

## **Sensex up almost 300 points, Nifty around 15,850; Realty stocks gain**

Hopes of strong June quarter results, supported by a firm global set-up, lifted benchmark indices over 0.5% higher on Monday.

At 10:15 AM, the frontline S&P BSE Sensex was trading at 52,859, up 272 points or 0.52%. Market breadth is positive and out of a total of 2,861 shares traded on the Bombay Stock Exchange, 2051 advanced while 701 declined and 109 remained unchanged. The broader Nifty50 was at 15,851 levels, up 88 points or 0.56%.

All the sectoral indices were trading in the green, with Realty index up 2%. BSE Midcap and Smallcap indices were up over 0.5% each.

## **WEEKLY REVIEW – JULY 26 – JULY 30, 2021**

The key barometers ended lower in the week after seeing high volatility. Concerns about the fast-spreading Delta variant and regulatory actions in China played the spoilsport. The Nifty closed below the 15,800 mark.

In the week ended on Friday, 30 July 2021, the Sensex fell 388.96 points or 0.73% to settle at 52,586.84. The Nifty50 index lost 93 points or 0.59% to settle at 15,763.05. The BSE Midcap index rose 66.08 or 0.29% to settle at 23,087.22. The BSE Smallcap index gained 360.71 points or 1.36% to settle at 26,786.62.

## **COVID 19- UPDATE**

Covid in India registered a 7.5% rise in cases after a steady decline for 11 weeks. India recorded just over 2.86 lakh new cases in the current week from July 26 to August 1, a 7.5% rise from the previous week's tally of 2.66 lakh. Weekly cases in the country have registered a rise for the first time since May 3-9, when the second wave peaked.

The fall in cases had continued till last week, even though the decline had slowed to 1.4%. The surge, however, is mainly restricted to Kerala and, to a much lesser degree, Karnataka and Tamil Nadu. Kerala logged close to 1.4 lakh cases in the present week, a 26.5% increase from the previous week's tally of 1.1 lakh.

## **GLOBAL MARKETS**

Asian shares were seeking a modicum of stability on Monday as a run of stellar US corporate earnings put a floor under markets, though Beijing's regulatory crackdown continued to reverberate amid disappointing economic news.

China's woes were underlined by surveys showing factory activity slowing sharply in July amid rising costs and extreme weather.

In contrast, Europe's economic recovery outpaced all expectations last quarter, while US consumers spent with abandon in June as coronavirus restrictions eased, a trend likely to ensure a strong payrolls report at the end of this week.

EUROSTOXX 50 futures added 0.3%, while FTSE futures gained 0.2%.

Asia has not fared so well, with China's crackdown on the tech and education sectors hammering stocks, while the spread of the Delta variant of the coronavirus in the region hit growth.

MSCI's broadest index of Asia-Pacific shares outside Japan was last up 0.2%, having hit its low for the year so far last week.

Japan's Nikkei bounced back 1.6%, but that was from its lowest since January. Investors were anxiously watching Chinese blue chips which gained 0.9%, after shedding 5.5% last week.

## **OIL, RUPEE & FIIs**

**Crude Oil:** Oil prices eased on Monday as soft Chinese data undermined the outlook for demand, though that follows four straight months of price gains.

Brent was last down \$1.02 at \$74.39 a barrel, while US crude lost 91 cents to \$73.04.

**Indian Rupee:** The Indian rupee slipped 13 paise to close at 74.42 (provisional) against the U.S. currency on July 30, tracking muted domestic equities and unabated foreign fund outflows.

At the interbank foreign exchange market, the local unit witnessed high volatility. It opened at 74.30 against the dollar and witnessed an intra-day high of 74.27 and a low of 74.44 during the session.

**FPIs:** Foreign portfolio investors (FPI) pulled out net investments worth Rs 11,308 crore from Indian equities in July.

Investors turned cautious amid concerns of rising cases of Covid-19 in several countries. High oil prices also weighed on the investor sentiments, analysts said.

The outflow comes after net FPI investment in June stood at Rs 17,215 crore. Post the outflow last month, the net investment into the equities segment in 2021 stands at Rs 49,036 crore.

## **WEEK AHEAD**

The RBI's MPC meeting is scheduled for the coming week. Auto sales numbers, PMI figures along with the result season will continue to drive stock specific movements on the markets.

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.

The Reserve Bank of India's (RBI) monetary policy committee (MPC) will announce its interest rate decision on Friday, 6 August 2021.

Markit Manufacturing PMI for July will be declared today. Markit Services PMI for July will be declared on 4 August 2021.

Investors will continue to watch June 2021 quarterly earnings for direction.

Progress of monsoon and developments in the monsoon session of the Parliament will also be closely watched. The monsoon session of the Parliament began on Monday (19 July) and it will conclude on 13 August 2021. The government and the opposition are likely to discuss raging issues of the COVID-19 pandemic, farmers' protest, fuel prices hike and vaccination strategy.

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.

Overseas, China will announce the Caixin Manufacturing PMI for July today.

The US Non Farm Payrolls data for July will be announced on 6 August 2021.

The Euro Area Markit Manufacturing PMI for July will be declared today.

**Source:** Reuters, Capital Market, ET

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

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