

## **Sensex falls over 400 points, Nifty below 17,150; Realty stocks weak**

In line with their global peers, the domestic benchmark indices started trade lower on Monday extending losses for a fourth day.

At 9:55 AM, the frontline S&P BSE Sensex was trading at 57,417, down 416 points or 0.72%. Market breadth is dismal and out of a total of 3,147 shares traded on the Bombay Stock Exchange, 515 advanced while 2,513 declined and 110 remained unchanged. The broader Nifty50 was at 17,145 levels down 131 points or 0.76%.

In the broader markets, the BSE Midcap and Smallcap indices were in the negative territory, down 0.5% and 0.9%, respectively. India VIX was also up by over 5%.

Sectorally, all indices were deep in red led by losses in Nifty Realty index, down over 2%. Other notable losers included Nifty Bank, Auto, Metals, FMCG, Financials, Consumer Durables, all down a per cent each.

## **WEEKLY REVIEW – FEBRUARY 14 – FEBRUARY 18, 2022**

The benchmark indices settled lower in a volatile trading week amid negative global stocks. Ongoing Russia-Ukraine conflict, rising crude oil prices and relentless selling by foreign portfolio investors (FPIs) put pressure on domestic shares.

In the week ended on Friday, 18 February 2022, the Sensex fell 319.95 points or 0.55% to settle at 57,832.97. The Nifty 50 index declined 240 points or 1.37% to settle at 17,276.30. The BSE Midcap index fell 1.98% to settle at 23,771.95. The BSE Smallcap index lost 3.29% to settle at 27,748.30.

## **GLOBAL MARKETS**

Asian share markets pared sharp early losses on Monday as a glimmer of hope emerged for a diplomatic solution to the Russian-Ukraine standoff, though there remained plenty of devil in the detail.

Wall St Futures rallied on news US President Joe Biden and Russian President Vladimir Putin have agreed in principle to hold a summit on the Ukraine crisis.

One condition for the summit was that Putin did not invade Ukraine, a turn of events that still seemed possible given Russia extended military drills in Belarus and continued to build up troops on the Ukraine border.

Just the chance of a peaceful solution was enough for S&P 500 stock futures to reverse out of early losses to trade 0.4% higher. Nasdaq futures edged up 0.2%, having been down more than 1% earlier. US markets are on holiday on Monday but futures still traded.

Likewise, EUROSTOXX 50 futures erased an early drop to rise 0.1%, and FTSE futures swung back to flat.

MSCI's broadest index of Asia-Pacific shares outside Japan pared their losses to be down 0.4%, while Japan's Nikkei halved its drop to be down 0.9%.

## **OIL, RUPEE & FIIs**

**Crude Oil:** The chance of a U.S.-Russia summit saw oil prices stripped of much of their opening gains. Brent was up 18 cents at \$93.69, but off a peak of \$95.0, while US crude was 33 cents firmer at \$91.40, down from a high of \$92.93.

Oil suffered its first weekly loss in two months last week amid tentative signs of progress on an Iran deal which could release new supply into the market.

**Rupee:** The rupee spurted by 40 paise, its biggest single-day gain in over three months, to settle at a more than two-week high of 74.66 against the US dollar on Friday on hopes of a diplomatic solution to the East-West standoff over Ukraine.

A fall in crude oil prices also supported the local currency. At the interbank forex market, the local unit opened at 75.03 against the greenback and witnessed an intra-day high of 74.60 and a low of 75.05.

**FPIs:** With global markets witnessing high volatility, foreign portfolio investors (FPIs) have taken out Rs 48,645 crore from domestic stock markets since January 1 this year.

According to data available with NSDL, while FPIs pulled out Rs 33,303 crore in January, the sell-off continued this month, with FPIs withdrawing Rs 15,342 crore in February so far.

## **WEEK AHEAD**

Macro-economic data and earnings announcements from India Inc will continue to remain in focus in the near term. Trend in global stock markets, the movement of rupee against the dollar and crude oil prices will dictate trend on the bourses in the trading week ahead. Geopolitical tensions between Russia and Ukraine will be watched.

Investment by foreign portfolio investors (FPIs) and domestic institutional investors (DIIs) will also be watched.

On the political front, developments in the upcoming assembly polls in Uttar Pradesh, Uttarakhand, Goa, Punjab, and Manipur will be closely watched. Polls in all the five states will be held between February 10 and March 7 in seven phases. The counting of votes and the result will be declared on March 10.

Overseas, China will announce the Loan Prime Rate for 1 year and 5 year today.

The United States Durable Goods Orders for January will be announced on 25 February 2022.

*Source: Reuters, Capital Market, ET*

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

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