

Sensex slumps over 1,300 points; Nifty PSU Bank index drops by 4%

The domestic benchmark indices fell over 2% in Monday's morning deals as India recorded a massive surge of 1.69 lakh Covid-19 cases in the last 24 hours and curbs were imposed in different parts of the country to contain the spread of the virus.

At 9:39 AM, the frontline S&P BSE Sensex was trading at 48,216, down 1,375 points or 2.77%. Market breadth is negative and out of a total of 2,361 shares traded on the Bombay Stock Exchange, 351 advanced while 1,929 declined and 81 remained unchanged. The broader Nifty50 was at 14,409, levels, down 379 points or 2.60%.

All the Nifty sectoral indices, barring Nifty IT index, traded in the red, with Nifty PSU Bank index, down 3.9%, bleeding the most.

The broader markets fared worse than their benchmark peers, with the S&P BSE Midcap and Smallcap indices tumbling 4% and 3.5%, respectively.

WEEKLY REVIEW – APRIL 5 TO APRIL 9, 2021

Key benchmarks ended with small losses in the week after seeing volatile swings. A surge in COVID cases kept investors cautious with some states imposing new restrictions. However, the Reserve Bank of India (RBI)'s move to keep its monetary policy accommodative to support economic growth cushioned steep losses. The Sensex fell below the key 50,000 level.

In the week ended on Friday, April 9, 2021, the Sensex dropped 438.51 points or 0.88% to settle at 49,591.32. The Nifty 50 index fell 32.5 points or 0.22% to settle at 14,834.85. The BSE Mid-Cap index rose 245.77 or 1.20% to settle at 20,762.17. The BSE Small-Cap index advanced 525.16 points or 2.49% to settle at 21,596.85.

COVID 19- UPDATE

India on Sunday reported a net increase of 61,456 in active coronavirus cases to take its count to 1,108,087, the most at time since the outbreak early last year. That is over 108% of the previous high of 1,017,754 on September 18. India's share of global active coronavirus cases now stands at 4.45% (one in 22).

The country is 4th among the most affected countries by active cases. On Sunday, it added 152,879 cases, the most in a day so far, to take its total caseload to 13,358,805. And, with 839 new fatalities, its Covid-19 death toll reached 169,275, or 1.27% of total confirmed infections.

GLOBAL MARKETS

Asian shares faltered on Monday as investors wait to see if US earnings can justify sky-high valuations, while bond markets could be tested by what should be very strong readings for US inflation and retail sales this week.

MSCI's broadest index of Asia-Pacific shares outside Japan was off 0.6% in slow trade. Tokyo's Nikkei edged down 0.5%, while South Korean stocks were near flat.

Chinese blue chips eased 0.9% ahead of a rush of economic figures from the country.

OIL, RUPEE & FIIs

Crude Oil: Oil prices fell around 2% last week as production increases and renewed COVID-19 lockdowns in some countries offset optimism about a recovery in fuel demand.

Brent was quoted up 28 cents on Monday at \$63.24 a barrel, while US crude added 22 cents to \$59.54.

Indian Rupee: The rupee fell for the fifth straight session and settled 15 paise down at 74.73 (provisional) against the US dollar on Friday as rising Covid-19 cases, weak domestic equities and strengthening American currency weighed on investors' sentiment.

At the interbank forex market, the local unit opened at 74.75 against the greenback and traded in the range of 74.53 to 74.96 during the day.

The rupee finally ended at 74.73 against the American currency, registering a fall of 15 paise over its previous close. On Thursday, the rupee had settled at 74.58 against the American currency.

FPIs: The reversal of buying trend came after FPIs invested Rs 17,304 crore in March, Rs 23,663 crore in February and Rs 14,649 crore in January.

According to the depositories data, overseas investors pulled out Rs 740 crore from equities and Rs 189 crore from the debt segment, taking the total net withdrawal between April 1-9 to Rs 929 crore.

WEEK AHEAD

Q4 March 2021 results, trend in global stock markets, macro data, movement of rupee against the dollar, Brent crude oil price movement and investments by foreign portfolio investors (FPI) and domestic institutional investors (DII) will be watched. Markets will remain closed on April 14, 2021 on account of Dr Baba Saheb Ambedkar Jayanti.

Global cues will continue to be in focus as resurgence in virus cases around the world, leads to more restrictions and more pressure on economic recovery. Updates related to COVID-19 will be closely watched.

On the macro front, the Industrial Production and Manufacturing Production and Manufacturing Production data for February will be released today. Inflation rate for March will be declared on the same day. WPI inflation for March is due on April 14, 2021.

Overseas, China's first quarter gross domestic product (GDP) data will be announced on April 16, 2021. US will announce inflation rate for March tomorrow. The US Retail Sales for March will be announced on April 15, 2021.

Source: Reuters, Capital Market, ET

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

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