

Good Morning,

The market roundup for the global and domestic markets for **Wednesday (September 8, 2021)** is as follows.

- **US and European equity markets** ended lower as investor risk appetite was dented by the growing uncertainty over the pandemic situation amid spread of delta variant of covid-19. **European stocks** extended losses on cautious trading by investors ahead of the ECB policy meet. **FTSE** ended in red as investors assessed the impact of planned tax hike for funding health and social care costs.
- **Nikkei** index closed with gains for the eighth consecutive session owing to upbeat market sentiments as Japan's Q2-GDP figure was revised upwards as the economy slowly recovered from the recent surge of Covid-19. Hopes of more stimulus added to the positive market sentiment.
- **Crude oil** prices rose due to tight supply conditions following disruptions in oil output in the Gulf of Mexico and decline in US crude inventories as reported by the API on Wednesday. **Gold prices** fell tracking strength in US Dollar.
- The **10-year US benchmark treasury yields** declined, and the **US Dollar** strengthened against Euro and Pound on safe-haven demand as risk-appetite dwindled with investors becoming concerned about global economic recovery.
- **Indian equity markets** ended the session flat as investors offloaded IT stocks while banking stocks gained. Mounting concerns over the pace of global economic recovery weighed on the market sentiments.
- **Rupee** weakened on the back of strength in the **US Dollar** and subdued domestic equities. The **10-year benchmark G-sec yields** remained unchanged at 6.19% as a fall in US treasury yields was offset by an uptick in international crude oil prices.

Table 1: Global Markets indicators

	07-09-2021	08-09-2021	% / bps change
Dow	35,100	35,031	-0.20
NASDAQ	15,374	15,287	-0.57
S & P 500	4,520	4,514	-0.13
Nikkei 225	29,916	30,181	0.89
FTSE 100	7,149	7,096	-0.75
US 10-yr (%)	1.37	1.34	-3.10 bps
UK 10-yr (%)	0.74	0.75	1.00 bps
Germany 10-yr (%)	-0.32	-0.33	-1.10 bps
Gold	1,799	1,794	-0.28
Crude Oil (WTI)	68.35	69.25	1.32
Crude Oil (Brent)	71.69	72.66	1.35
\$/€*	1.18	1.18	-0.19
¥/\$*	110.27	110.13	-0.13
\$/£*	1.38	1.38	-0.09

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

Source: CNN, WSJ, Bloomberg.

Table 2: Domestic Market indicators

	07-09-2021	08-09-2021	% change
Sensex	58,279	58,250	-0.05
NIFTY	17,362	17,354	-0.05
BSE SME IPO	6,259	6,121	-2.19
Rs/\$	73.43	73.60	0.23
Rs/€	87.12	86.94	-0.21

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*	8,366	7,653	713	1,283	814	469	1,178
07-Sept-21	873	816	57	164	129	36	95
08-Sept-21	1,011	923	88	142	107	35	121
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 8, 2021# Data till September 2, 2021 ^Total (Net) of equity, debt & hybrid

Table 4: Money Market view#

	07-09-2021	08-09-2021
Avg. Call Rate (%)	3.15	3.14
Vol. Traded (Rs. Cr.)	7,341	6,938
Net banking system liquidity outstanding	(8,72,225)	(8,40,720)
Daily liquidity injection (+) /absorption (-) #	(6,77,651)	(5,94,538)
T-Bills 91 days	3.27	3.28
182 days	3.33	3.37
364 days	3.51	3.56
G-Sec 3 years	4.86	4.86
5 years	5.63	5.61
10 years	6.19	6.19

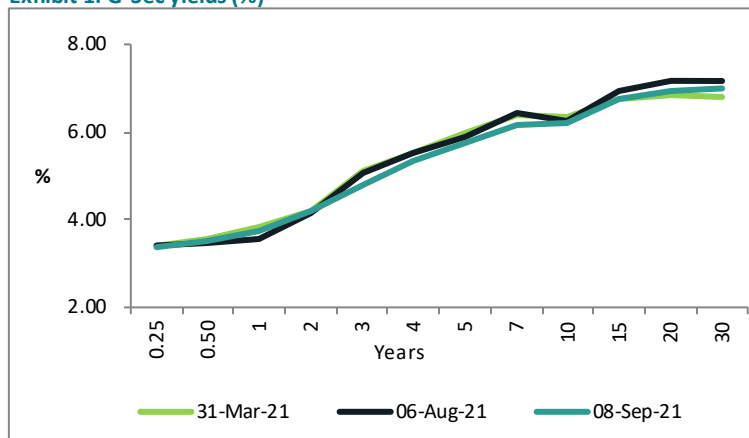
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day; Source: RBI, FBI, CCIL.

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

10 Year	PSU, FIs & Banks	NBFCs	Corporates
AAA	0.56	0.57	0.53
AA+	0.86	0.99	1.01
AA	1.17	1.33	1.33
AA-	1.57	1.68	1.73
A+	2.57	3.68	3.23
A	2.82	3.93	3.48
A-	3.07	4.18	3.98
BBB+	3.57	4.68	4.48
BBB	3.82	4.93	4.73
BBB-	4.32	5.43	5.23

Source: FIMMDA *As on 7th September 2021

Exhibit 1: G-Sec yields (%)



Source: FIMMDA

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