

Sensex falls over 200 points, IT & bank sectors weak; broader markets mixed

Indian equities started on a tepid note on Monday, following a weak trend in the global markets. Among the sectors, IT and banks were under pressure and in the broader market, the BSE Midcap and Smallcap indices traded mixed. Metal stocks have edged higher.

At 9:40 AM, the frontline S&P BSE Sensex was trading at 58,076, down 229 points or 0.39%. Market breadth is positive and out of a total of 2,778 shares traded on the Bombay Stock Exchange, 1,421 advanced while 1,187 declined and 170 remained unchanged. The broader Nifty50 was at 17,313 levels, down 56 points or 0.32%.

WEEKLY REVIEW – SEPTEMBER 7– SEPTEMBER 11, 2021

Domestic benchmark indices closed with small gains during the truncated week. Broader markets outperformed.

In the week ended on Thursday, 9 September 2021, the Sensex rose 175.12 points or 0.30% to settle at 58,305.07. The Nifty 50 index gained 45.65 points or 0.26% to settle at 17,369.25. The BSE Mid-Cap index added 323.10 or 1.33% to settle at 24,705.29. The BSE Small-Cap index advanced 339.79 points or 1.24% to settle at 27,645.10.

COVID 19- UPDATE

India reported a 13% drop in fresh Covid-19 cases in the week ending Sunday, the first substantial decline in infections in three weeks, as Kerala registered a 17% dip in case count. Deaths from the virus fell to a 24-week low. India reported 2,104 fatalities in the week, the lowest toll since the March 22-28 week.

GLOBAL MARKETS

Asian shares made a sluggish start on Monday to a week packed with major U.S. and Chinese economic data and the launch of Apple's latest iPhones, while the Nikkei was tantalisingly near heights last visited in 1990.

Japanese shares have been on a tear as hopes for fresh stimulus from a new Prime Minister saw the Nikkei surge 4.3% last week. The Topix has already scaled that peak, but the Nikkei dipped 0.3% ahead of the resistance barrier.

MSCI's broadest index of Asia-Pacific shares outside Japan eased 0.7%, after bouncing on Friday. Chinese blue chips were off 0.3%.

Both Nasdaq futures and S&P 500 futures were up 0.1%, after running into profit taking last week.

OIL, RUPEE & FIIs

Crude Oil: Oil prices firmed on Monday supported by growing signs of supply tightness in the United States as a result of Hurricane Ida. About three-quarters of the US Gulf's offshore oil production has remained halted since late August.

Brent added 40 cents to \$73.32 a barrel, while US crude rose 39 cents to \$70.11.

Indian Rupee: The Indian rupee weakened by 47 paise as importers rushed to cover their dollar payables. It opened around the 73 mark, and gradually lost ground against the US dollar to touch a low of 73.87 before bucking the trend on Thursday to end at 73.50.

FPIs: Continuing the buying in Indian markets, foreign portfolio investors (FPIs) pumped in a net sum of ₹7,605 crore in September so far.

According to data from depositories, overseas investors invested ₹4,385 crore into equities and ₹3,220 crore in the debt segment during September 1-9.

During this period, the total net investment stood at ₹7,605 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. Stock markets were closed on Friday, 10 September 2021 on account of Ganesh Chaturthi.

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 Wholesale price index (WPI) inflation for August 2021 is due tomorrow.

Overseas, China's industrial production data for August will be announced on 15 September 2021.

US will announce inflation rate for August tomorrow. US Retail Sales for August will be announced on 16 September 2021.

Euro Area's industrial production data for July will be announced on 15 September 2021.

Source: Reuters, Capital Market, ET

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

Disclaimer: The article (including market views expressed herein) is for general information only and does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this information. The data/information used/disclosed in the article is only for information purposes and not guaranteeing/indicating any returns. The article provides general information and comparisons made (if any) are only for illustration purposes. Investments in mutual funds and secondary markets inherently involve risks and recipient should consult their legal, tax and financial advisors before investing. Recipient of this document should understand that statements made herein regarding future prospects may not be realized. Recipient should also understand that any reference to the indices/ sectors/ securities/ schemes etc. in the article is only for illustration purpose and are NOT stock recommendation(s) from the author or L&T Investment Management Limited, the asset management company of L&T Mutual Fund ("the Fund") or any of its associates. Any performance information shown refers to the past and should not be seen as an indication of future returns. The value of investments and any income from them can go down as well as up. The distribution of the article in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of the article are required to inform themselves about, and to observe, any such restrictions.

CL08635