

## **Sensex surges over 350 points; Realty & Metal stocks shine**

Supportive global cues, marginal ease in crude oil prices, and the on-going earnings season led to a positive start on Dalal Street today. Besides, low level buying after last week's profit-booking resulted in a bounce-back rally.

At 9:47 AM, the frontline S&P BSE Sensex was trading at 59,672, up 364 points or 0.61%. Market breadth is positive and out of a total of 2,780 shares traded on the Bombay Stock Exchange, 1,879 advanced while 775 declined and 126 remained unchanged. The broader Nifty50 was at 17,778 levels, up 103 points or 0.58%.

Sectorally, the Nifty Realty index was up 3%, followed by the Nifty Metal index (up 1.4%). On the downside, the Nifty Auto index was down 0.5%.

In the broader markets, meanwhile, the BSE Midcap and Smallcap indices were up 0.89% and 0.92%, respectively.

### **WEEKLY REVIEW – OCTOBER 26– OCTOBER 30, 2021**

The benchmark indices logged losses for the second consecutive week amid weak global cues. Fresh outbreak of COVID-19 cases in Europe, Russia and China dented investor's sentiments.

In the week ended on Friday, 29 October 2021, the Sensex dropped 1,514.69 points or 2.49% to settle at 59,306.93. The Nifty50 index declined 443.25 points or 2.45% to settle at 17,671.65. The BSE Midcap index dipped 288.92 or 1.13% to settle at 25,277.72. The BSE Smallcap index lost 353.51 points or 1.25% to settle at 27,982.80.

### **GLOBAL MARKETS**

Japan's Nikkei stock index hit a one-month high on Monday, buoyed by expectations of a stable government and more fiscal stimulus after Prime Minister Fumio Kishida's ruling party held on to a majority in a parliamentary election.

The Nikkei share average rose 2.25% to 29,543, reaching its highest level since late September, while the broader Topix gained 1.52% to 2,031.71.

The US markets ended modestly higher on Friday. Dow Jones advanced 0.7%. The S&P 500 index was up 0.2%, while the Dow Jones and Nasdaq advanced 0.3% each.

### **OIL, RUPEE & FIIs**

**Crude Oil:** Oil prices fell on Monday after China said it released reserves of gasoline and diesel to boost supply, while investors unwound long positions ahead of an OPEC+ meeting on Nov 4.

Brent crude futures dropped 20 cents, or 0.2%, to \$83.52 a barrel, after gaining 6 cents on Friday.

U.S. West Texas Intermediate (WTI) crude futures slid 37 cents, or 0.4%, to \$83.20 a barrel, having risen 76 cents on Friday.

**Indian Rupee:** The rupee gained 4 paise to close at 74.88 (provisional) against the US dollar on Friday despite volatile domestic equities, as IPO-related inflows and some pullback in crude oil prices supported the local unit.

At the interbank forex market, the domestic unit opened at 74.78 against the greenback and witnessed an intra-day high of 74.74 and a low of 74.98 during the day's trade. It finally ended at 74.88 a dollar.

**FPIs:** With the stock markets in a correction phase, foreign portfolio investors (FPIs) are on the exit mode. FPIs pulled out Rs 13,550 crore during October, including investments in the initial public offering (IPO) market. With this, net investments by FPIs in calendar year 2021 have fallen to Rs 50,723 crore, as per NSDL data.

However, FPIs have taken out Rs 25,572 crore from stock markets (excluding other investment avenues like IPOs) in October alone, according to data from stock exchanges. Domestic institutional investors (DIIs) invested Rs 4,471 crore during the month and mutual funds put Rs 1,509 crore in the stock market.

## 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 quarterly earnings for direction.

On the coronavirus front, India has seen a significant dip in its coronavirus caseload over the past few weeks. However, health care workers and policymakers are warning of a possible third wave during the winter months. India crossed the milestone of 100 crore doses in Covid-19 vaccination. The country achieved the feat in just about nine months after the beginning of the nationwide vaccination drive in January. The country has so far vaccinated 75% of its adult population with the first dose of the Covid-19 vaccine and 30% with both doses (fully vaccinated).

Stock exchanges will remain open for an hour this Diwali for the 'Muhurat' trading session on 4 November 2021 from 6:15 PM to 7:15 PM. The muhurat trading session is held every year on the occasion of Diwali, for an hour.

On the macro front, Markit Manufacturing PMI for October will be declared today. Markit Services PMI for October will be declared on 3 November 2021.

Auto stocks will be in focus as auto companies will start announcing monthly sales numbers for October starting from today.

Overseas, China will announce the Caixin Manufacturing PMI for October today.

The ISM Manufacturing PMI data for October will be announced today.

The US Non Farm Payrolls data for October will be announced on 5 November, 2021.

The Fed will begin its two-day policy meeting on November 2. The US Federal Reserve (Fed) will announce its interest rate decision after its two-day policy meeting on 3 November 2021.

*Source: Reuters, Capital Market, ET*

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

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