

Sensex hovers around 53,000 mark; Metal & Pharma shares gain

The benchmark indices have turned choppy after a weak start on Monday, in-line with Asian peers.

At 10:10 AM, the frontline S&P BSE Sensex was trading at 53,052, up 76 points or 0.14%. Market breadth is positive and out of a total of 2,918 shares traded on the Bombay Stock Exchange, 1,707 advanced while 1,084 declined and 127 remained unchanged. The broader Nifty50 was at 15,880 levels, up 24 points or 0.15%.

On the sectoral front, the buying is seen in the metal, pharma and FMCG names, while auto and banking stocks are under pressure. BSE Midcap and Smallcap indices are trading flat.

WEEKLY REVIEW – JULY 20 – JULY 24, 2021

The Indian equity indices ended with small losses after seeing high volatility during the truncated trading week as the surging Delta variant cases sapped risk appetite globally. However, the market was back on its feet as gains yielded on Thursday and Friday, wiped out majority of the losses incurred earlier this week.

In the week ended on Friday, 23 July 2021, the Sensex fell 164.26 points or 0.31% to settle at 52,975.80. The Nifty 50 index lost 67.35 points or 0.42% to settle at 15,856.05. The BSE Mid-Cap index slipped 109.27 or 0.47% to settle at 23,021.14. The BSE Small-Cap index skid 36.40 points or 0.14% to settle at 26,425.91.

COVID 19- UPDATE

India reported 39,361 new Covid cases, 35,968 recoveries, and 416 deaths in the last 24 hours. The total active cases in the country has now reached 4,11,189, the total recoveries are 3,05,79,106 and the death toll stands at 4,20,967. The total vaccinations stands at 43,51,96,001.

GLOBAL MARKETS

Asian shares struggled to rally on Monday as super-strong U.S. corporate earnings sucked funds out of emerging markets and into Wall Street, where records were falling almost daily.

More than one third of S&P 500 is set to report quarterly results this week.

With just over a fifth of the S&P 500 having reported, 88% of firms have beaten the consensus of analysts' expectations. That is a major reason global money managers have poured more than \$900 billion into US funds in the first half of 2021.

Nasdaq futures were up 0.1% in early trade, while S&P 500 futures held steady.

As funds flock to Wall Street, Asian markets have been largely snubbed. MSCI's broadest index of Asia-Pacific shares outside Japan has been trending sideways since March and was up just a fraction on Monday.

Japan's Nikkei bounced 1.6% in early trade, but that was off a seven-month low. South Korea has fared somewhat better thanks to demand for tech stocks but was little changed on Monday.

OIL, RUPEE & FIIs

Crude Oil: Oil prices have fared better amid wagers demand will remain strong as the global economy gradually opens and supply stays tight.

Brent was trading 23 cents firmer at \$74.33 a barrel, while US crude added 20 cents to \$72.27.

Indian Rupee: The rupee erased its early losses and rose for the third session, gaining six paise against the US dollar on Friday, July 23, to settle at 74.40 tracking weak crude oil prices and positive domestic equities. At the interbank foreign exchange market, the local unit witnessed heavy volatility, opening weak at 74.55 against the dollar. The domestic unit touched a low of 74.58 in the morning trade, recovering later to register an intra day high of 74.37 against the American currency. In an early trade session, the local unit declined nine paise to 74.55 against the greenback.

The rupee closed at 74.40 against the dollar, registering a rise of six paise over its previous close.

FPIs: Overseas investors pulled out over Rs 5,600 crore from Indian equities in July so far as they continue to adopt a cautious stance in wake of several domestic and global factors.

Foreign portfolio investors (FPIs) pulled out Rs 5,689.23 crore from equities during July 1-23, according to depositories data.

They pumped in Rs 3,190.76 crore in the debt segment during the period under review. Net withdrawal during the said period stood at Rs 2,498.47 crore.

WEEK AHEAD

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

Trading could be volatile in the forthcoming week as traders roll over positions in the F&O segment from the near month July series to August series. The July 2021 F&O contracts will expire on Thursday, 29 July 2021.

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.

Progress of monsoon will be closely watched. The Indian Meteorological Department has predicted a normal monsoon in most parts of the country in July. Monthly rainfall for July 2021 over the country as a whole is most likely to be normal (94 to 106% of Long Period Average), the IMD said.

Overseas, China's industrial profits data for June will be announced tomorrow.

The US Federal Reserve (Fed) will announce its interest rate decision after its two-day policy meeting on July 28, 2021.

The United States Durable Goods Orders for June will 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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