

Sensex surges over 250 points tracking global cues; IT, pharma stocks gain

Markets have started the session on a firm note amid volatility tracking rebound in the global indices. All the sectoral indices are trading in the green with IT, pharma, oil & gas, capital goods and metal indices up 1% each. BSE Midcap and Smallcap indices are up 0.5% each.

At 9:55 AM, the frontline S&P BSE Sensex was trading at 55,591, up 262 points or 0.47%. Market breadth is positive and out of a total of 2,791 shares traded on the Bombay Stock Exchange, 1,366 advanced while 1,309 declined and 116 remained unchanged. The broader Nifty50 was at 16,521 levels, up 70 points or 0.43%.

Broader indices, BSE Midcap and Smallcap indices, meanwhile, added 0.74% and 1%, respectively, amid gains in metal, PSB, realty, and pharma stocks.

WEEKLY REVIEW – AUGUST 17 – AUGUST 21, 2021

The key barometers indices ended with small losses after amid high volatility. The Sensex and the Nifty retreated after scaling record highs during the week. Fears of the delta COVID-19 variant and China's tech crackdown impacted sentiment.

In the week ended on Friday, 20 August 2021, the Sensex fell 107.97 points or 0.19% to settle at 55,329.32. The Nifty50 index lost 78.60 points or 0.48% to settle at 16,450.50. The BSE Midcap index shed 261.17 or 1.14% to settle at 22,679.87. The BSE Smallcap index declined 597.09 points or 2.27% to settle at 25,758.11.

COVID 19- UPDATE

India reports 30,948 new Covid-19 cases in the last 24 hours, pushing the country's case tally to 3,24,24,234. 403 people succumbed to the virus and the toll is at 4,34,367. Meanwhile, the active Covid caseload stands at 3,53,398. India sees 13.6% dip in weekly Covid cases, sharpest fall in 2 months.

GLOBAL MARKETS

Asian share markets were trying to pick up the pieces on Monday following last week's thrashing as coronavirus concerns showed little sign of abating, while safe-haven flows benefited the dollar ahead of a key update on U.S. monetary policy.

A raft of "flash" manufacturing surveys for August out on Monday will offer an early indication of how global growth is faring in the face of the Delta variant, with analysts expecting some slippage and especially in Asia.

The impact was all too evident in MSCI's broadest index of Asia-Pacific shares outside Japan which sank 4.8% last week to a nine-month trough. Early Monday, it had limped 0.2% higher but the gains looked fragile.

The rot spread to Japan where the Nikkei shed 3.4% last week to its lowest since January. Bargain hunting helped the index bounce 1.2% early Monday.

OIL, RUPEE & FIIs

Crude Oil: Oil had suffered its sharpest week of losses in more than nine months as investors anticipated weakened fuel demand worldwide due to a surge in COVID-19 cases.

Early Monday, Brent had edged up 37 cents to \$65.55 a barrel, while U.S. crude added 27 cents to \$62.41.

Indian Rupee: The rupee on Friday declined by 15 paise to close at 74.39 against the US currency, tracking a lacklustre trend in the domestic equities and strengthening of the American currency in the overseas market.

FPIs: Net-net, foreign portfolio investors (FPIs) turned sellers of domestic stocks to the tune of Rs 2287.03 crore, data available with NSE suggested. DIIs, turned buyers to the tune of 119.3 crore, data suggests. FPIs invest Rs 5,001 cr in Indian equities so far in August.

WEEK AHEAD

Trading could be volatile in the forthcoming week as traders roll over positions in the F&O segment from the near month August series to September series. The August 2021 F&O contracts will expire on Thursday, 26 August 2021.

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.

Overseas, China's industrial profits data for July will be announced on 27 August 2021.

In Japan, the Jibun Bank Services PMI Flash data for August will be announced today.

The United States Durable Goods Orders for July will be announced on 25 August 2021.

The Euro Area Markit Manufacturing PMI Flash data for August 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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