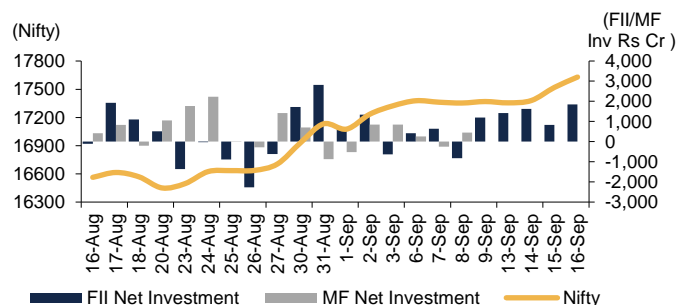


## Indian equity benchmark indices' returns

Broad Indices	Sep 17	% chg week	% chg 3 Mth	% chg Year
S&P BSE Sensex	59,016	1.22	12.79	51.40
Nifty 50	17,585	1.24	12.07	52.70
Nifty 500	15,027	1.29	11.93	57.08
S&P BSE 100	17,871	1.25	11.85	53.39
S&P BSE Midcap	25,046	1.38	11.83	66.87
S&P BSE Smallcap	28,007	1.31	12.62	82.46

## FII and mutual fund investment vs. Nifty



Sectoral Indices	Sep 17	% chg week	% chg 3 Mth	% chg Year
S&P BSE Bankex	43,262	3.46	10.18	70.84
S&P BSE Auto	23,282	2.60	-1.23	26.68
S&P BSE Power	3,094	1.67	8.93	82.63
S&P BSE CD	40,906	1.65	16.06	68.69
S&P BSE IT	34,850	1.55	19.20	75.21
S&P BSE Oil & Gas	17,617	1.09	2.62	33.64
S&P BSE CG	26,041	1.06	16.42	86.14
S&P BSE FMCG	15,056	0.76	11.72	32.70
S&P BSE Healthcare	26,553	0.14	6.65	34.68
S&P BSE Realty Index	3,299	-0.69	19.22	87.73
S&P BSE Metal	20,478	-1.09	11.11	135.90

Source: BSE, NSE, SEBI, NSDL

## Indian debt market indicators

Indicators	Sep 17	Previous Week	1 month ago
Call Rate	3.10%	3.10%	2.95%
10 Yr G-Sec <sup>^</sup>	6.18%	6.18%	6.23%

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

## Currencies vs INR

Currency	Sep 17	Week ago	3 months ago	1 year ago
USD	73.48	73.50	74.07	73.65
GBP	101.18	101.56	103.52	95.39
Euro	86.37	86.97	88.53	86.97
Yen*	66.84	66.93	66.93	70.31

\*exchange rate represents 100 units of the currency

## Markets update

### A. Domestic

#### 1. Equity

- Positive momentum in Indian equities continued for the fourth consecutive week. The S&P BSE Sensex and Nifty 50 advanced 1.2% each
- Market sentiments got a boost after the government announced a slew of reforms for the telecom and auto sectors
- The markets also gained tracking similar trend in the US market after lower-than-expected rise in inflation raised hopes that the US Federal Reserve (Fed) will continue with its accommodative policy stance
- Bank, auto and power counters witnessed heavy buying this week
- Shares of IndusInd Bank emerged the top gainer on the Nifty 50, rising 13.1% on week to settle at Rs 1130 per share tracking gains in the banking sector after the Centre announced a relief package for the telecom industry. The relief measures are seen as a positive for banks as well as lenders have exposures to telecom players
- Metal and realty sectors ended in the red
- Shares of BPCL emerged the biggest laggard on the Nifty 50, falling 11.2% on week to settle at Rs 436.25 per share after going ex-dividend

