

Good Morning,

The market roundup for the global and domestic markets for **Tuesday (September 7, 2021)** is as follows.

- **US equity markets** ended mixed (**Dow Jones** and **S&P** ended lower while **NASDAQ** ended with marginal gains) as uncertainty over the pace of economic recovery amid the spread of delta variant of Covid-19 outweighed the optimism over unlikely tapering by the Fed.
- **European stocks** ended in red on account of cautious trading by investors as they looked forward to the outcome of the ECB meeting scheduled for Thursday. **FTSE** ended lower as investors off-loaded healthcare and financial stocks. UK's plan to increase taxes for funding health and social care costs also dented the market sentiments.
- **Nikkei** closed with gains for the seventh consecutive sessions as investor sentiments were upbeat over more fiscal spending by the new prime minister and faster economic recovery. Expectations of easing Covid-19 curbs amid ramping up of vaccinations also helped uplift the market mood.
- **Crude oil** extended losses following oil price cut by Saudi Arabia for Asia and softer uptake dampening the oil demand outlook. **Gold prices** fell on account of strength in US Dollar.
- The **10-year US benchmark treasury yields** rose to 1.37%. The **US Dollar** strengthened against major currencies supported by an uptick in US Treasury yields.
- **Indian equity markets** ended the session flat on account of profit-booking in IT and financial stocks while FMCG stocks gained.
- **Rupee** weakened against the **US Dollar** on account of muted domestic equities and strengthening American currency. The **10-year benchmark G-sec yields** hardened to 6.19% tracking an uptick in US Treasury yields.

Table 1: Global Markets indicators

	06-09-2021	07-09-2021	% / bps change
Dow	NA	35,100	-0.76
NASDAQ	NA	15,374	0.07
S & P 500	NA	4,520	-0.34
Nikkei 225	29,660	29,916	0.86
FTSE 100	7,187	7,149	-0.53
US 10-yr (%)	NA	1.37	4.90 bps
UK 10-yr (%)	0.69	0.74	4.80 bps
Germany 10-yr (%)	-0.37	-0.32	5.00 bps
Gold	NA	1,799	-1.92
Crude Oil (WTI)	68.80	68.44	-0.52
Crude Oil (Brent)	72.22	71.56	-0.91
\$/€*	1.19	1.18	-0.27
¥/\$*	109.71	110.27	0.51
\$/£*	1.39	1.38	-0.51

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

Table 2: Domestic Market indicators

	06-09-2021	07-09-2021	% change
Sensex	58,297	58,279	-0.03
NIFTY	17,378	17,362	-0.09
BSE SME IPO	6,160	6,259	1.60
Rs/\$	73.11	73.43	0.44
Rs/€	86.67	87.12	0.52

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*	7,356	6,730	626	1,141	707	435	1,057
06-Sept-21	830	917	(87)	137	146	(9)	(98)
07-Sept-21	873	816	57	164	129	36	95
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 7, 2021# Data till September 2, 2021 ^Total (Net) of equity, debt & hybrid

Table 4: Money Market view#

	06-09-2021	07-09-2021
Avg. Call Rate (%)	3.15	3.15
Vol. Traded (Rs. Cr.)	7,579	7,341
Net banking system liquidity outstanding	(8,78,767)	(8,72,225)
Daily liquidity injection (+) /absorption (-) #	(6,84,193)	(6,77,651)
T-Bills 91 days	3.27	3.27
182 days	3.35	3.33
364 days	3.55	3.51
G-Sec 3 years	4.81	4.86
5 years	5.60	5.63
10 years	6.17	6.19

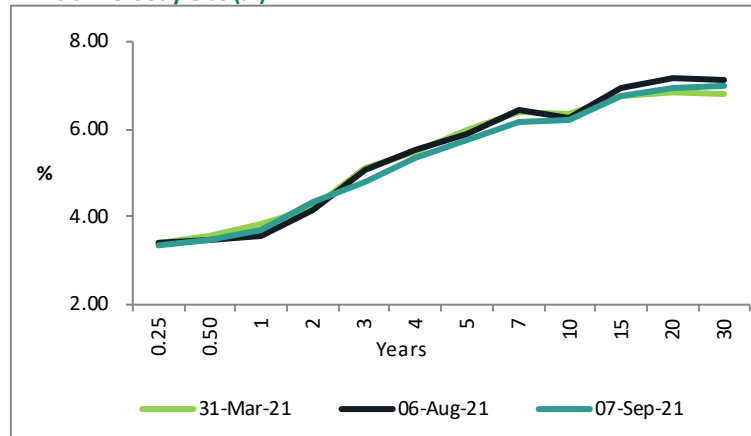
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day; Source: RBI, FBI, CCIL.

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

	10 Year	PSU, FIs & Banks	NBFCs	Corporates
AAA		0.61	0.63	0.50
AA+		1.05	0.96	0.98
AA		1.36	1.30	1.30
AA-		1.76	1.65	1.70
A+		2.76	3.65	3.20
A		3.01	3.90	3.45
A-		3.26	4.15	3.95
BBB+		3.76	4.65	4.45
BBB		4.01	4.90	4.70
BBB-		4.51	5.40	5.20

Source: FIMMDA *As on 6th September 2021

Exhibit 1: G-Sec yields (%)



Source: FIMMDA

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