

Sensex holds 60,000 mark amid volatility; broader markets outperform

The Indian benchmark indices kicked off Monday's trading session on a negative note on the back of weak global cues. However, markets quickly recovered to trade largely flat.

At 9:57 AM, the frontline S&P BSE Sensex was trading at 60,220, up 161 points or 0.27%. Market breadth is positive and out of a total of 2,706 shares traded on the Bombay Stock Exchange, 1,831 advanced while 753 declined and 122 remained unchanged. The broader Nifty50 was at 17,970 levels, up 75 points or 0.42%.

Among sectoral indices, barring Nifty IT (down 4.2%) and Nifty Pharma (down 0.01%), all indices were in the green. Nifty Auto was the top gaining sector, up over 1%, followed by metal and realty. The BSE midcap and smallcap indices rose 0.33% and 0.54%, respectively.

However, the broader markets were outperforming the benchmark indices. While the Nifty Midcap 100 gained nearly 0.1%, the Smallcap 100 rose over 0.8%. Volatility gauge--India VIX--rose 3.8% at 16.25-level.

WEEKLY REVIEW – OCTOBER 5– OCTOBER 9, 2021

Domestic equity market benchmarks ended with strong gains during the week boosted by positive global stocks. Gains were also triggered after the RBI kept the key rates unchanged and remained 'accommodative' following a scheduled review. The BSE Sensex settled above the psychological 60,000 mark. The NSE Nifty 50 settled a tad below 17,900 level.

In the week ended on Friday, 8 October 2021, the Sensex gained 1,293.48 points or 2.2% to settle at 60,059.06. The Nifty 50 index rose 363.15 points or 2.07% to settle at 17,895.20.

MUTUAL FUND UPDATE

Driven by record inflows into Systematic Investment Plans (SIPs), the overall mutual funds industry's assets under management jumped to nearly Rs 37 lakh crore in September, registering an over 33 per cent growth compared to the year-ago period, according to Amfi data.

The overall Assets Under Management (AUM) touched Rs 36.74 lakh crore last month, up from Rs 27.6 lakh crore in September 2020, the data from the Association of Mutual Funds (Amfi) showed on Friday.

COVID 19- UPDATE

Ahead of the festive season, weekly cases of Covid-19 in India dropped to their lowest count in more than seven months, with a 12% fall from the previous week. This was also the first week since March 1-7 when the country recorded an average of less than 20,000 cases per day. India logged just over 1.37 lakh

fresh cases of the coronavirus in the week ending Sunday (October 4-10), down from 1.55 lakh in the previous week, as per reports. This was the sixth straight week of declining cases in the country following a brief flare-up towards the end of August when infections surged sharply in Kerala post Onam.

GLOBAL MARKETS

Asian shares slipped on Monday as global inflation angst favoured commodities as a hedge over US equities, while rising U.S. bond yields lifted the dollar to two-and-a-half year peaks against the Japanese yen.

Nasdaq futures and S&P 500 futures were both down around 0.5% in early trade, as oil prices extended their bull run.

MSCI's broadest index of Asia-Pacific shares outside Japan eased 0.2%, and Australia 0.9%. Japan's Nikkei lost 0.5%, after shedding 2.5% last week.

The earnings season kicks off this week and is likely to bring tales of supply disruptions and rising costs.

OIL, RUPEE & FIIs

Crude Oil: Oil prices were up again after gaining 4% last week to the highest in almost seven years. Brent climbed 25 cents to \$82.64, while U.S. crude rose 41 cents to \$79.76 per barrel.

Indian Rupee: The rupee tumbled 20 paise to close at 74.99 (provisional) against the US dollar on Friday, as rising crude oil prices weighed on investor sentiment, even as the domestic equities ended with handsome gains.

At the interbank foreign exchange market, the local currency opened at 75 and witnessed an intra-day high of 74.91 and a low of 75.16 against the US dollar in day trade.

The local unit finally settled at 74.99 a dollar, down 20 paise over its previous close.

FPIs: Foreign portfolio investors (FPIs) remained net buyers to the tune of Rs 1,997 crore so far in October as India continues to be a competitive investment destination from a long-term perspective.

As per depositories data, Rs 1,530 crore was invested by FPIs in equities and Rs 467 crore into the debt segment between October 1-8.

The total net investment stood at Rs 1,997 crore. FPIs have been net buyers for two consecutive months and have invested Rs 26,517 crore in September and Rs 16,459 crore in August.

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 be watched. Investors will continue to watch September 2021 quarterly earnings for direction.

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. Globally, the trend of rise in COVID cases on account of the delta variant, especially in UK and Asia.

On the macro front, the Industrial Production and Manufacturing Production data for August will be released tomorrow. Inflation rate for September will be declared on the same day.

The Wholesale price index (WPI) inflation for September is due on 14 October 2021.

Overseas, China will announce inflation rate for September on 14 October 2021.

US will announce core inflation rate for September tomorrow.

The US Retail Sales data for September will be declared on 15 October, 2021.

Source: Reuters, Capital Market, ET

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

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