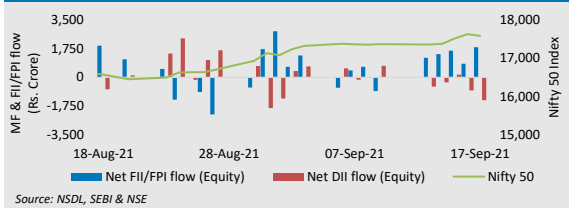


## Macro Economic Release

Indicators	Actual	Consensus	Previous
CPI Inflation (Aug 2021)	5.30%	5.60%	5.59%
Exports (\$ billion) (Aug 2021)	33.28	NA	35.43
Trade Deficit (\$ billion) (Aug 2021)	13.81	13.89	10.97
WPI Inflation (Aug 2021)	11.39%	10.75%	11.16%

Source: Refinitiv

## FII and DII Investment vs Nifty 50



Source: NSDL, SEBI & NSE

## Macro economic Update

- Consumer Price Index based inflation (CPI) marginally eased to 5.30% in Aug 2021 from 5.59% rise in Jul 2021 and 6.69% in Aug 2020. The CPI for Aug 2021 stayed within the Reserve Bank of India's tolerance level (2% - 6%) for second straight month. The Consumer Food Price Index also eased to 3.11% in Aug 2021 from 3.96% in Jul 2021 and 9.05% in Aug 2020.
- Wholesale Price Index (WPI) based inflation rose to 11.39% YoY in Aug 2021 from 11.16% in Jul 2021. However, the WPI Food Index eased to 3.43% in Aug 2021 from 4.46% in Jul 2021. WPI based rate of inflation for crude petroleum and natural gas over the year stood at 40.03% in Aug 2021 compared to Aug 2020 when the same stood at -16.44%. WPI inflation for manufactured products stood at 11.39% in Aug 2021 compared to Aug 2020 when the same stood at 1.36%.
- India's merchandise trade deficit widened to \$13.81 billion in Aug 2021 from \$8.20 billion in Aug 2020. The trade deficit thus widened by 68.30%. Merchandise exports grew 45.76% YoY to \$33.28 billion in Aug 2021 from \$22.83 billion in Aug 2020. Merchandise imports rose 51.72% YoY to \$47.09 billion in Aug 2021 from \$31.03 billion in Aug 2020. Oil imports in Aug 2021 stood at \$11.65 billion which was higher by 80.64% in dollar terms compared to Aug 2020. Non-oil imports were estimated at \$35.43 billion in Aug 2021 which was 44.13% higher in dollar terms compared to Aug 2020.

## Indian Equity Market Performance

Broad Indices	17-Sep-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE Sensex	59,016	1.22	51.40	23.59
Nifty 50	17,585	1.24	52.70	25.77
S&P BSE 100	17,871	1.25	53.39	26.74
Nifty 500	15,027	1.29	57.08	30.46
Nifty Mid cap 50	8,092	3.35	68.97	37.79
Nifty Small cap 100	10,788	0.94	79.27	52.21

Sector Indices	17-Sep-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
S&P BSE AUTO	23,282	2.60	26.68	11.87
S&P BSE Bankex	43,262	3.46	70.84	20.55
S&P BSE CD	40,906	1.65	68.69	34.59
S&P BSE CG	26,041	1.06	86.14	38.93
S&P BSE FMCG	15,056	0.76	32.70	19.40
S&P BSE HC	26,553	0.14	34.68	22.47
S&P BSE IT	34,850	1.55	75.21	43.72
S&P BSE METAL	20,478	-1.09	135.90	76.54
S&P BSE Oil & Gas	17,617	1.09	33.64	25.03
S&P BSE Power	3,094	1.67	82.63	50.06
S&P BSE PSU	8,154	3.62	67.63	41.04
S&P BSE Realty	3,299	-0.69	87.73	33.14
S&P BSE Teck	15,462	2.46	65.24	39.28

