

Good Morning,

The market roundup for the global and domestic markets for **Friday (September 17, 2021)** is as follows.

- **US equity markets** ended lower on lingering concerns over the timeline for tapering asset purchases by the Fed. Mixed performance of economic indicators (less than expected rise in consumer price inflation, rise in retail sales and higher than forecast rise in joblessness claims) made investors cautious. The **10-year US benchmark treasury yields** rose, and the **US Dollar** strengthened against major currencies as investors looked forward to the FOMC meeting scheduled in the coming week.
- **FTSE** ended lower dragged by losses in mining stocks while travel and leisure stocks gains on expectations of easing travel restrictions.
- **Nikkei** ended higher as investor risk appetite improved on the back of upbeat economic data (Rise in household financial assets in Japan and strong retail sales data from the US).
- **Crude oil** prices declined on account of the slow return of oil supplies to the market as energy companies recovered from the disruptions caused by hurricane Ida. **Gold** prices fell tracking strength in US Dollar.
- **Indian equity markets** ended lower after the indices pulled back from the record levels amid profit-booking by investors. Investors remained cautious ahead of the GST Council meeting.
- **Rupee** strengthened against the US Dollar on the back of foreign fund inflows and declining crude oil prices in the international markets. However, the gains were capped by lacklustre domestic equities. **The 10-year benchmark G-sec yields** remained unchanged at 6.17% as the fall in crude oil prices were offset by an uptick in the 10-year US benchmark treasury yields.

Table 1: Global Markets indicators

| | 16-09-2021 | 17-09-2021 | % / bps change |
|-------------------|------------|------------|----------------|
| Dow | 34,751 | 34,585 | -0.48 |
| NASDAQ | 15,182 | 15,044 | -0.91 |
| S & P 500 | 4,474 | 4,433 | -0.91 |
| Nikkei 225 | 30,323 | 30,500 | 0.58 |
| FTSE 100 | 7,027 | 6,964 | -0.91 |
| US 10-yr (%) | 1.34 | 1.37 | 3.50 bps |
| UK 10-yr (%) | 0.82 | 0.85 | 2.75 bps |
| Germany 10-yr (%) | -0.30 | -0.28 | 1.85 bps |
| Gold | 1755 | 1751 | -0.18 |
| Crude Oil (WTI) | 72.61 | 71.97 | -0.88 |
| Crude Oil (Brent) | 75.67 | 75.31 | -0.48 |
| \$/€* | 1.18 | 1.17 | -0.34 |
| ¥/\$* | 109.74 | 109.93 | 0.17 |
| \$/£* | 1.38 | 1.37 | -0.36 |

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

Table 2: Domestic Market indicators

| | 16-09-2021 | 17-09-2021 | % change |
|-------------|------------|------------|----------|
| Sensex | 59,141 | 59,016 | -0.21 |
| NIFTY | 17,630 | 17,585 | -0.25 |
| BSE SME IPO | 6,947 | 7,052 | 1.52 |
| Rs/\$ | 73.52 | 73.48 | -0.06 |
| Rs/€ | 86.55 | 86.41 | -0.16 |

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

Table 3: FPI and MFs investment flows

| US \$ Mn | Equity | | Debt | | Total | |
|--------------------------|----------|--------|-------|----------|--------|-------|
| | Purchase | Sale | Net | Purchase | Sale | Net |
| Net FPI Flows (US \$ mn) | | | | | | |
| Aug-21 | 23,390 | 23,106 | 284 | 3,639 | 1,696 | 1,936 |
| Sept-21* | 16,564 | 15,025 | 1,539 | 2,518 | 1,833 | 685 |
| 16-Sept-21 | 1,317 | 1,204 | 113 | 185 | 158 | 27 |
| 17-Sept-21 | 1,602 | 1,351 | 251 | 415 | 281 | 133 |
| MF Investments (Rs. Cr.) | | | | | | |
| Sept-21# | 26,835 | 25,208 | 1,627 | 42,785 | 35,307 | 7,478 |
| Total (Net) ^ | | | | | | |
| | | | | | | 9,105 |

Source: NSDL, SEBI *Data till September 17, 2021# Data till September 8, 2021 ^Total (Net) of equity, debt & hybrid

Table 4: Money Market view#

| | 16-09-2021 | 17-09-2021 |
|---|------------|------------|
| Avg. Call Rate (%) | 3.15 | 2.8 |
| Vol. Traded (Rs. Cr.) | 6,737 | 414 |
| Net banking system liquidity outstanding | (7,23,835) | (6,67,840) |
| Daily liquidity injection (+) /absorption (-) # | (3,75,739) | (3,19,744) |
| T-Bills 91 days | 3.29 | 3.28 |
| 182 days | 3.26 | 3.30 |
| 364 days | 3.38 | 3.48 |
| G-Sec 3 years | 4.84 | 4.85 |
| 5 years | 5.60 | 5.62 |
| 10 years | 6.17 | 6.17 |

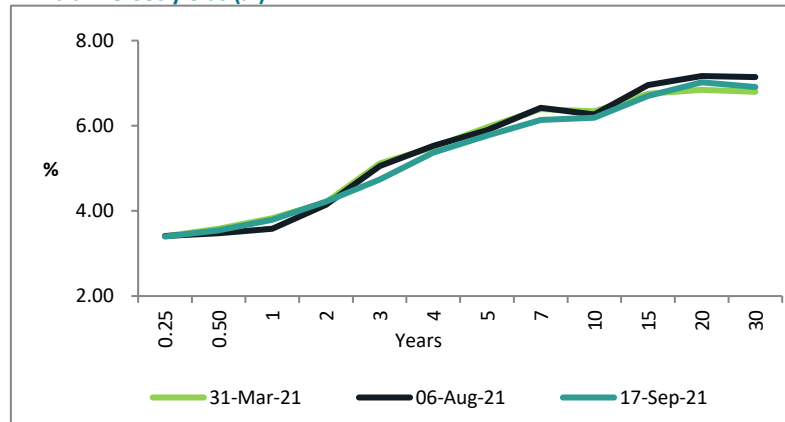
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day; Source: RBI, FBI, CCIL.

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

| 10 Year | PSU, FIs & Banks | NBFCs | Corporates |
|---------|------------------|-------|------------|
| AAA | 0.46 | 0.44 | 0.43 |
| AA+ | 0.99 | 0.88 | 0.92 |
| AA | 1.31 | 1.23 | 1.23 |
| AA- | 1.72 | 1.58 | 1.63 |
| A+ | 2.72 | 3.58 | 3.13 |
| A | 2.97 | 3.83 | 3.38 |
| A- | 3.22 | 4.08 | 3.88 |
| BBB+ | 3.72 | 4.58 | 4.38 |
| BBB | 3.97 | 4.83 | 4.63 |
| BBB- | 4.47 | 5.33 | 5.13 |

Source: FIMMDA *As on 16th September 2021

Exhibit 1: G-Sec yields (%)



Source: FIMMDA

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