

## **Markets at record high, Nifty hits 18,500 mark; Metal shares shine**

The benchmark indices yet again opened with a positive gap on the back of prevailing upbeat market sentiment and cues from the select overseas markets. The BSE Sensex has registered a new life-time high at 61,894 in intra-day trades so far while the Nifty 50 index so far registered a new summit at 18,521.

At 10:10 AM, the frontline S&P BSE Sensex was trading at 61,751, up 428 points or 0.7%. Market breadth is positive and out of a total of 3,052 shares traded on the Bombay Stock Exchange, 1,981 advanced while 897 declined and 174 remained unchanged. The broader Nifty50 was at 18,485 levels, up 147 points or 0.80%.

The broader markets have also logged smart gains. The NSE Nifty Midcap 100 index has surged 1.4%, and the Smallcap 100 index has added 0.8%. India VIX too has jumped nearly 9% to 17.15.

Among sectors, the Nifty Metal index has soared 3.6%, and the PSU Bank index has rallied 1.5%. The Nifty Consumer Durables, Oil & Gas and IT indices have advanced over a per cent each. Metals and energy stocks jumped on a rally in commodity prices.

## **WEEKLY REVIEW – OCTOBER 12– OCTOBER 16, 2021**

The key benchmark indices extended robust gains for the second consecutive week on robust initial batch of earnings from corporates and positive global cues. The Nifty index settled above the psychological 18,000 level for the first time. The S&P BSE Sensex also achieved closing above the key 61,000.

In the week ended on Thursday, 14 October 2021, the Sensex jumped 1,246.89 points or 2.08% to settle at 61,305.95. The Nifty50 index advanced 443.35 points or 2.48% to settle at 18,338.55. The BSE Midcap index spurted 862.35 or 3.34% to settle at 26,699.69. The BSE Smallcap index gained 563.07 points or 1.92% to settle at 29,893.06.

## **GLOBAL MARKETS**

Mainland Chinese and Hong Kong equity markets fell on Monday after data showed China's economy grew more slowly than expected in the third quarter, weighing on regional stocks, although losses were capped by hopes of support from policymakers.

MSCI's broadest index of Asia-Pacific shares outside Japan was last down 0.2%, while Japan's Nikkei lost 0.3%. U.S. stock futures, the S&P 500 e-minis, were steady.

The Asian declines come after stocks globally finished last week in a bullish mood posting their best day in five months on Friday as strong U.S. corporate earnings reports fuelled optimism about the economy, although firm oil prices kept inflation risks alive and lifted government bond yields.

## OIL, RUPEE & FIIs

**Crude Oil:** Oil prices, meanwhile, hit new multi-year peaks, continuing their recent surge amid a global energy shortage, with U.S. crude at a fresh seven-year high and Brent at a three-year high.

U.S. crude was last up 1.28% at \$83.33 a barrel, while Brent crude was last 0.85% higher at \$85.58 per barrel.

**Indian Rupee:** On Thursday, rupee appreciated for the second day in a row and gained 11 paise to close at 75.26 against the US dollar. At the interbank forex market, the local unit opened strong at 75.27 against the greenback and moved in a range of 75.20 to 75.37 in the day trade. On Wednesday, the rupee had settled at 75.37 against the US dollar. Yields on the 10 year benchmark 6.10 GS 2031 ended at 6.328%.

**FPIs:** Foreign portfolio investors (FPI) have turned net sellers in the capital markets in October so far, reversing the trend of net investments in the previous two months, due to depreciation in the rupee and global factors, experts said.

According to the depositories' data, FPIs have pulled out Rs 1,472 crore from capital markets on a net basis in the current month so far.

A trend reversal was witnessed in the debt segment in October from the big buying in the previous two months when FPIs had invested Rs 13,363 crore in September and Rs 14,376.2 crore in August. In October so far, they pulled out Rs 1,698 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 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.

Overseas, US will announce industrial production rate for September today.

*Source: Reuters, Capital Market, ET*

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

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