Source: BSE & NSE

## Domestic Equity Market Update

- Indian equity markets settled for the week in the positive terrain with benchmark indices continuing to touch fresh record highs and Sensex breaching the 59,000 level for the first time. Risk appetite boosted after data showed retail price inflation slipped to a four-month low of 5.3% in Aug from 5.59% in the previous month.
- Global cues also remained supportive as slower than expected rise of the U.S. inflation data downplayed the risk of tapering of the stimulus measures by U.S. Fed. Markets rallied following government's announcement of relief package for the telecom sector and production linked incentive for auto sector.
- Investors cheered after Union Cabinet cleared a proposal to provide Rs 30,600 crore government guarantee for security receipts issued by the National Asset Reconstruction Company (NARCL) as part of resolution of bad loans. According to the Finance Minister, banks have recovered Rs 5.01 lakh crore of unpaid loans in the last six years. Of this, Rs 3.1 lakh crore has been recovered since March 2018.
- On the BSE sectoral front, majority of the sectors closed in the green. S&P BSE Bankex was the top gainer, up 3.46%, followed by S&P BSE Auto and S&P BSE Teck, which rose 2.60% and 2.46%, respectively. Banking stocks went up with RBI Governor commenting that stressed assets situation "looks manageable" as the stock of gross non-performing assets (NPAs) remained stable even after the second wave of pandemic.
- Auto sector gained investors' attention during the week after Union Cabinet approved the revised production-linked incentive (PLI) scheme for the automobile sector, which aims at promoting domestic manufacturing and create jobs.
- S&P BSE Metal and S&P BSE Realty were the only losers, down 1.09% and 0.69% respectively.

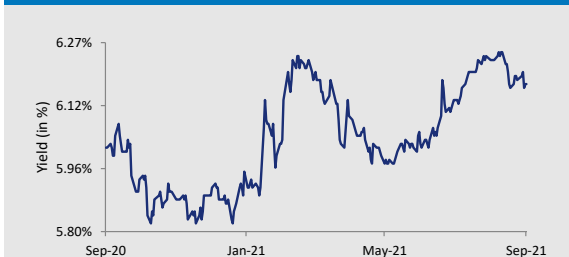
## Indian Debt Market Indicators

Broad Indices	17-Sep-21	Week Ago	Month Ago	6 Months Ago	Year Ago
Call Rate	3.22%	3.13%	3.23%	3.25%	3.43%
T-Repo	3.28%	3.18%	3.12%	3.29%	3.21%
Repo	4.00%	4.00%	4.00%	4.00%	4.00%
Reverse Repo	3.35%	3.35%	3.35%	3.35%	3.35%
3 Month CP	3.55%	3.53%	3.60%	3.75%	3.55%
1 Year CP	4.25%	4.30%	4.35%	4.65%	4.50%
3 Month CD	3.40%	3.39%	3.36%	3.50%	3.29%
1 Year CD	4.14%	4.10%	3.93%	4.43%	3.89%

Broad Indices	17-Sep-21	Week Ago	Month Ago	6 Months Ago	Year Ago
1 Year AAA Corporate Bond	5.37%	4.65%	4.62%	4.63%	5.12%
3 Year AAA Corporate Bond	5.16%	5.19%	5.35%	5.72%	5.86%
5 Year AAA Corporate Bond	6.17%	6.10%	6.26%	6.67%	6.77%
1 Year G-Sec	3.90%	3.88%	3.89%	4.17%	3.73%
3 Year G-Sec	4.85%	4.85%	4.93%	5.12%	5.00%
5 Year G-Sec	5.62%	5.61%	5.70%	5.83%	5.43%
10 Year G-Sec	6.17%	6.18%	6.23%	6.19%	6.03%
Forex Reserve (\$ in billion)	641.11 <sup>**</sup>	642.45 <sup>**</sup>	619.36 <sup>@</sup>	582.04 <sup>@@</sup>	541.66 <sup>@@@</sup>

Source: CCIL, Refinitiv \* As on Sep 10, 2021; \*\* As on Sep 3, 2021; @ As on Aug 13, 2021; @@ As on Mar 12, 2021; @@@ As on Sep 11, 2020

## 10 - Year benchmark G-Sec Movement



Source: Refinitiv

## Domestic Debt Market Update

- Bond yields fell after U.S. inflation rose less than expected in Aug 2021, which eased concerns over an interest rate hike by the U.S. Federal Reserve. Another positive was domestic retail inflation that eased in Aug 2021.
- However, gains were almost reversed on news reports that central government will borrow in the second half of this fiscal year to fund the Goods and Services Tax compensation (GST) to states. The RBI continued to suck out excess liquidity from the system through variable rate reverse repo auctions, which fuelled concern of more such measures moving ahead.
- Yield on the 10-year benchmark paper (6.10% GS 2031) fell by 1 bps to close at 6.17% compared to the previous closing of 6.18% after moving in a range of 6.16% to 6.20%.
- Data from RBI showed that reserve money grew 14.8% on a yearly basis for the week ended Sep 10, 2021 compared to an increase of 14.9% in the same period of the previous year. The currency in circulation grew 9.4% on a yearly basis for the week ended Sep 10, 2021 compared to an increase of 22.4% in the same period of the previous year.

