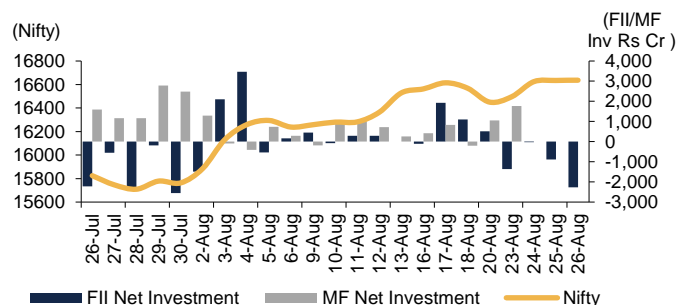


## Indian equity benchmark indices' returns

Broad Indices	Aug 27	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	56,125	1.44	9.80	43.49
Nifty 50	16,705	1.55	8.91	44.52
Nifty 500	14,193	1.78	8.62	48.14
S&P BSE 100	16,935	1.59	8.58	44.86
S&P BSE Midcap	23,255	2.54	7.23	53.45
S&P BSE Smallcap	26,284	2.04	11.41	74.93

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Aug 27	% chg week	% chg 3 Mth	% chg Year
S&P BSE Oil & Gas	16,564	5.16	3.12	24.59
S&P BSE Power	2,822	5.09	0.34	62.81
S&P BSE CG	24,471	3.92	8.29	72.44
S&P BSE Metal	19,812	2.44	7.82	115.93
S&P BSE Bankex	40,479	1.71	1.56	50.93
S&P BSE IT	33,954	1.59	22.57	85.68
S&P BSE Realty Index	3,017	1.20	14.20	63.78
S&P BSE FMCG	14,346	0.82	10.41	23.40
S&P BSE Healthcare	25,866	0.73	4.82	33.94
S&P BSE Auto	22,072	-0.48	-6.13	19.62
S&P BSE CD	36,111	-0.65	8.06	53.66

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Aug 27	Previous Week	1 month ago
Call Rate	3.25%	3.05%	3.30%
10 Yr G-Sec <sup>^</sup>	6.26%	6.23%	6.18%

<sup>^</sup>6.10% 2031 paper <sup>^</sup>Weighted Average Yield

## Currencies vs INR

Currency	Aug 27	Week ago	3 months ago	1 year ago
USD	73.68	74.39	72.59	73.82
GBP	101.03	101.31	102.49	97.55
Euro	86.63	86.85	88.50	87.38
Yen*	66.93	67.86	66.50	69.63

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Indian equities reversed previous week's losses to end at fresh record highs, tracking positive global cues.
- Upbeat global cues that supported the domestic market included the full US regulatory approval for a Covid-19 vaccine and the Chinese central bank's liquidity-boosting measures to aid the economy.
- A rally in oil and gas, power, and capital goods stocks also buoyed the market.
- Shares of domestic aluminium companies including Hindalco (top gainer on the Nifty 50, up 8.5% on week at Rs 437.9 per share) rose after China's Xinjiang region imposed output limits on five aluminium smelters.
- Meanwhile, consumer durables and auto counters witnessed sell-off.
- Shares of Maruti Suzuki India emerged the biggest laggard on the Nifty 50, declining 3.3% on week to settle at Rs 6624.85 per share weighed by broad-based selling and after the Competition Commission of India imposed a penalty on the company.

#### 2. Debt

- Government bond prices ended marginally lower after moving in a narrow range. The yield of the 10-year benchmark 6.10% 2031 paper settled at 6.25% on August 27, compared with 6.23% on August 20.
- Bond prices were under pressure as the RBI's monetary policy meeting minutes, which released last week, were perceived as hawkish.
- Crude oil prices rose on optimism that a full approval by the US for Pfizer's Covid-19 vaccine would revive fuel demand, thereby leading to concerns over increase in domestic inflationary pressures and denting sentiment for domestic bonds.
- An uptick in US bond yields ahead of the US Federal Reserve (Fed)'s Jackson Hole symposium added to the pressure on local bond prices.
- Firm demand for debt in the weekly gilt sale, however, provided positive cues.
- The RBI Governor's remarks in multiple interviews over the week also aided sentiment.

