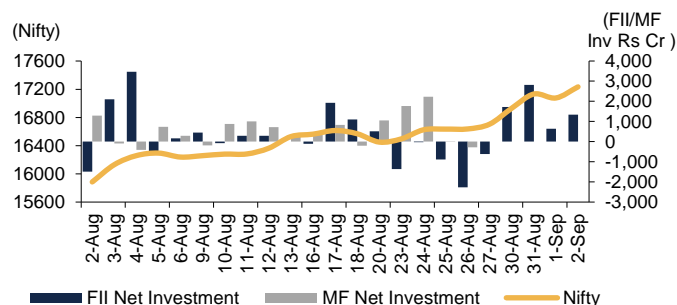


Indian equity benchmark indices' returns

Broad Indices	Sep 3	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	58,130	3.57	11.29	49.09
Nifty 50	17,324	3.70	10.41	50.28
Nifty 500	14,759	3.99	10.30	54.80
S&P BSE 100	17,595	3.90	10.23	51.08
S&P BSE Midcap	24,382	4.85	8.99	61.70
S&P BSE Smallcap	27,305	3.89	13.42	84.98

FII and mutual fund investment vs. Nifty



Sectoral Indices	Sep 3	% chg week	% chg 3 Mth	% chg Year
S&P BSE Realty Index	3,325	10.18	18.17	87.76
S&P BSE CD	38,882	7.67	10.48	63.57
S&P BSE Power	2,998	6.25	4.08	72.16
S&P BSE Oil & Gas	17,552	5.97	3.78	33.56
S&P BSE CG	25,560	4.45	11.03	79.45
S&P BSE Metal	20,617	4.07	9.03	124.44
S&P BSE Bankex	41,882	3.47	3.62	56.76
S&P BSE Healthcare	26,755	3.43	7.97	40.63
S&P BSE FMCG	14,807	3.21	12.67	28.08
S&P BSE Auto	22,677	2.74	-5.09	24.86
S&P BSE IT	34,410	1.34	25.31	87.36

Source: BSE, NSE, SEBI, NSDL

Indian debt market indicators

Indicators	Sep 3	Previous Week	1 month ago
Call Rate	3.25%	3.25%	3.30%
10 Yr G-Sec [^]	6.16%	6.26%	6.20%

[^]6.10% 2031 paper [^]Weighted Average Yield

Currencies vs INR

Currency	Sep 3	Week ago	3 months ago	1 year ago
USD	73.02	73.68	72.90	73.49
GBP	101.04	101.03	103.45	97.69
Euro	86.67	86.63	88.89	86.86
Yen*	66.43	66.93	66.46	69.12

*exchange rate represents 100 units of the currency

Markets update

A. Domestic

1. Equity

- Indian equities continued with positive momentum for the second consecutive week, with benchmarks S&P BSE Sensex and Nifty 50 (up nearly 4% each) ending at fresh record highs.
- The market was boosted by a positive global trend amid the US Federal Reserve's (Fed's) dovish stance over stimulus tapering.
- More gains were seen on signs of domestic economic recovery after India's real gross domestic product (GDP) grew 20.1% in the April-June quarter of fiscal 2022 compared with a 24.4% contraction in the same quarter in fiscal 2021 and 1.6% growth in the fourth quarter of fiscal 2021.
- All the sectors ended in the green this week, with realty, consumer durables and power shining the most.
- Shares of Shree Cement emerged the top gainer on the Nifty 50, rising 13.2% on week to settle at Rs 30440.8 per share on anticipated increase in cement demand due to easing of localized curbs by states and post the monsoon season.
- Shares of Mahindra and Mahindra emerged the top laggard on the Nifty 50, falling 3.3% on week to settle at Rs 749.9 per share after the company said its production will be cut by up to 25% due to semiconductor shortage.

