

Sensex falls over 150 points amid volatility; Metal stocks fall

The Indian markets traded lower, but off the day's bottom, in Monday's morning deals, amid weak trend in metals and public sector banks.

At 10:20 AM, the frontline S&P BSE Sensex was trading at 52,299, down 176 points or 0.37%. Market breadth is negative and out of a total of 3,053 shares traded on the Bombay Stock Exchange, 1,036 advanced while 1,877 declined and 140 remained unchanged. The broader Nifty50 was at 15,722, levels, down 78 points or 0.5%.

All the Nifty sectoral indices, except Nifty IT index, were painted red, with Nifty Metal index, down 1.3%, bleeding the most.

In the broader markets, the S&P BSE Midcap and Smallcap indices fell 2% and 1.5%, respectively.

WEEKLY REVIEW – JUNE 7 – JUNE 11, 2021

The key barometers logged modest gains during the week as declining COVID-19 cases and positive global stocks boosted sentiment. The Sensex and the Nifty attained record closing high levels. Broader markets outperformed the benchmark indices.

In the week ended on Friday, 11 June 2021, the Sensex rose 374.71 points or 0.72% to settle at 52,474.76. The Nifty 50 index gained 129.10 points or 0.82% to settle at 15,799.35. Both the indices attained record closing high levels on Friday.

The BSE Midcap index added 416.34 or 1.85% to settle at 22,927.83. The BSE Smallcap index advanced 854.40 points or 3.52% to settle at 25,116.30.

COVID 19- UPDATE

After two consecutive weeks of decline in Covid-19 deaths, India registered a 19 percent rise in the week ending on Sunday. However, the rise was mainly driven by the 12,573 backlog deaths added to the toll. The deaths in the seven days constituted half of 25,000 deaths recorded during the last seven days, making the week's fatalities highest in the three weeks, Times of India reported.

Maharashtra has recorded the highest backlog of 8,622 deaths while Bihar accounted for 3,951 during June 7-13. Backlog deaths are fatalities from the past days that remained unreported due to delays by hospitals or other reasons.

India reports 70,421 new Covid-19 cases (lowest in last 72 days), 1,19,501 patient discharges and 3,921 deaths in last 24 hrs, as per Health Ministry.

- Total cases: 2,95,10,410
- Total discharges: 2,81,62,947

- Death toll: 3,74,305
- Active cases: 9,73,158
- Vaccination: 25,48,49,301

GLOBAL MARKETS

Global shares held firm near record highs on Monday while U.S. bond yields flirted with three-month lows as investors expect the Federal Reserve to stick to its dovish mantra later this week.

Japan's Nikkei rose 0.35% while MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.1%. Activity was limited with the region's largest markets - China, Hong Kong and Australia - closed for a holiday.

Globally, equity markets were basking in the prospects of a broadening economic recovery from the coronavirus pandemic and anticipation of continuity in dovish monetary policy from the US Federal Reserve.

The MSCI all-country world equity index, the US S&P 500 and the pan-regional STOXX Europe 600 index all closed at record highs on Friday.

OIL, RUPEE & FIIs

Crude Oil: Oil prices held near multi-year highs on an improved outlook for worldwide fuel demand.

Brent crude futures inched up 0.2% to \$72.85 per barrel, near their highest levels since May 2019.

US West Texas Intermediate (WTI) crude futures added 0.2% to \$71.05 per barrel, near their highest since October 2018.

Indian Rupee: The Indian rupee on Friday settled marginally lower at 73.07 against the US dollar, marking its fourth loss in a row, even as some positive factors helped the domestic unit stay away from any deep loss. At the interbank foreign exchange market, the rupee opened at 72.97 per dollar as against its previous close of 73.06. It hovered in the range of 72.91 to 73.09 during the day before ending at 73.07 a loss of 1 paisa against the US currency. On a weekly basis, the rupee fell 8 paise against the US dollar.

FIIs: Overseas investors pumped in a net Rs 13,424 crore so far in June as risk-on sentiment improved with declining Covid-19 cases and hopes of early opening of economy.

Depositories data showed that foreign portfolio investors (FPIs) invested Rs 15,520 crore in equities during June 1-11. At the same time, FPIs withdrew Rs 2,096 crore from the debt segment during the period under review. The total net inflow stood at Rs 13,424 crore.

WEEK AHEAD

Local and global macroeconomic data, Covid updates, quarterly results, 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.

India Inc will continue to report its March quarter earnings.

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.

Progress of monsoon will be closely watched. The Indian Meteorological Department has predicted a normal monsoon in most parts of the country in June. As per the weather department, the country is likely to experience 101 per cent rainfall during the monsoon season. The IMD will issue the forecast for the July rainfall in the last week of June 2021.

In economic data, WPI inflation for May 2021 is due on 14 June 2021. RBI will unveil minutes of the Monetary Policy Meeting concluded on 4 June 2021.

Overseas, Japan's final industrial production data for April will be released today.

US Retail Sales for May will be announced on 15 June 2021.

The US Federal Reserve (Fed) will wrap up its two-day policy meeting on 16 June, 2021.

Euro Area's industrial production data for April will be announced today.

Source: Reuters, Capital Market, ET

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

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