

Sensex hovers around 61,200 mark; Midcap & Smallcap outperform

The benchmark indices have turned choppy after making a slightly positive start on Monday amid mixed global cues.

At 9:45 AM, the frontline S&P BSE Sensex was trading at 61,197, down 26 points or 0.04%. Market breadth is positive and out of a total of 3,203 shares traded on the Bombay Stock Exchange, 1,975 advanced while 1,120 declined and 108 remained unchanged. The broader Nifty50 was flat at 18,255 levels.

In the broader market, the BSE Midcap and Smallcap indices were also in green and were up 0.4 and 0.6%, respectively. Sectorally, apart from IT, Pharma and Metals, all NSE indices were in the green led by auto and banks.

WEEKLY REVIEW – JANUARY 10 – JANUARY 14, 2022

The benchmark indices logged strong gains in the week ended Friday, 14 January 2022 on buying demand in index pivotals. The Nifty moved above the key 18,000 mark. The Sensex regained the 61,000 level.

In the week ended on Friday, 14 January 2022, the Sensex jumped 1,478.38 points or 2.47% to settle at 61,223.03. The Nifty50 index advanced 443.05 points or 2.49% to settle at 18,255.75. The BSE Midcap index spurred 612.41 or 2.40% to settle at 26,085.24. The BSE Smallcap index rallied 919.14 points or 3.06% to settle at 30,951.28.

GLOBAL MARKETS

Asian share markets were choppy on Monday as a slew of Chinese economic data confirmed the deadening effect of coronavirus restrictions on consumer spending, prompting Beijing to again ease monetary policy.

A holiday in the United States made for thin trading, but that did not stop Treasury futures from sliding further and Brent crude hitting a three-year top of \$86.71 a barrel.

Worryingly for the world's second-largest economy, retail sales rose only 1.7% year-on-year in December, missing forecasts for a 3.7% rise.

The easing seemed to help China blue chips, which edged up 0.4% in the wake of the data.

MSCI's broadest index of Asia-Pacific shares outside Japan eased 0.2%, while Japan's Nikkei bounced 0.8% after losing 1.2% last week.

Nasdaq futures slid another 0.4%, while S&P 500 futures lost 0.2%. EUROSTOXX 50 futures edged up 0.3% and FTSE futures were flat.

OIL, RUPEE & FIIs

Crude Oil: Oil prices have climbed for four weeks straight and such is demand that physical barrels of oil are changing hands at near record high premiums.

Brent added another 48 cents to \$86.54 a barrel and just pipped the 2021 top of \$86.70. The 2018 peak is at \$86.74, and a break would take it to heights last visited in 2014.

US crude also firmed 75 cents to \$84.57 per barrel.

Rupee: The Indian rupee gained against the US dollar in the last week. The rupee rose 15 paise to end at 74.15 per dollar on January 14 against its January 7 closing of 74.30.

FPIs: Foreign portfolio investors (FPIs) reversed the three-month selling streak in January by investing net Rs 3,117 crore in Indian markets, so far this month.

Depositories data showed that they pumped Rs 1,857 crore into equities and Rs 1,743 crore into hybrid instruments during January 1-14.

At the same time, they pulled out Rs 482 crore from the debt segment, taking the total net inflow to Rs 3,117 crore.

WEEK AHEAD

In the near future, the Q3 results season and build up to the upcoming budget session would be key events that the market would be looking for in January 2022.

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.

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

Investors will also continue to monitor the situation surrounding the omicron COVID-19 variant. The fast spreading Omicron variant could cause localised disruption across pockets in near term.

The Budget session of Parliament is set to commence on January 31 and will conclude on April 8. The first half of the budget session will run from January 31 to February 11. It will reassemble on March 14 to sit until April 8, subject to government exigencies.

The government will present the Budget for fiscal 2022-23 on February 1. The Economic Survey is likely to be tabled on January 31 after the president's address, as per reports.

Prime Minister Narendra Modi will address the World Economic Forum's Davos Agenda virtual event on 17 January, joining a host of other global leaders. The WEF is set to host the event on its website and social media channels from 17-21 January.

Overseas, the Chinese government is due to release 2021 and Q4 GDP data, along with December activity data today.

China will announce Loan Prime Rate for 1 year and 5 years on 20 January, 2022.

The Bank of Japan (BoJ) will announce its interest rate decision tomorrow.

In Europe, the ZEW Economic Sentiment Index for January will also be declared tomorrow.

Source: Reuters, Capital Market, ET

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

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