

Sensex rises over 250 points amid volatility; GDP data awaited

Markets have edged higher in Monday's morning deals after a volatile start as investors awaited gross domestic product data for the fourth quarter, with economists being pessimistic after a harsh second wave of COVID-19 hit the country last month.

At 10:40 AM, the frontline S&P BSE Sensex was trading at 51,710, up 287 points or 0.56%. Market breadth is positive and out of a total of 2,849 shares traded on the Bombay Stock Exchange, 1,572 advanced while 1,145 declined and 132 remained unchanged. The broader Nifty50 was at 15,506, levels, up 70 points or 0.46%.

The Nifty sectoral indices were mixed, with Nifty Auto index, down 1%, being the top laggard. In the broader markets, the S&P BSE Midcap index was flat while the Smallcap index rose 0.36%.

WEEKLY REVIEW – MAY 24 – MAY 28, 2021

Indian equity bourses ended with strong gains as encouraging quarterly earnings and positive global cues boosted investors sentiment. The moderation in daily new COVID-19 cases in India also improved risk sentiments. The Nifty index settled at record closing high. Broader markets underperformed key benchmarks during the week.

In the week ended on Friday, 28 May 2021, the Sensex rose 882.40 points or 1.75% to settle at 51,422.88. The Nifty50 index advanced 260.35 points or 1.72% to settle at 15,435.65. The BSE Mid-Cap index gained 176.08 or 0.82% to settle at 21,661.83. The BSE Small-Cap index added 348.29 points or 1.51% to settle at 23,478.69.

COVID 19- UPDATE

India saw a decline in new reported Covid-19 cases once again on Saturday with 1,73,790 people testing positive, according to the Union health ministry data.

This is the lowest number of cases recorded since 12 April. With the addition of fresh infections, the cumulative caseload has reached 2,77,29,247.

The daily positivity rate has come down to 8.36% and has been lesser than 10% for five days straight. The weekly positivity rate currently stands at 9.84%.

GLOBAL MARKETS

Asian shares were trying to extend their recent rally to a third week on Monday in the hope U.S. jobs figures show the expected revival in hiring in May and keep the global recovery on track.

MSCI's broadest index of Asia-Pacific shares outside Japan added 0.3%, having rallied 2.2% last week. Japan's Nikkei fell 0.7%, while Australia touched a fresh all-time peak.

Chinese blue chips slipped 0.4%, while a survey showed a slight slowdown in factory activity but a pick-up in the giant service sector.

OIL, RUPEE & FIIs

Crude Oil: Oil prices were firm after gaining more than 5% last week to reach two-year closing highs as expectations of a rebound in global demand outweighed concerns about more supply from Iran once sanctions are lifted.

All eyes will be OPEC this week as it reviews its supply agreement, and any hint of an increase in output could pressure prices.

Brent added 13 cents to \$68.85 a barrel, while U.S. crude rose 21 cents to \$66.53.

Indian Rupee: Indian rupee opened higher at 72.39 per dollar on Monday against Friday's close of 72.43, amid buying seen in the domestic equity market.

FPIs: Foreign portfolio investors (FPI) turned out to be net sellers for second month in a row by taking out nearly Rs 1,730 crore from Indian markets in May as second wave of the coronavirus pandemic spooked investor sentiment.

According to depositories data, overseas investors withdrew Rs 3,375.2 crore from equities but invested Rs 1,645.8 crore in the debt segment between May 1 and May 28.

This took the total net outflow to Rs 1,729.4 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. RBI interest rate decision on Friday would be a major event watched by investors.

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.

Monthly auto sales numbers will also start pouring in from June 1. On the macroeconomic front, GDP data for the first quarter, core sector data, Markit Manufacturing PMI and services data scheduled during the week.

Monsoon rains are likely to hit India's southern coast around June 3, largely in line with typical patterns, the state-run India Meteorological Department said in its latest revised forecast on Sunday.

Overseas, China will announce the Caixin Manufacturing PMI for May on 1 June 2021.

The US Markit Manufacturing PMI for May will be declared on 1 June 2021.

The US Non Farm Payrolls data for May will be announced on 4 June 2021.

The Euro Area Markit Manufacturing PMI for May will be declared on 1 June 2021.

Source: Reuters, Capital Market, ET

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

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