Indices trading lower tracking weak global cues

Indian equity indices were trading lower on Monday as investors took money off the table amid concerns over the impact of coronavirus on global economy.

At 10:20 AM, the S&P BSE Sensex was trading at 40,877, down 265 points or 0.6%. Market breadth are negative and out of a total of 1,761 shares traded on the Bombay Stock Exchange, 699 advanced while 972 declined and 90 remained unchanged. The Nifty50 was down 85 points or 0.7% at 12,013.

10-year Indian G-Sec yields were trading at 6.425 in morning against the previous close of 6.439.

THE WEEK THAT WAS

Benchmark indices logged modest gains in the week ended 7 February 2020 on strong PMI data, January auto sales numbers, RBI policy and decent Q3 earnings triggered the upmove.

Stocks witnessed heavy selling in special budget trading session on Saturday, 1 February 2020, after Union Budget for FY 2020-21 was presented in Parliament. Volatility was high during the week. Mid and small cap indices outperformed the Sensex.

In the week ended on Friday, the S&P BSE Sensex rose 418.36 points or 1.03% to settle at 41,141.85. The Nifty50 index added 136.25 points or 1.14% to settle at 12,098.35.

The BSE Midcap index advanced 442.70 or 2.86% to settle at 15,904.71. The BSE Smallcap index rallied 172.37 points or 1.18% to settle at 14,840.33.
GLOBAL MARKETS

Asian shares pared early losses on Monday as Chinese authorities lifted some coronavirus-related restrictions on work and travel, helping businesses resume work though overall sentiment was still jittery as the death toll from the epidemic climbed.

MSCI's broadest index of Asia-Pacific shares outside Japan reversed some of its early losses to be down 0.5%. Japan's Nikkei was off 0.4%, after earlier stumbling more than 0.8% while Australia's benchmark index was down a tad.

China's indexes were the only ones in the black in Asia with the blue-chip index adding 0.4% and Shanghai's SSE Composite up 0.3%.

INDIAN RUPEE

The rupee on Monday opened 5 paise higher at 71.35 against the US dollar following some selling in the American currency by banks and exporters.

The local currency weakened by 22 paise to settle at 71.40 against the greenback on Friday amid selling in domestic equities and strengthening of the American currency overseas.

CRUDE OIL

Oil prices on Monday extended their decline from an early January peak above $70 as the spectre of excess supplies loomed over the market after the spreading coronavirus outbreak hit demand in China, the world's largest oil importer.
Brent crude hit a low of $53.63 a barrel and was at $54.09, down 38 cents. US West Texas Intermediate fell 38 cents to $49.94 a barrel after striking a low of $49.56.

WEEK AHEAD

Final batch of results from India Inc. for the quarter ended December 31, 2019 will be closely watched in the forthcoming week. Barring moves related to domestic earnings, macroeconomic data, trend in global markets, the movement of rupee against the dollar and crude oil price movement, inflows from foreign portfolio investors (FPIs) and domestic institutional investors (DIIs) will also be closely watched.

On the economic front, Industrial Production for December 2019 and inflation rate for January 2020 will be declared on Wednesday. WPI inflation for January 2020 will be declared on Friday.

Overseas, China will announce inflation rate for January today. In the United States, inflation rate for January will be declared on Thursday. US retail sales for January will be announced on Friday. In Euro Area, industrial production data for December will be announced on Wednesday.

<table>
<thead>
<tr>
<th>Nature</th>
<th>Amount in Rs. Crore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross Pur.</td>
</tr>
<tr>
<td>FII</td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>6676.66</td>
</tr>
<tr>
<td>Debt</td>
<td>7820.13</td>
</tr>
<tr>
<td>MF</td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td>3425.72</td>
</tr>
<tr>
<td>Debt</td>
<td>11214.25</td>
</tr>
</tbody>
</table>

Source: Reuters, Capital Market, Internal

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Disclaimer: The article (including market views expressed herein) is for general information only and does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this information. The data/information used/disclosed in the article is only for information purposes and not guaranteeing / indicating any returns. The article provides general information and comparisons made (if any) are only for illustration purposes. Investments in mutual funds and secondary markets inherently involve risks and recipient should consult their legal, tax and financial advisors before investing. Recipient of this document should understand that statements made herein regarding future prospects may not be realized. Recipient should also understand that any reference to the indices/ sectors/ securities/ schemes etc. in the article is only for illustration purpose and are NOT stock recommendation(s) from the author or L&T Investment Management Limited, the asset management company of L&T Mutual Fund ("the Fund") or any of its associates. Any performance information shown refers to the past and should not be seen as an indication of future returns. The value of investments and any income from them can go down as well as up. The distribution of the article in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of the article are required to inform themselves about, and to observe, any such restrictions.

CL06873