2. Debt

- Government bond prices ended higher. The yield of the 10-year benchmark 6.10% 2031 paper settled at 6.16% on September 3, 9 basis points lower than August 27.
- Local bonds began the week on a bright note, benefitting from a decline in US benchmark bond yields, following the US Fed Chair's speech at Jackson Hole last week, which was considered dovish in tone.
- Gilts extended gains on the back of bond purchases by some foreign banks, following the release of the latest domestic GDP data for the June quarter.
- The government's improved revenue position, after data showed that the goods and services tax collection had exceeded Rs 1 lakh crore for the second straight month in August, eased supply concerns and provided gilt prices with more positive cues.
- A firm debt demand in the weekly gilt sale aided sentiment.

3. Forex

- The rupee rose sharply, aided by domestic and overseas developments.
- The local unit gained tracking a rise in other Asian currencies after the US Fed chief in his speech at the Jackson Hole symposium said that more US labour market data was needed before they could begin scaling back bond purchases.
- Gains registered by local equities, periodic dollar sales by foreign banks, and weakness in the US dollar index helped the rupee rise further.
- The dollar demand from state-owned banks on behalf of oil importers prevented the rupee from appreciating further.

International equity benchmark indices' returns

Indices	Sep 3	% chg week	% chg 3 Mth	% chg Year
DJIA*	35,444	-0.03	2.44	21.80
Nasdaq Composite*	15,331	1.33	11.45	27.16
FTSE 100*	7,164	0.22	0.79	20.59
Nikkei 225	29,128	5.38	0.24	24.13
Straits Times	3,084	0.10	-2.56	21.81
Hang Seng	25,902	1.94	-10.58	3.58
Shanghai Comp	3,582	1.69	-0.07	5.81

*As of Sep 2

International debt market indicators

Indicators	Sep 3	Aug 27
US 10-Year*	1.29	1.31
UK 10-Year*	0.68	0.58
German 10-Year*	-0.38	-0.43
Japan 10-Year	0.04	0.02
3-M USD Libor*	0.12%	0.12%
6-M USD Libor*	0.15%	0.15%
1-Y USD Libor*	0.22%	0.24%

*As of Sep 2

Commodities

Commodity	Sep 3	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	73.03	0.45	2.35	64.37
Indian gold (Rs per 10 gm)	47246.00	0.21	-3.58	-7.07
Indian Silver (Rs per Kg)	63475.00	0.85	-10.90	-1.45

* As of Sep 2

Source: Respective commodity exchanges, ibjrates.com

B. International

1. Equity

- Global equities ended mostly higher this week amid region-specific cues.
- US stocks ended mixed this week, with Dow Jones falling marginally, while Nasdaq rose 1.3%.
- Markets advanced, especially Nasdaq, after the US Fed Chairman Jerome Powell during his speech at the Jackson Hole symposium hinted at tapering by the end of the year. However, he still feels there is "much ground to cover" before rate hikes.
- US initial jobless claims dipped to 340,000 for the week ended August 28, a decrease of 14,000 from the previous week.
- The US Institute of Supply Management manufacturing index rose to 59.9 in August from 59.5 in July 2021.
- However, gains in the markets were cut short, especially in Dow Jones, after the energy stocks fell, following the damage caused by Hurricane Ida on the US oil industry and weak jobs data.
- US ADP said private sector employment rose 374,000 jobs in August, after rising by a downwardly revised 326,000 jobs in July.
- Britain's FTSE was up 0.2% this week following some strong corporate earnings and gains in the shares of energy, mining, travel and retail firms.
- Other European equities ended mixed, with France's CAC 40 rising 1.2%, while Germany's DAX slipped 0.07%. Markets were earlier buoyed by dovish remarks from the Fed.
- However, the rally was restricted, as rising inflation data raised fears over possible stimulus tapering by the European Central Bank.
- Eurozone inflation rose to 3% in August from 2.2% in July
- Asian equities ended in the green. Japan's Nikkei surged 5.4% following receding worries over political instability in the country and as the Fed's comments calmed fears over stimulus tapering.
- Hong Kong's Hang Seng gained about 2%, mirroring a similar trend in the global markets and as investors awaited more policy support to overcome economic risks from Covid-19.
- China's Shanghai Composite closed 1.7% higher in the week after Beijing announced its plans to set up a new stock exchange to serve small- and medium-sized enterprises.
- Markets also advanced, as investors hoped for more policy measures after weak economic data showed slowing economic growth of the country.
- China's Caixin manufacturing PMI came in at 49.2 in August from July's 50.3.

