

Good Morning,

The market roundup for the global and domestic markets for **Tuesday (September 21, 2021)** is as follows.

- **US equity markets** ended mixed (**Dow Jones** and **S&P** ended lower while **NASDAQ** ended higher) as investor risk appetite was dented by OECD's downward revision in FY21 growth forecast for the US and concerns over Evergrande's debt crisis.
- **European markets** ended higher following OECD's upward revision in Euro area's growth forecast for FY21. Easing of travel restrictions in the US boosted gains in travel related stocks. However, concerns over solvency of China's property giant continued to weigh on the overall market sentiments.
- **Nikkei** ended lower as investors exercised caution ahead of the Bank of Japan's policy outcome and amid fears over the Evergrande debt crisis.
- The **10-year US benchmark treasury yields** rose, and the **US Dollar** weakened against major currencies as investors awaited outcome of the FOMC meeting.
- **Crude oil** prices rose on the back of tight supply conditions following a larger than expected decline in US crude oil inventories (As reported by API). **Gold** prices rose tracking weakness in US Dollar.
- **Indian equity markets** recovered from losses to end higher on Tuesday on the back of buying across technology and financial stocks. Concerns persisted over the collapse of China's Evergrande and its implications for the global economy.
- **Rupee** strengthened marginally against the US Dollar aided by positive domestic equities, foreign fund inflows and a weak American currency. **The 10-year benchmark G-sec yields** plunged to 6.12% on the back of strong demand fuelled by expectations of Indian bonds being included in the global bond indices.

Table 1: Global Markets indicators

	20-09-2021	21-09-2021	% / bps change
Dow	33,971	33,920	-0.15
NASDAQ	14,714	14,746	0.22
S & P 500	4,358	4,354	-0.08
Nikkei 225	NA	29,840	-2.17
FTSE 100	6,904	6,981	1.12
US 10-yr (%)	1.31	1.32	1.40 bps
UK 10-yr (%)	0.79	0.81	1.90 bps
Germany 10-yr (%)	-0.32	-0.32	0.15 bps
Gold	1,764	1,778	0.78
Crude Oil (WTI)	70.29	70.73	0.63
Crude Oil (Brent)	73.92	74.69	1.04
\$/€*	1.17	1.17	0.03
¥/\$*	109.45	109.35	-0.09
\$/£*	1.37	1.37	0.01

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

Table 2: Domestic Market indicators

	20-09-2021	21-09-2021	% change
Sensex	58,491	59,005	0.88
NIFTY	17,397	17,562	0.95
BSE SME IPO	7,127	7,312	2.59
Rs/\$	73.64	73.61	-0.04
Rs/€	86.33	86.40	0.08

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*	21,262	19,468	1,794	2,932	2,136	796	2,778
20-Sept-21	3,640	3,396	244	65	56	9	249
21-Sept-21	1,058	1,048	11	349	247	101	99
MF Investments (Rs. Cr.)							
Sept-21#	26,835	25,208	1,627	42,785	35,307	7,478	9,105

Source: NSDL, SEBI *Latest Data as of previous trading day # Data till September 8, 2021 ^Total (Net) of equity, debt & hybrid

Table 4: Money Market view#

	20-09-2021	21-09-2021
Avg. Call Rate (%)	3.21	3.18
Vol. Traded (Rs. Cr.)	8,426	7,726
Net banking system liquidity outstanding	(6,71,798)	(6,75,480)
Daily liquidity injection (+) /absorption (-) #	(3,23,702)	(4,27,403)
T-Bills 91 days	3.25	3.22
182 days	3.25	3.31
364 days	3.47	3.52
G-Sec 3 years	4.77	4.85
5 years	5.56	5.59
10 years	6.14	6.12

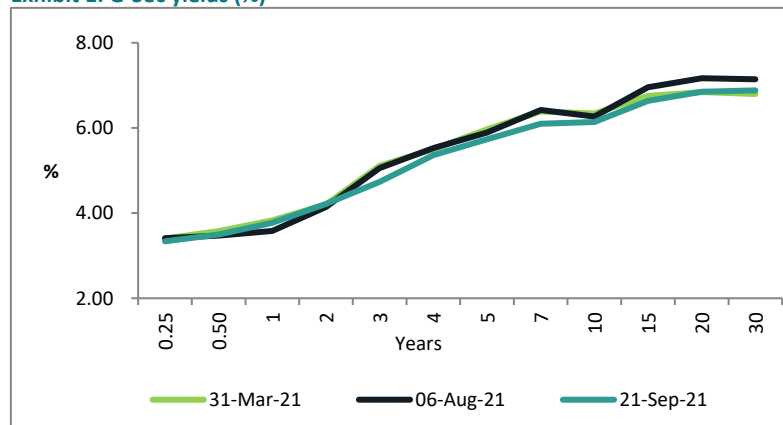
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day; Source: RBI, FBI, CCIL.

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

	10 Year	PSU, FIs & Banks	NBFCs	Corporates
AAA		0.43	0.36	0.35
AA+		1.09	0.80	0.84
AA		1.41	1.15	1.15
AA-		1.82	1.50	1.55
A+		2.82	3.50	3.05
A		3.07	3.75	3.30
A-		3.32	4.00	3.80
BBB+		3.82	4.50	4.30
BBB		4.07	4.75	4.55
BBB-		4.57	5.25	5.05

Source: FIMMDA *As on 20th September 2021

Exhibit 1: G-Sec yields (%)



Source: FIMMDA