WTI)	69.99	69.29	-1.00
Crude Oil (Brent)	73.03	72.61	-0.58
\$/€*	1.19	1.19	-0.06
¥/\$*	109.92	109.78	-0.13
\$/£*	1.38	1.39	0.09

* (-) Appreciation/ (+) Depreciation; ^ with a day's lag

Source: CNN, WSJ, Bloomberg.

Table 2: Domestic Market indicators

	02-09-2021	03-09-2021	% change
Sensex	57,853	58,130	0.48
NIFTY	17,234	17,324	0.52
BSE SME IPO	6,116	6,115	-0.01
Rs/\$	73.02	73.02	-
Rs/€	86.52	86.71	0.22

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	
Net FPI Flows (US \$ mn)							
Aug-21	23,390	23,106	284	3,639	1,696	1,936	2,233
Sept-21*	5,652	4,997	655	840	432	408	1,060
02-Sept-21	1,284	1,196	88	253	47	207	293
03-Sept-21	1,381	1,198	183	128	115	13	194
MF Investments (Rs. Cr.)							
Sept-21#	8,800	8,464	336	14,333	9,832	4,501	4,837

Source: NSDL, SEBI *Data till September 3, 2021# Data till September 2, 2021 ^Total (Net) of equity, debt & hybrid

Table 4: Money Market view#

	02-09-2021	03-09-2021
Avg. Call Rate (%)	3.16	2.85
Vol. Traded (Rs. Cr.)	7,113	520
Net banking system liquidity outstanding	(9,08,786)	(8,78,113)
Daily liquidity injection (+) /absorption (-) #	(7,14,212)	(6,83,539)
T-Bills 91 days	3.27	3.27
182 days	NA	3.38
364 days	3.60	3.58
G-Sec 3 years	4.80	4.80
5 years	5.59	5.57
10 years	6.17	6.16

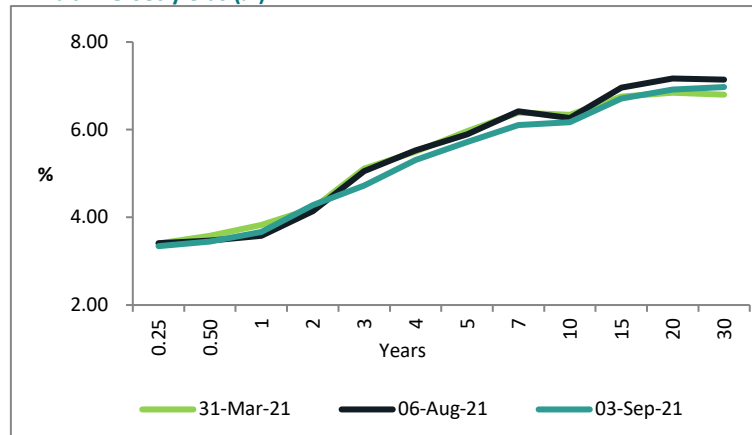
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day; Source: RBI, RBI, CCIL.

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

	10 Year	PSU, FIs & Banks	NBFCs	Corporates
AAA		0.60	0.62	0.47
AA+		1.06	0.93	0.95
AA		1.37	1.27	1.27
AA-		1.77	1.62	1.67
A+		2.77	3.62	3.17
A		3.02	3.87	3.42
A-		3.27	4.12	3.92
BBB+		3.77	4.62	4.42
BBB		4.02	4.87	4.67
BBB-		4.52	5.37	5.17

Source: FIMMDA *As on 2nd September 2021

Exhibit 1: G-Sec yields (%)



Source: FIMMDA

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