

Nifty holds 16,500 mark amid volatility; Metal & Auto shares rise

Domestic benchmark equities are trading choppy with Sensex and Nifty hovering between negative and positive zone, in-line with Asian markets.

At 10:02 AM, the frontline S&P BSE Sensex was trading at 55,463, up 31 points or 0.06%. Market breadth is negative and out of a total of 2,864 shares traded on the Bombay Stock Exchange, 1,065 advanced while 1,687 declined and 112 remained unchanged. The broader Nifty50 was at 16,527 levels, down 2 points or 0.02%.

The Nifty Metal and Auto indices were the only indices in the green. In the broader market, the BSE Midcap and Smallcap indices were down 0.1% and 0.2%, respectively.

WEEKLY REVIEW – AUGUST 10 – AUGUST 14, 2021

Domestic equity market benchmarks ended the week with strong gains. The Sensex and the Nifty, both, settled at record closing high. The Sensex settled above 55,000 level while the Nifty closed above the 16,500 level. Gains were triggered by upbeat global markets and supportive domestic cues amid the fear of a third COVID wave.

In the week ended on Friday, 13 August 2021, the Sensex soared 1,159.57 points or 2.14% to settle at 55,437.29. The Nifty50 index surged 290.90 points or 1.79% to settle at 16,529.10. The BSE Midcap index slipped 263.68 or 1.14% to settle at 22,941.04. The BSE Smallcap index dropped 450.77 points or 1.68% to settle at 26,355.20.

COVID 19- UPDATE

India recorded its lowest tally of weekly Covid-19 cases in five months since mid-March, with less than 2.6 lakh infections reported in August 9-15, a drop of 6.7% from the previous week.

India's Covid chart continued to show improvement today, with the country recording 36,083 cases, a marginal drop from yesterday. About 493 deaths were recorded during the period, according to the Health Ministry.

GLOBAL MARKETS

Asian share markets slipped on Monday after a raft of Chinese data showed a surprisingly sharp slowdown in the engine of global growth, just as much of the world races to stem the spread of the Delta variant of COVID-19 with vaccinations.

Figures on July retail sales, industrial production and urban investment all missed forecasts, a trend that is only likely to get worse given the recent tightening in coronavirus restrictions there.

MSCI's broadest index of Asia-Pacific shares outside Japan eased 0.2%, nudging back toward the lows for the year touched last month.

Chinese blue chips were hanging onto gains of 0.3%, perhaps in anticipation of a more aggressive policy easing from Beijing.

Japan's Nikkei fell 1.8%, though economic growth topped forecasts for the June quarter.

OIL, RUPEE & FIIs

Crude Oil: Oil prices eased partly on concerns coronavirus travel restrictions would hurt demand, particularly in China.

Brent fell 78 cents to \$69.81 a barrel, while U.S. crude lost 80 cents to \$67.64.

Indian Rupee: The Indian rupee reversed all its intra-day losses to close almost flat at 74.24 (provisional) against the US dollar NSE 0.99 % on Friday, tracking a strong rally in domestic equities.

FPIs: Foreign portfolio investors (FPI) have made a net investment of Rs 2,085 crore so far in August in Indian equities, according to data from NSDL.

The FPIs have made a comeback after a net outflow of Rs 11,308 crore in July.

With the investments in August, the net FPI investment in the equities segment in 2021 now stands at Rs 51,121 crore.

WEEK AHEAD

Local and global macroeconomic data, Covid updates, trend in global stock markets, movement of rupee against the dollar, progress of monsoon, Brent crude oil price movement and investments by foreign portfolio investors (FPI) and domestic institutional investors (DII) will also be watched.

On the coronavirus front, investors would continuously watch out government's course of action along with progress on vaccination drive. Besides, as new COVID cases have seen a considerable decline, all eyes would be on state governments for further easing of the restrictions. Globally, the trend of rise in COVID cases on account of the delta variant, especially in UK and Asia.

On the macro front, Wholesale price index (WPI) inflation for July 2021 is due today.

Overseas, China will announce Retail Sales data for July today.

China will announce Loan Prime Rate for 1 year and 5 years on 20 August, 2021.

US FOMC minutes are due on 18 August 2021. US will announce Retail Sales data for July tomorrow.

Source: Reuters, Capital Market, ET

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

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