MARKET FLASH – DECEMBER 9, 2019

Benchmark indices were trading flat amid volatility with the Sensex and the Nifty swinging between negative and positive zone.

At 10:30 AM, the S&P BSE Sensex was trading at 40,396, down 49 points or 0.12%. Market breadth was flat and out of a total of 1,644 shares traded on the Bombay Stock Exchange, 763 advanced while 769 declined and 112 remained unchanged. The Nifty50 was down 16 points or 0.08% at 11,906.

10-year Indian G-Sec yields were trading at 6.68 in morning against the previous close of 6.67.

THE WEEK THAT WAS

Key indices ended with modest losses after seeing high volatility during the week. Selling was witnessed in index pivots after the central bank kept interest rates unchanged and slashed its growth forecast for the economy. The Nifty ended below the psychological 12,000 mark.

In the week ended on Friday, December 6, 2019, the S&P BSE Sensex fell 348.66 points or 0.85% to settle at 40,445.15. The Nifty50 index declined 134.55 points or 1.12% to settle at 11,921.50.

The BSE Midcap index lost 417.49 or 2.77% to settle at 14,667.37 while the BSE Smallcap index fell 221.22 points or 1.63% to settle at 13,339.35.
Asian stocks edged up today, catching some of Wall Street’s momentum after surprisingly strong US jobs data although regional gains were capped by concerns about China’s economy due to the prolonged Sino-US trade war.

Japan’s benchmark Nikkei advanced 0.3% while MSCI’s broadest index of Asia-Pacific shares outside Japan gained 0.3%, with Australian stocks and South Korea’s Kospi up 0.2% and 0.6%, respectively.

The modest Asian gains compared with Wall Street, which rose to near record highs on Friday on a strong jobs report and some sign of optimism about US-China trade talks, with the benchmark S&P 500 SPX closing within 0.2% of its peak set in late November.

US job growth increased by the most in 10 months in November as the healthcare industry boosted hiring and production workers at General Motors returned to work after a strike, in the strongest sign that the economy is in no danger of stalling.

The Indian rupee traded little changed against the US dollar on Monday as traders await key macro economics data releases, due this week, and a fast approaching US-China tariff deadline.

In early deals today, the rupee traded at 71.24 a dollar, down from Friday's close of 71.21. The Indian unit had opened 71.28 a dollar.
CRUDE OIL

Oil prices retreated but hovered near recent peaks after OPEC and its allies agreed to deepen output cuts by 500,000 barrels per day in early 2020.

US West Texas Intermediate (WTI) crude CLc1 slipped 0.4% to $58.94 per barrel, still not far from Friday's 2 1/2-month high of $59.85 per barrel.

WEEK AHEAD

Global cues, macroeconomic data, movement of rupee against the dollar, crude oil price movement and investments by foreign portfolio investors (FPI) and domestic institutional investors (DII) will be watched in this week ahead.

Developments in the Winter Session of Parliament will be closely watched. The winter session of Parliament began on November 18, and will last until December 13, 2019. As per reports, 27 bills will be taken up for introduction and consideration in the Winter Session.

On the macro front, India's industrial production data for October 2019 and manufacturing production data for October 2019 will be announced on Thursday. The wholesale price index inflation (YoY) data for November 2019 will be unveiled on Friday.

Globally, developments on the US-China trade front will be closely watched. As per reports, China's finance ministry said the country will waive import tariffs for certain soybean and pork shipments from the US, without providing further detail.

In China, the inflation rate data for November 2019 will be announced tomorrow. In US, the Federal Reserve's two day meeting begins tomorrow and the interest rate decision will be announced on Wednesday.

In Europe, European Central Bank (ECB) will announce its interest rate decision on Thursday. On December 12, 2019, voters in the United Kingdom will head to the polls in a high-stakes election.

The ZEW Economic Sentiment Index for December 2019 will be announced tomorrow.

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<th>Fund Flow</th>
<th>Amount in Rs. Crore</th>
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<td></td>
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Source: Reuters, Capital Market, Internal
Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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