#### 3. Forex

- The rupee ended at over two-month high against the US dollar, aided by foreign banks' dollar sales and tracking periodic gains in other Asian currencies.
- The local currency also benefitted from a decline in the US dollar index in the first half of the week amid expectation that the Fed could delay scaling back of stimulus given the threat posed by the spread of the Covid-19 delta variant.
- Mid-week dollar demand from some importers and oil marketing companies prevented the rupee from rising further.

## International equity benchmark indices' returns

Indices	Aug 27	% chg week	% chg 3 Mth	% chg Year
DJIA*	35,213	0.26	2.59	24.29
Nasdaq Composite*	14,946	1.57	8.79	28.12
FTSE 100*	7,125	0.52	1.40	17.85
Nikkei 225	27,641	2.32	-3.18	19.10
Straits Times	3,081	-0.71	-2.66	22.26
Hang Seng	25,408	2.25	-12.73	0.50
Shanghai Comp	3,522	2.77	-2.40	5.14

\*As of Aug 26

## International debt market indicators

Indicators	Aug 27	Aug 20
US 10-Year*	1.34	1.26
UK 10-Year*	0.59	0.52
German 10-Year*	-0.41	-0.50
Japan 10-Year	0.02	0.01
3-M USD Libor*	0.12%	0.13%
6-M USD Libor*	0.16%	0.15%
1-Y USD Libor*	0.24%	0.24%

\*As of Aug 26

## Commodities

Commodity	Aug 27	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	71.07	9.04	3.19	55.72
Indian gold (Rs per 10 gm)	47149.00	-0.38	-3.40	-7.97
Indian Silver (Rs per Kg)	62938.00	1.13	-10.92	-3.38

\* As of Aug 26

Source: Respective commodity exchanges, ibjrates.com

## B. International

### 1. Equity

- Global equities ended mostly higher this week amid region-specific cues.
- US stocks advanced following a full US drug regulatory approval for a Covid-19 vaccine, which raised hopes of swift economic recovery.
- Buying interest in technology, financial, energy, chip-making and travel-related stocks also aided the markets.
- US gross domestic product increased at a 6.6% annualised rate in the June quarter, revised up from 6.5% growth reported earlier and compared with 6.3% growth in the first quarter.
- US manufacturing PMI was 61.2 in August, compared with 63.4 in July. Services PMI was 55.2 in August, compared with 59.9 in July. Composite PMI was 55.4 in August, compared with 59.9 in July.
- US initial jobless claims inched up to 353,000 for the week ended August 21, an increase of 4,000 from the previous week's revised level of 349,000.
- Further gains were prevented as investors remained cautious ahead of the Fed's annual symposium at Jackson Hole, and amid the developments in Afghanistan.
- Britain's FTSE rose 0.5% on the back of buying in shares of consumer staples, financial, energy, mining, and commodity-related firms.
- However, more gains in the market were restricted by worries over the rise in Covid-19 cases.
- Other European equities ended mixed – France's CAC 40 rose 0.6%, while Germany's DAX fell 0.1%. Markets gained earlier on bargain hunting. However, investors remained on the sidelines ahead of the Fed meet at Jackson Hole.
- Asian equities ended higher. Japan's Nikkei advanced 2.3%, tracking positive global cues and a rally in transport stocks.
- However, gains were capped as investors awaited the outcome of the Fed's annual meet.
- Hong Kong's Hang Seng gained 2.3% following heavy buying in technology and healthcare stocks.
- China's Shanghai Composite surged nearly 3% after the country's central bank injected a total of 120 billion yuan this week to support retail, catering, and trading firms, which were affected by the recent Covid-19 resurgence.

