

Sensex zooms over 750 points, Nifty aims 17,350; Union Budget eyed

The benchmark indices started higher on Monday with support from positive global markets and on the back of broad-based buying. The government will present the Budget for fiscal 2022-23 tomorrow.

At 10:15 AM, the frontline S&P BSE Sensex was trading at 57,986, up 785 points or 1.37%. Market breadth is positive and out of a total of 3,216 shares traded on the Bombay Stock Exchange, 2,103 advanced while 976 declined and 137 remained unchanged. The broader Nifty50 was up at 17,339 levels up 237 points or 1.36%.

In the broader markets, the BSE Midcap and Smallcap indices were in the green, up 1.3 and 1.4%, respectively.

Sectorally, all Nifty indices were also in the positive territory, led by Nifty Realty and IT indices, up over 2% each. These were followed by Auto, PSU banks, Consumer Durables and Oil & Gas indices, all up 1% each.

WEEKLY REVIEW – JANUARY 24 – JANUARY 28, 2022

The key equity benchmarks dropped sharply in the week ended Friday, 28 January 2022 on selling pressure in index pivots. Firm crude oil prices, negative global cues and relentless selling by foreign portfolio investors (FPIs) impacted sentiment. The Nifty closed just above 17,100 mark while the Sensex ended a tad above 57,200 level.

In the week ended on Friday, 28 January 2022, the Sensex tumbled 1836.95 points or 3.11% to settle at 57,200.23. The Nifty 50 index slumped 515.2 points or 2.92% to settle at 17,101.95. The BSE Midcap index lost 3.07% to settle at 24,186.73. The BSE Smallcap index declined 3.43% to settle at 28,940.18.

GLOBAL MARKETS

Asian share markets made guarded gains on Monday ahead of a week that is likely to see a rise in UK interest rates and mixed reports on U.S. jobs and manufacturing, while surging oil prices add to worries over inflation.

Data out on Sunday showed China's factory activity slowed in January as a resurgence of COVID-19 cases and tough lockdowns hit production and demand.

The standoff over Ukraine remains a thorn in the market's side, with concerns a Russian invasion would also cut vital gas supplies to Western Europe.

Lunar New Year holidays made for thin conditions and MSCI's broadest index of Asia-Pacific shares outside Japan nudged up 0.3% in slow trade.

Japan's Nikkei bounced 1% from a 14-month trough, though local data on industrial output and retail sales undershot forecasts.

S&P 500 futures and Nasdaq futures were both flat, while EUROSTOXX 50 futures rose 1% and FTSE futures 0.6%

OIL, RUPEE & FIIs

Crude Oil: Oil prices were near seven-year peaks having climbed for six weeks straight as geopolitical tensions exacerbated concerns over tight energy supply.

Brent rose another \$1.30 to \$91.33 a barrel, while US crude added \$1.27 to \$88.09.

Rupee: On Friday, the Indian rupee against has ended at Rs. 75.04 against the US Dollar while on the other hand, the rupee has settled at Rs 83.65 with respect to the EURO.

FPIs: In January so far, foreign portfolio investors (FPIs) have sold Indian shares worth Rs 33,922.7 crore as tapering of liquidity by the Fed, which lifted US bond yields, has prompted them to dump emerging-market assets. This marks the fourth consecutive month of selling by this category of investors.

WEEK AHEAD

The Union Budget 2022-23, corporate earnings and macroeconomic data will be in focus in the forthcoming week.

The Budget session of Parliament is set to commence today 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.

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

On the macro front, Markit Manufacturing PMI for January will be declared tomorrow. Markit Services PMI for January will be declared on 3 February 2022.

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, the US ISM Manufacturing PMI data for January will be announced tomorrow. The US Non Farm Payrolls data for January will be announced on 4 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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