

Good Morning,

The market roundup for the global and domestic markets for **Wednesday (September 22, 2021)** is as follows.

- **US equity markets** ended higher as the Federal Reserve kept interest rates unchanged anchored near zero and as the Evergrande default fears eased. The **10-year US benchmark treasury yields** ended higher and **US Dollar** strengthened against major currencies as Fed Chair Jerome Powell said that scaling back of asset purchases could start soon and hinted at interest rate hikes earlier than expected.
- **European equities & FTSE** ended higher fuelled by easing of Evergrande default concerns and improvement in the Euro zone consumer confidence.
- **Nikkei** ended lower as lingering concerns over the timeline for tapering by the Fed and the implications of the Evergrande crisis dented the investor risk appetite. On the policy front, Bank of Japan maintained status quo on key policy rate.
- **Crude oil** prices increased on the back of tightened supply conditions following slow resumption of US Gulf of Mexico oil production. The larger than estimated decline in US crude stocks as reported by EIA & API further supported the gains. **Gold prices** rose marginally despite strength in US Dollar.
- **Indian equity markets** ended lower dragged by losses in financial stocks. Investors continued to exercise caution as they awaited the FOMC policy outcome and closely monitored the developments in China's Evergrande default crisis. The downward revision in India's growth forecast for the current year by OECD also weighed on the market sentiments.
- **Rupee** weakened against the US Dollar on account of muted domestic equities and a strong American currency as investors awaited the outcome of Fed policy meeting due later in the day. **The 10-year benchmark G-sec yields** inched up to 6.14% tracking a rise in global crude oil prices.

Table 1: Global Markets indicators

	21-09-2021	22-09-2021	% / bps change
Dow	33,920	34,258	1.00
NASDAQ	14,746	14,897	1.02
S & P 500	4,354	4,396	0.95
Nikkei 225	29,840	29,639	-0.67
FTSE 100	6,981	7,083	1.47
US 10-yr (%)	1.32	1.33	0.70 bps
UK 10-yr (%)	0.81	0.80	-0.60 bps
Germany 10-yr (%)	-0.32	-0.33	-0.85 bps
Gold	1,778	1,779	0.03
Crude Oil (WTI)	70.56	71.97	2.00
Crude Oil (Brent)	74.36	75.85	2.00
\$/€*	1.17	1.17	-0.30
¥/\$*	109.35	109.89	0.49
\$/£*	1.37	1.36	-0.29

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

Table 2: Domestic Market indicators

	21-09-2021	22-09-2021	% change
Sensex	59,005	58,927	-0.13
NIFTY	17,562	17,547	-0.09
BSE SME IPO	7,312	7,243	-0.95
Rs/\$	73.61	73.86	0.34
Rs/€	86.40	86.64	0.28

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

Table 3: FPI and MFs investment flows

US \$ Mn	Equity		Net	Debt		Net	Total (Net) ^
	Purchase	Sale		Purchase	Sale		
Net FPI Flows (US \$ mn)							
Aug-21	23,390	23,106	284	3,639	1,696	1,936	2,233
Sept-21*	22,363	20,388	1,975	3,106	2,254	852	3,010
21-Sept-21	1,058	1,048	11	349	247	101	99
22-Sept-21	1,101	920	181	174	118	56	232
MF Investments (Rs. Cr.)							
Sept-21#	58,343	58,935	(592)	95,867	82,067	13,801	13,208

Source: NSDL, SEBI *Latest Data as of previous trading day # Data till September 20, 2021 ^Total (Net) of equity, debt & hybrid

Table 4: Money Market view#

	21-09-2021	22-09-2021
Avg. Call Rate (%)	3.18	3.16
Vol. Traded (Rs. Cr.)	7,726	7,089
Net banking system liquidity outstanding	(6,75,480)	(6,85,355)
Daily liquidity injection (+) /absorption (-) #	(4,27,403)	(2,85,971)
T-Bills 91 days	3.22	3.33
182 days	3.31	3.40
364 days	3.52	3.58
G-Sec 3 years	4.85	4.84
5 years	5.59	5.59
10 years	6.12	6.14

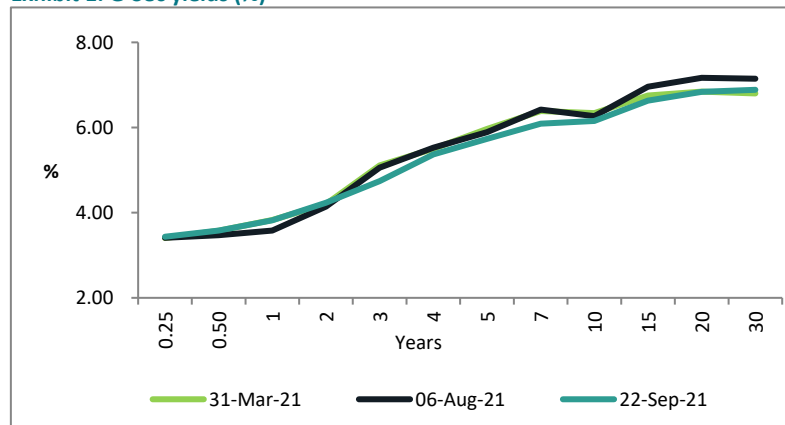
* + deficit/ - surplus (Net banking system liquidity outstanding = total repo + MSF + SLF - total reverse repo) #Daily liquidity injection (+) / absorption (-) = (Repo + MSF - Reverse Repo) auctioned on that day; Source: RBI, RBI, CCIL.

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

10 Year	PSU, Fis & Banks	NBFCs	Corporates
AAA	0.51	0.66	0.56
AA+	0.97	1.01	1.05
AA	1.29	1.36	1.36
AA-	1.70	1.71	1.76
A+	2.70	3.71	3.26
A	2.95	3.96	3.51
A-	3.20	4.21	4.01
BBB+	3.70	4.71	4.51
BBB	3.95	4.96	4.76
BBB-	4.45	5.46	5.26

Source: FIMMDA *As on 21st September 2021

Exhibit 1: G-Sec yields (%)



Source: FIMMDA