### 2. Commodity

- Crude oil prices rose in this week on signs of fall in Covid-19 cases in China, production outage in Mexico owing to a fire on an oil platform, and on tracking US government data that showed fuel demand rose to its highest since the start of Covid-19.
- Gold prices fell in this week due to intermittent strength in the US dollar.
- Indian silver prices rose in this week on tracking positive trend in industrial metals.

## C. News summary

### 1. Domestic

- Finance minister Nirmala Sitharaman announced a pipeline of assets that the Centre is looking to monetise to the tune of Rs 6 lakh cr over four years ending fiscal 2025.
- Finance Minister Nirmala Sitharaman asked banks to conduct credit outreach programmes across the country from October, with an aim to give a boost to stimulus package.
- Finance Minister unveiled the fourth edition of the Public Sector Bank Reforms Agenda 'Enhanced Access and Service Excellence (EASE) - 4.0'.
- Finance Minister Nirmala Sitharaman launched Rs 250 crore alternate investment fund called 'Ubharte Sitaare' for export oriented MSMEs.
- An RBI-appointed committee suggested a four-tier structure for the urban cooperative banks (UCBs) depending upon the deposits and prescribed different capital adequacy and regulatory norms for them based on their sizes.
- RBI extended its card tokenisation services to any token requestor, including consumer devices such as laptops, desktops, wearables, Internet of Things (IoT) devices, etc.
- SEBI issued detailed modalities for implementation of the accredited investors framework.
- SEBI empanelled 16 entities including BDO India, Ernst & Young, Deloitte Touche and others for conducting forensic audits of financial statements of listed companies as part of efforts to curb frauds.

### 2. International

- The US Fed Chairman Jerome Powell during his speech at the symposium said the central bank is likely to begin tapering some of its easy-money policies before the end of the year. However, he added that he still feels there's "much ground to cover" before rate hikes.
- US new home sales increased by 1% to an annual rate of 708,000 in July after slumping by 2.6% to an upwardly revised rate of 701,000 in June.
- UK retail sales fell 2.5% month-on-month in July, reversing a 0.2% rise in June.
- Japan leading index rose to 104.1 in June from 102.6 in May; the coincident index increased to 94.5 in June from 92.1 in the previous month.
- Japan consumer prices were down 0.3% on year in July following the downwardly revised 0.5% contraction in June.

## D. Week ahead

Day	Events
Monday, Aug 30, 2021	<ul style="list-style-type: none"> <li>US Pending Home Sales, July</li> </ul>
Tuesday, Aug 31, 2021	<ul style="list-style-type: none"> <li>US Conference Board Consumer Confidence, August</li> <li>US Case Shiller House Price Index, June</li> <li>Eurozone Consumer Prices, August</li> <li>China Official Manufacturing PMI, August</li> <li>India GDP, Apr – Jun 2021</li> <li>India Core Sector Growth, July</li> <li>India Fiscal Deficit, July</li> </ul>
Wednesday, Sep 1, 2021	<ul style="list-style-type: none"> <li>US ADP Employment Change, August</li> <li>US ISM Manufacturing Index, August</li> <li>US Markit Manufacturing PMI, August</li> <li>Eurozone Markit Manufacturing PMI, August</li> <li>UK Markit/CIPS Manufacturing PMI, August</li> <li>Japan Jibun Bank Manufacturing PMI, August</li> <li>India Markit Manufacturing PMI, August</li> </ul>
Thursday, Sep 2, 2021	<ul style="list-style-type: none"> <li>US Trade Balance, July</li> <li>US Factory Orders, July</li> <li>US Nonfarm Productivity, Q2</li> <li>Eurozone Producer Price Index, July</li> <li>India Trade Balance, August</li> </ul>
Friday, Sep 3, 2021	<ul style="list-style-type: none"> <li>US Nonfarm Payrolls &amp; Unemployment Rate, August</li> <li>US ISM Non-Manufacturing Index, August</li> <li>Japan Services PMI, August</li> <li>India Services PMI, August</li> </ul>

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