#### 2. Debt

- Government bond prices ended nearly flat for the week. The yield of the 10-year benchmark 6.10% 2031 paper settled at 6.17% on September 17 compared with 6.18% on September 9
- Prices received support as data showed domestic retail prices had eased to 5.30% on year in August from 5.59% in July, staying in the RBI's upper tolerance limit for the second month in a row
- A decline in US benchmark treasury yields after a US inflation report showed a smaller-than-expected rise in prices in August aided domestic gilts intraweek
- Uncertainty about the government's borrowing plans in the second half of this fiscal put bonds under brief pressure
- Some price gains got erased because of an uptick in crude oil prices over the week and as the RBI did not make any bond purchase announcements

#### 3. Forex

- The rupee ended marginally higher
- The Indian unit started the week on a dim note, weighed by the dollar's broad strength
- Intermittent dollar demand from state-owned banks on behalf of importers added to the pressure on the rupee
- The rupee staged a recovery helped by weakening of the US dollar index following the release of the latest US consumer inflation figures
- Gains in Indian equities, which hit fresh record highs during the week, also benefitted the rupee

## International equity benchmark indices' returns

Indices	Sep 17	% chg week	% chg 3 Mth	% chg Year
DJIA*	34,751	0.41	2.11	23.97
Nasdaq Composite*	15,182	0.44	8.14	37.39
FTSE 100*	7,027	-0.02	-2.19	15.61
Nikkei 225	30,500	0.39	5.11	30.79
Straits Times	3,071	-0.89	-2.14	22.81
Hang Seng	24,921	-4.90	-12.74	2.38
Shanghai Comp	3,614	-2.41	2.51	10.50

\*As of Sep 16

## International debt market indicators

Indicators	Sep 17	Sep 10
US 10-Year*	1.33	1.34
UK 10-Year*	0.82	0.76
German 10-Year*	-0.31	-0.33
Japan 10-Year	0.05	0.04
3-M USD Libor*	0.12%	0.12%
6-M USD Libor*	0.15%	0.15%
1-Y USD Libor*	0.22%	0.22%

\*As of Sep 16

## Commodities

Commodity	Sep 17	% chg week	% chg 3 Mth	% chg Year
Brent Crude Oil (\$ per barrel)*	75.67	3.77	1.72	79.23
Indian gold (Rs per 10 gm)	46310.00	-1.80	-2.62	-10.07
Indian Silver (Rs per Kg)	61131.00	-4.58	-12.07	-5.80

\* As of Sep 16

Source: Respective commodity exchanges, ibjrates.com

## B. International

### 1. Equity

- The performance of global equities was mixed this week because of region-specific cues.
- US stocks ended higher as strong economic data bolstered investors' confidence about revival in economic activity
- US industrial production rose 0.4% in August after rising by a downwardly revised 0.8% in July
- US retail sales rose 0.7% in August after plunging 1.8% in July
- US consumer prices rose 5.3% on-year in August from 5.4% in July
- However, stock-specific selling and uncertainties over growing chances of corporate tax rate hike kept the gains under check
- Britain's FTSE ended flat. Markets fell earlier after an uptick in domestic inflation raised concerns of stimulus tapering by the Bank of England
- UK consumer price index in August rose 3.2% on-year versus a 2.0% rise in July; meanwhile, output price inflation increased to 5.9% from 5.1%
- UK GDP rose 0.1% in July following a 5.7% growth in June
- However, the losses were recouped due to buying in basic resources, industrial metals and energy-linked stocks
- Other European equities saw a mixed trend. France's CAC 40 fell 0.6%, while Germany's DAX gained 0.3%. Markets retreated after the European Central Bank kept its main refinancing rate unchanged but said it would slow down the pace of its emergency asset purchases
- Asian equities posted varied performance. Japan's Nikkei rose 0.4% on hopes of an economic recovery after the government said more than 50% of the country's population have been fully vaccinated
- However, the rally was capped because of profit-booking after the market peaked 31-year high during the week
- Japan's industrial production fell 1.5% on-month in July compared with a 6.5% rise in June
- Hong Kong's Hang Seng slumped about 5% after Beijing tightened regulations on the technology and gaming sector, and due to concerns over fast spreading delta variant
- China's Shanghai Composite declined 2.4% on weaker economic data amid resurgence of Covid-19 cases in the country
- China's industrial production grew a moderate 5.3% on-year in August, slower than 6.4% seen in July
- China's retail sales grew 2.5% on year in August vs 8.5% in July