2. Commodity

- Crude oil prices rose in this week weighing the impact of damage from Hurricane Ida on oil production, and on optimism about global economic growth and a fall in US crude inventories.
- Gold prices rose in this week tracking gains in the global metal prices after the Fed dovish stance on rate hike.
- Indian silver prices rose in this week on tracking positive trend in industrial metal and gold prices.

C. News summary

1. Domestic

- India's real GDP grew 20.1% in the April-June quarter of FY22 on the back of a low base last year compared to 24.4% contraction in the April-June quarter in FY21 and 1.6% growth in Q4 FY21.
- According to government data, total FDI inflow into India rose to \$22.53 billion during the first quarter of current fiscal as against \$11.84 billion in the same period last year.
- India's output of eight core sectors rose by 9.4% on-year in July 2021 following growth of 9.3% in June 2021.
- Finance Ministry released Rs 13386 crore to 25 states with an aim to provide grants to rural local bodies (RLBs).
- India and UK agreed to invest \$1.2 billion in green projects and renewable energy.
- Union Minister Nitin Gadkari said the Rs 100 lakh crore Gatishakti scheme will provide a framework for the National Infrastructure Pipeline programme.
- According to RBI data, Indian companies raised over \$3.43 billion from overseas markets through external commercial borrowings (ECBs) in July this year, up by nearly 60% from a year ago.
- RBI the fair value of the share-linked incentives paid to chief executive officers, whole-time directors and other key personnel by the private banks should be recognised as an expense during the relevant accounting period.
- SEBI asked asset management companies (AMCs) to disclose details of risk and performance of mutual fund schemes in all disclosures, including promotional material.
- SEBI revised the liquidity enhancement scheme (LES) framework used by stock exchanges to boost volumes.

2. International

- US Federal Reserve Chairman Jerome Powell during his speech at the Fed's annual Jackson Hole symposium said the central bank could begin scaling back its monthly bond purchases this year, though it will not be in a hurry to begin hiking interest rates thereafter.
- US non-farm payroll employment rose by 235,000 jobs in August 2021 after soaring by an upwardly revised 1.053 million jobs in July 2021; the unemployment rate fell to 5.2% in August 2021 from 5.4% in July 2021.
- US Conference Board's consumer confidence index tumbled to 113.8 in August from a downwardly revised 125.1 in July.
- Eurozone inflation rose to 3% in August from 2.2% in July.
- Japan industrial production fell 1.5% on-month in July compared with a 6.5% rise in June.

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D. Week ahead

Day	Events
Monday, Sep 6, 2021	<ul style="list-style-type: none"> Eurozone Sentix Investor Confidence, September 2021 UK Construction PMI, August 2021
Tuesday, Sep 7, 2021	<ul style="list-style-type: none"> Eurozone GDP, Q2 2021 Eurozone ZEW Survey – Economic Sentiment, September 2021 Japan GDP, Q2 2021 Japan Leading / Coincident Index, July 2021 China Trade Balance, August 2021
Wednesday, Sep 8, 2021	<ul style="list-style-type: none"> US Fed's Beige Book US Consumer Credit, July 2021 China Consumer Prices, August 2021 China Producer Prices, August 2021 Japan Current Account Balance, July 2021 Japan Eco-Watchers Survey, August 2021
Thursday, Sep 9, 2021	<ul style="list-style-type: none"> ECB Interest Rate Decision Japan Machine Tool Orders, August 2021
Friday, Sep 10, 2021	<ul style="list-style-type: none"> US Producer Prices, August 2021 US Wholesale Inventories, July 2021 UK GDP, July 2021 UK Goods Trade Balance, July 2021 UK Industrial Production, July 2021 China New Yuan Loans, August 2021 India Industrial Production, July 2021



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