

## **Nifty hovers around 15,700 mark amid volatility; Midcap & Smallcap outperform**

The Indian markets fluctuated between gains and losses in Monday's early deals, amid selling in financial counters.

At 9:50 AM, the frontline S&P BSE Sensex was trading at 52,104, up 4 points or 0.02%. Market breadth is positive and out of a total of 2,762 shares traded on the Bombay Stock Exchange, 1,985 advanced while 673 declined and 104 remained unchanged. The broader Nifty50 was at 15,700, levels, up 29 points or 0.19%.

All the Nifty sectoral indices, except Nifty Financial Services, were painted green, led by Nifty PSU Bank index, up 1%.

The broader markets, meanwhile, outperformed their benchmark peers, with the S&P BSE Midcap and Smallcap indices ruling 0.8% higher, each.

## **WEEKLY REVIEW – MAY 31 – JUNE 4, 2021**

Indian equity indices ended with modest gains during the week. Sentiment was positive as fresh covid cases continue to decline and vaccination pace picks up. The Nifty index scaled fresh record highs multiple times during the week. Both the Sensex and the Nifty, attained record closing high, on Thursday. The broader market outperformed their larger peers.

In the week ended on Friday, June 4, 2021, the Sensex rose 677.17 points or 1.32% to settle at 52,100.05. The Nifty50 index gained 234.60 points or 1.52% to settle at 15,670.25. The BSE Midcap index advanced 849.66 or 3.92% to settle at 22,511.49. The BSE Smallcap index rallied 783.21 points or 3.34% to settle at 24,261.90.

## **COVID 19- UPDATE**

India reported 1,14,460 new COVID-19 cases, 1,89,232 discharges, and 2,677 deaths in the last 24 hours, informed the Union Health Ministry on Sunday.

This is the lowest number of cases reported in the last two months. On April 5, 96,982 cases were reported. The following day, 1,15,736 new cases were reported.

A total of 2,88,09,339 positive cases have been reported so far, including 2,69,84,781 recoveries, and 14,77,799 active cases.

As many as 36,47,46,522 samples have been tested in the country up to June 5 including 20,36,311 samples tested on Saturday, the Indian Council of Medical Research informed.

The national Recovery Rate has increased to 93.67%. The weekly positivity rate, meanwhile, stands at 6.54%.

As many as 23,13,22,417 doses of the COVID-19 vaccine have been administered so far.

## GLOBAL MARKETS

Asian shares turned lower on Monday as relief over the benign US jobs report was chilled by caution ahead of key inflation data later this week, while a coronavirus outbreak in Taiwan took a toll on chip manufacturers.

Investors were wary on how shares of major tech firms would react to the G7's agreement on a minimum global corporate tax rate of at least 15%, though getting the approval of the whole G20 could be a tall order.

So far, the reaction was muted with both Nasdaq and S&P 500 futures down 0.2%. EUROSTOXX 50 futures and FTSE futures eased 0.1%.

Also of interest will be the tussle over US President Joe Biden's proposed \$1.7 trillion infrastructure plan with the White House rejecting the latest Republican offer.

MSCI's broadest index of Asia-Pacific shares outside Japan slipped 0.3% and risked a fourth session of losses. Japan's Nikkei edged up 0.2% and touched its highest in almost a month.

Taiwan stocks lost 1.7%. Chinese blue chips were off 0.3% ahead of data on exports and imports for May.

## OIL, RUPEE & FIIs

**Crude Oil:** Oil prices ran into profit-taking after Brent topped \$72 a barrel for the first time since 2019 last week as OPEC+ supply discipline and recovering demand countered concerns about a patchy global COVID-19 vaccination rollout.

Brent slipped 31 cents at \$71.58 a barrel, while US crude eased 24 cents to \$69.38.

**Indian Rupee:** On Friday, Indian rupee ended lower at 73 per dollar, amid selling saw in the domestic equity market after RBI kept the key rates unchanged.

**FPIs:** Foreign investors have infused close to Rs 8,000 crore into Indian equities in the first four trading sessions of June as risk-on sentiment improved amid rapidly falling new Covid cases and robust corporate earnings.

The inflow comes following a net withdrawal of Rs 2,954 crore in May and Rs 9,659 crore in April, data with depositories showed.

According to the data, foreign portfolio investors (FPIs) put in a net sum of Rs 7,968 crore in the Indian equity market during June 1-4.

## 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.

On the macro front, the Industrial Production and Manufacturing Production data for April will be released on 11 June 2021.

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.

Overseas, investors are awaiting U.S. jobs data for May due on Friday, 4 June 2021 for clues to the Fed's plans for policy in the coming weeks and months.

China will announce inflation rate for May on 9 June 2021.

US will announce inflation rate for May on 10 June 2021.

**Source:** Reuters, Capital Market, ET

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

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