

Sensex falls over 300 points, Midcap weak; Nifty Bank index surges 1%

Benchmark indices have erased opening gains and have turned weak amid volatility despite positive trend in global peers.

FMCG, IT, Metal, Pharma, and Realty sectors were trading in the negative territory, exerting pressure on the indices. The Nifty Bank index, however, was ruling over a per cent higher at 40,755, after hitting a record high of 41,024 earlier today.

At 10:00 AM, the frontline S&P BSE Sensex was trading at 60,475, down 343 points or 0.56%. Market breadth is negative and out of a total of 2,978 shares traded on the Bombay Stock Exchange, 641 advanced while 2,195 declined and 142 remained unchanged. The broader Nifty50 was at 17,981 levels, down 141 points or 0.78%.

In the broader markets, the BSE Midcap and Smallcap indices declined up to 0.65%.

WEEKLY REVIEW – OCTOBER 19– OCTOBER 23, 2021

The benchmark indices ended lower during the week, snapping prior two-week rising trend. Rising global crude oil prices, profit booking and negative global cues put pressure on bourses. The Sensex settled above 60,800 level. The Nifty closed above 18,100 level.

In the week ended on Friday, 22 October 2021, the Sensex declined 484.33 points or 0.79% to settle at 60,821.62. The Nifty50 index shed 223.65 points or 1.22% to settle at 18,114.90. The BSE Midcap index lost 1,133.05 or 4.24% to settle at 25,566.64. The BSE Smallcap index skid 1,556.75 points or 5.21% to settle at 28,336.31.

GLOBAL MARKETS

Asian shares edged higher on Monday ahead of a week packed with major quarterly earnings announcements though news of trials of a property tax in China weighed on Hong Kong and mainland Chinese markets.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.26% while Japan's Nikkei lost 1% on softer earnings by several local companies.

Australian shares rose 0.47%, supported by miners, while South Korea was up 0.5%, though these gains were balanced by more muted moves in Greater China.

Chinese blue chips were flat, though an real estate index shed 3%, while the Hong Kong benchmark gained 0.18% despite a 2.6% fall in an index of Hong Kong listed mainland property firms.

OIL, RUPEE & FIIs

Crude Oil: Oil prices rose on Monday, extending pre-weekend gains, with U.S. crude hitting a seven-year high as global supply remained tight amid strong demand worldwide. Brent crude rose 0.88% to \$86.28 a barrel, while U.S. crude rose 1.11% to \$84.69, a new seven-month high.

Indian Rupee: After opening marginally stronger versus the US dollar, the rupee on Friday ended the day a tad lower as investors preferred to square off long bets in favour of the domestic currency ahead of US Flash PMI data, scheduled late Friday, dealers said.

The rupee on Friday settled at 74.89/\$1 as against 74.8600 per US dollar on Thursday. The partially convertible rupee had started the day at 74.81/\$1 and then moved in a range of 74.69/\$1 to 74.94/\$1.

FPIs: Foreign portfolio investors (FPIs) have turned net sellers in Indian market by pulling out Rs 3,825 crore in October so far. In the past two months, huge buying was witnessed in the debt segment when FPIs had Rs 13,363 crore in September and Rs 14,376.2 crore in August.

However, so far, in October, FPIs have pulled out Rs 1,494 crore, depositories' data showed.

From equities, FPIs took out Rs 2,331 crore. The total net outflow stood at Rs 3,825 crore during October 1-22.

WEEK AHEAD

Trading could be volatile in the forthcoming week as traders roll over positions in the F&O segment from the near month October series to November series. The October 2021 F&O contracts will expire on Thursday, 28 October 2021.

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 September 2021 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).

Overseas, China's industrial profits data for September will be announced on 27 October 2021.

The Bank of Japan (BoJ) will announce its interest rate decision on 28 October 2021.

The United States Durable Goods Orders for September will be announced on 27 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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