### 2. Commodity

- Crude oil prices rose in this week on supply tightness in the US, hopes of better US-China trade relations and on expectations of higher demand following improvement in vaccination rollouts
- Gold prices fell in this week on tracking weak global metal prices
- Indian silver prices declined in this week on tracking weakness in gold and industrial metals

## C. News summary

### 1. Domestic

- India's Index of Industrial Production (IIP) rose 11.5% in July compared to 13.6% growth in June and a contraction of 10.5% in July 2020
- India's CPI-based inflation eased to 5.30% in August, compared to 5.59% in July owing to a pullback in prices of food articles
- India's WPI inflation rose to 11.39% in August compared to 11.16% in July, as prices of non-food articles, mineral oils hardened
- India's exports rose by 45.76% to \$33.28 billion in August while imports increased by 51.72% to \$47.09 billion, resulting in a trade deficit of \$13.81 billion in August as against \$8.2 billion deficit in the same month last year
- The Cabinet approved production-linked incentive (PLI) scheme worth Rs 26058 crore for auto and drone sector
- The Cabinet announced relief package for the telecom sector that includes rationalization of the Adjusted Gross Revenue (AGR) definition, a moratorium of 4 years for payment of AGR and spectrum dues, increase in the FDI under automatic route to 100% from 49%, increase in spectrum tenure from 20 to 30 years in future auctions, and allowed spectrum sharing
- RBI and Monetary Authority of Singapore (MAS) will link their payment systems Unified Payments Interface (UPI) and PayNow respectively to enable instant, low-cost fund transfers for users
- SEBI proposed to overhaul the framework governing consent settlements with the aim of making the system more efficient
- SEBI notified certification requirements for associated persons engaged by portfolio managers as distributors or employees having decision-making authority related to fund management

### 2. International

- US industrial production rose by 0.4% in August after rising by a downwardly revised 0.8% in July; capacity utilization for the industrial sector edged up to 76.4% in August from 76.2% in July
- US wholesale inventories rose by 0.6% on-month in July compared with 1.2% rise in June
- Eurozone industrial output grew 1.5% on-month in July, reversing a 0.1% fall in June
- UK GDP rose 0.1% in July following a 5.7% growth in June
- China's industrial production grew moderately by 5.3% on-year in August, slower than the 6.4% increase seen in July
- Japan's 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 20, 2021	<ul style="list-style-type: none"> <li>US NAHB Housing Market Index, September 2021</li> </ul>
Tuesday, Sep 21, 2021	<ul style="list-style-type: none"> <li>US Housing Starts / Building Permits, August 2021</li> <li>US Current Account Balance, Q2 2021</li> </ul>
Wednesday, Sep 22, 2021	<ul style="list-style-type: none"> <li>US Fed Funds Target Rate Decision</li> <li>US Existing Home Sales, August 2021</li> <li>Eurozone Consumer Confidence, September 2021</li> <li>China Loan Prime Rate, 1Y / 5Y</li> <li>Bank of Japan Interest Rate Decision</li> </ul>
Thursday, Sep 23, 2021	<ul style="list-style-type: none"> <li>US Chicago Fed National Activity Index, August 2021</li> <li>US Manufacturing, Services &amp; Composite PMI, September 2021</li> <li>Eurozone Manufacturing, Services &amp; Composite PMI, September 2021</li> <li>Bank of England Interest Rate Decision</li> <li>UK Manufacturing, Services &amp; Composite PMI, September 2021</li> <li>UK GfK Consumer Confidence, September 2021</li> <li>Japan Consumer Prices, August 2021</li> <li>Japan Manufacturing PMI, September 2021</li> </ul>
Friday, Sep 24, 2021	<ul style="list-style-type: none"> <li>US New Home Sales, August 2021</li> </ul>



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