## Global Commodity Update

Commodities	17-Sep-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
NYMEX Crude Oil (\$/barrel)	71.59	2.74	74.78	47.91
Brent Crude Oil (\$/barrel)	75.44	3.50	74.39	45.86
Gold (\$/ounce)	1,754.16	-1.86	-9.70	-7.50
Silver (\$/ounce)	22.39	-5.59	-17.37	-15.05

Source: Refinitiv

## Currencies Update

Currency	17-Sep-21	Week Ago	Month ago	6 Months Ago	Year Ago
U.S. Dollar	73.64	73.52	74.37	72.56	73.60
GBP	101.20	101.74	102.17	101.31	95.47
Euro	86.34	86.85	87.08	86.91	87.19
100 Yen	66.95	66.87	67.86	66.66	70.26

Source: Refinitiv

## Global Equity Market Performance

Country/Region	Indices	17-Sep-21	% Change (WoW)	% Change (YoY)	% Change (YTD)
U.S.	Russell 1000	2,490.24	-0.48	33.41	17.42
U.K.	FTSE	6,964	-0.93	15.10	7.79
France	CAC 40	6,570	-1.40	30.37	18.35
Germany	DAX	15,490	-0.77	17.28	12.91
Japan	Nikkei 225	30,500	0.39	30.79	11.13
China	Shanghai Composite	3,614	-2.41	10.50	4.06
Hong Kong	Hang Seng	24,921	-4.90	2.38	-8.48
Singapore	Straits Times	3,071	-0.89	22.81	8.00
Russia	RTS Index	1,745	1.15	40.36	25.77
Brazil	Sao Paulo Se Bovespa	111,439	-2.49	11.33	-6.37

Source: Refinitiv

## Global Bond Yield Update

Indicators	17-Sep-21	Week ago	Month ago	6 Months Ago	Year ago
U.S. 10 Year Bond yield (%)	1.36	1.34	1.27	1.64	0.68
U.K. 10 Year Bond yield (%)	0.85	0.76	0.56	0.83	0.19
German 10 Year Bond yield (%)	-0.28	-0.33	-0.47	-0.29	-0.49
Japan 10 Year Bond yield (%)	0.05	0.05	0.02	0.09	0.01

Source: Refinitiv

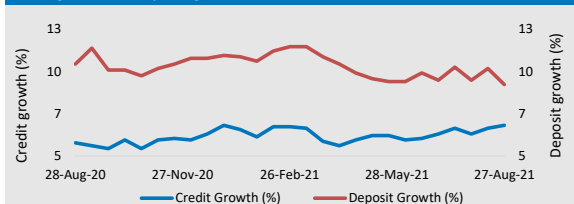
## Global Economic Calendar

Economic Events	Release date	Actual	Consensus	Previous
U.S. Monthly Budget Statement (Aug)	13-Sep	\$-171.00 B	\$-173.00 B	\$-302.00 B
U.S. CPI MM, SA Aug 2021	14-Sep	0.30%	0.40%	0.50%
U.S. Industrial Production MM Aug 2021	15-Sep	0.40%	0.40%	0.80%
U.S. Initial Jobless Claims W 11 Sep	16-Sep	332K	330K	312K

Source: FX Street; Refinitiv

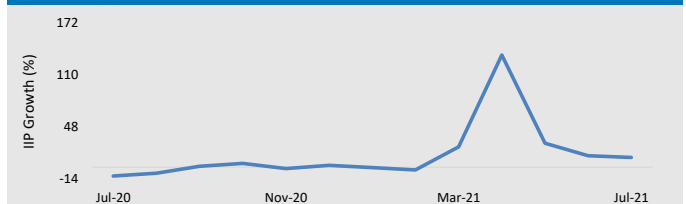
## Macro Economic Performance of India

### Credit growth vs Deposit growth



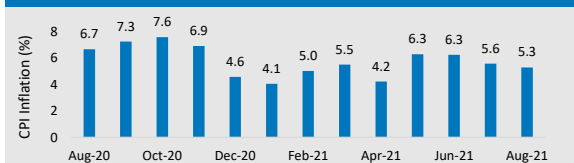
Source: Refinitiv

### IIP Growth (%)



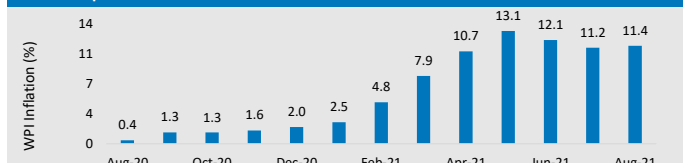
Source: Refinitiv

### Retail inflation movement



Source: Refinitiv

### Wholesale price inflation movement



Source: Refinitiv

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