

Good morning,

The market roundup for the global and domestic markets for **Thursday (September 16, 2021)** is as follows:

- **US stocks** ended mostly lower despite better-than-expected August retail sales data, as the latest weekly jobless claims report pointed to a mixed economic picture. **Asian stocks** were largely lower on Thursday, with Chinese stocks leading losses regionally. **European stocks** closed higher, breaking from cautious global sentiment with travel and leisure stocks leading the gains.
- **Dollar** hit a near 3-week high after data showed US retail sales unexpectedly increased in August, easing some concerns about a sharp slowdown in economic growth. **10-year US benchmark treasury yield** gained on August's retail sales data. **Gold prices** declined tracking the strength in dollar.
- **Crude oil prices** steadied after hitting a multi-week high a day earlier as the threat to U.S. Gulf crude production from Hurricane Nicholas receded.
- **Domestic benchmark indices** rose for the third consecutive session, boosted by strong gains in the banking and FMCG sectors. Various reforms introduced by the government, hopes of sharp economic recovery along with positive cues from European peers aided the sentiment, pushing the benchmarks Sensex and Nifty to record high levels.
- **Rupee** slipped 2 paise to close at 73.52 against the US currency tracking the strengthening of the dollar in the overseas markets. The bullish trend in the domestic equities and sustained foreign fund inflows supported the local unit. **10-year benchmark G-sec yield** gained 1 bps to settle at 6.17% tracking the rise in US treasury yield.

Table 1: Global Markets indicators

| | 15-09-2021 | 16-09-2021 | % / bps change |
|-------------------|------------|------------|----------------|
| Dow | 34,814 | 34,751 | -0.18 |
| NASDAQ | 15,162 | 15,182 | 0.13 |
| S & P 500 | 4,481 | 4,474 | -0.16 |
| Nikkei 225 | 30,512 | 30,323 | -0.62 |
| FTSE 100 | 7,016 | 7,027 | 0.16 |
| US 10-yr (%) | 1.30 | 1.34 | 3.40 bps |
| UK 10-yr (%) | 0.69 | 0.73 | 3.80 bps |
| Germany 10-yr (%) | -0.31 | -0.30 | 0.50 bps |
| Gold | 1792 | 1755 | -2.11 |
| Crude Oil (WTI) | 72.61 | 72.61 | 0.00 |
| Crude Oil (Brent) | 75.46 | 75.67 | 0.28 |
| \$/€* | 1.18 | 1.18 | -0.43 |
| ¥/\$* | 109.37 | 109.74 | 0.34 |
| \$/£* | 1.38 | 1.38 | -0.38 |

* (-) Appreciation/ (+) Depreciation
Source: CNN, WSJ, Bloomberg

Table 2: Domestic Market indicators

| | 15-09-2021 | 16-09-2021 | % change |
|-------------|------------|------------|----------|
| Sensex | 58,723 | 59,141 | 0.71 |
| NIFTY | 17,519 | 17,630 | 0.63 |
| BSE SME IPO | 6,779 | 6,947 | 2.48 |
| Rs/\$ | 73.50 | 73.52 | 0.03 |
| Rs/€ | 86.77 | 86.55 | -0.26 |

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

Table 3: FPI and MFs investment flows

| US \$ Mn | Equity | | Net | Debt | | Total (Net) ^ |
|--------------------------|----------|--------|-------|----------|--------|---------------|
| | Purchase | Sale | | Purchase | Sale | |
| Net FPI Flows (US \$ mn) | | | | | | |
| Aug-21 | 23,390 | 23,106 | 284 | 3,639 | 1,696 | 1,936 |
| Sept-21* | 14,962 | 13,674 | 1,288 | 2,103 | 1,552 | 552 |
| 15-Sept-21 | 1,464 | 1,243 | 221 | 74 | 116 | (43) |
| 16-Sept-21 | 1,317 | 1,204 | 113 | 185 | 158 | 27 |
| MF Investments (Rs. Cr.) | | | | | | |
| Sept-21# | 26,835 | 25,208 | 1,627 | 42,785 | 35,307 | 7,478 |

Source: NSDL, SEBI *Data till September 16, 2021# Data till September 08, 2021, ^Total (Net) of equity, debt & hybrid

Table 4: Money Market view

| | 15-09-2021 | 16-09-2021 |
|---|------------|------------|
| Avg. Call Rate (%) | 3.18 | 3.15 |
| Vol. Traded (Rs. Cr.) | 7,083 | 6,737 |
| Net banking system liquidity outstanding* | (7,98,750) | (7,23,835) |
| Daily liquidity injection (+) /absorption (-) # | (4,50,504) | (3,75,739) |
| T-Bills 91 days | 3.26 | 3.29 |
| 182 days | 3.26 | 3.26 |
| 364 days | 3.39 | 3.38 |
| G-Sec 3 years | 4.84 | 4.84 |
| 5 years | 5.60 | 5.60 |
| 10 years | 6.16 | 6.17 |

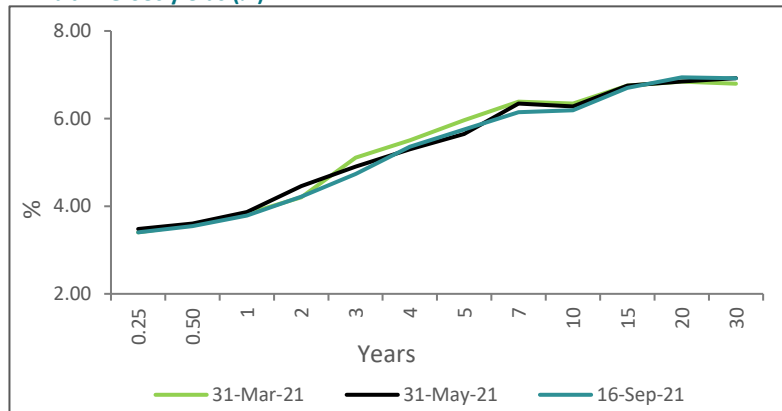
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day
Source: RBI, FBIL, CCIL

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

| | 10 Year | PSU, FIs & Banks | NBFCs | Corporates |
|------|---------|------------------|-------|------------|
| AAA | | 0.43 | 0.64 | 0.63 |
| AA+ | | 1.00 | 1.08 | 1.12 |
| AA | | 1.32 | 1.43 | 1.43 |
| AA- | | 1.73 | 1.78 | 1.83 |
| A+ | | 2.73 | 3.78 | 3.33 |
| A | | 2.98 | 4.03 | 3.58 |
| A- | | 3.23 | 4.28 | 4.08 |
| BBB+ | | 3.73 | 4.78 | 4.58 |
| BBB | | 3.98 | 5.03 | 4.83 |
| BBB- | | 4.48 | 5.53 | 5.33 |

Source: FIMMDA; *as on 15th September 2021

Exhibit 1: G-Sec yields (%)



Source: FIMMDA