

Sensex zooms 300 points, Nifty above 14,750 mark; FMCG & PSU Banks gain

The Indian benchmark indices rose over half a per cent in early trade on Monday, tracking similar gains in their Asian peers. A further fall in daily Covid-19 cases across the country also contributed to the gains.

At 9:40 AM, the frontline S&P BSE Sensex was trading at 49,024, up 292 points or 0.6%. Market breadth is positive and out of a total of 2,420 shares traded on the Bombay Stock Exchange, 1,632 advanced while 659 declined and 129 remained unchanged. The broader Nifty50 was at 14,761, levels, up 83 points or 0.57%.

The Nifty sectoral indices were largely in the green, led by Nifty FMCG and Nifty PSU Bank indices, both up 1%.

Broader markets tracked the gains in the benchmarks, and the S&P BSE Midcap and Smallcap indices were trading 0.5% and 0.8% higher, respectively.

WEEKLY REVIEW – MAY 10 – MAY 14, 2021

Key benchmark indices snapped two-week rising trend as coronavirus cases continue to surge, triggering concerns that a national lockdown may be reimposed. Investors are also concerned that rising commodity prices and inflationary pressure could push up global interest rates sooner than expected. The Nifty index closed below 14,700 level.

In the week ended on Friday, 14 May 2021, the Sensex dropped 473.92 points or 0.96% to settle at 48,732.55. The Nifty50 index fell 145.35 points or 0.98% to settle at 14,677.80. The BSE Midcap index slipped 100.82 or 0.49% to settle at 20,507.79. The BSE Smallcap index lost 17.56 points or 0.08% to settle at 22,200.54.

COVID 19- UPDATE

For the first time during the course of the second Covid wave, India registered a fall in cases in the week ended Sunday as the infection eased in many parts of the country. However, fatalities continued to rise with the week's toll crossing 28,000 -- the highest number of deaths in seven days anywhere in the world for the second week running.

India reported just over 24 lakh fresh cases during the week, a drop of 16% over the previous week's count of 27.4 lakh. In fact, the May 10-16 case count was the lowest in three weeks, pointing to a sharp fall in daily numbers after peaking in the previous week.

The country officially recorded 28,334 deaths from the virus during the week at a daily average of 4,048 deaths per day. This was a 4% rise over the previous week's toll of 27,243, which too was the highest

recorded by any country for any week. The previous highest was 24,282 deaths recorded in the US in January 11-17 this year, as per worldometers.info.

GLOBAL MARKETS

Asian share markets turned mixed on Monday as data on Chinese retail sales missed expectations though industrial output stayed solid, while more evidence of global inflation pressures helped gold to a three-month peak.

Chinese retail sales rose 17.7% in April on a year ago, short of forecasts for a jump of 24.8%, while industrial output matched expectations with a rise of 9.8%.

The spread of the coronavirus was also a hindrance with Singapore to shut most schools from Wednesday after reporting the highest number of local infections in months.

Taiwan's government on Monday had to reassure investors it would stabilise stock and foreign exchange markets if needed amid a spike in COVID-19 cases. Stocks there were still down 1.1%.

MSCI's broadest index of Asia-Pacific shares outside Japan eked out a rise of 0.2%, nudging further away from a four-month trough hit last week.

Japan's Nikkei lost 0.7%, having also touched its lowest since early January last week. Data suggested inflation was a global phenomenon with Japan's wholesale prices jumping 3.6% in April from a year earlier as rising energy and commodities costs ate into corporate margins.

S&P 500 futures and Nasdaq futures both eased 0.1%, following Friday's rally.

OIL, RUPEE & FIIs

Crude Oil: Oil prices edged higher after seeing a dip last week as the Colonial Pipeline restarted from a hacker shutdown. Brent added 16 cents to \$68.86 a barrel, while U.S. crude rose 16 cents to \$65.53 per barrel.

Indian Rupee: The Indian rupee strengthened by 13 paise to end at 73.29 (provisional) against the US dollar on Friday, tracking weaker American currency in the overseas market.

At the interbank forex market, the local unit opened at 73.41 against the greenback and witnessed an intra-day high of 73.22 and a low of 73.41.

It finally ended at 73.29 against the American currency, registering a rise of 13 paise over its previous closing.

FPIs: Foreign portfolio investors (FPIs) pulled out Rs 6,452 crore so far in May from Indian markets amid tumbling investor sentiment due to the second wave of the COVID-19 pandemic.

As per depositories data, the overseas investors pulled out Rs 6,427 crore from equities and Rs 25 crore from the debt segment during May 1-14.

The net outflow during the period under review stood at Rs 6,452 crore.

WEEK AHEAD

Local and global macroeconomic data, state elections, Covid updates, Q4 March 2021 results, trend in global stock markets, movement of rupee against the dollar, Brent crude oil price movement and investments by foreign portfolio investors (FPI) and domestic institutional investors (DII) will be watched.

Global cues will continue to be in focus as resurgence in virus cases around the world, leads to more restrictions and more pressure on economic recovery. Updates related to COVID-19 will be closely watched.

India Inc will continue to report its March quarter earnings.

On the macro front, the government will unveil data on inflation based on the wholesale price index for April today.

Overseas, China will announce Loan Prime Rate for 1 year and 5 years on 20 May, 2021.

Japan will declare inflation data for April on 20 May, 2021.

In US, the FOMC minutes of recently concluded meeting will be unveiled on 19 May, 2021.

In Europe, Eurozone GDP (Q1, 2nd estimate) will be announced tomorrow.

Source: Reuters, Capital Market, ET

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

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