

## **Nifty starts August F&O series above 17,200; Auto index up 2%**

Indian indices opened on positive note on August 1 with Nifty starting the August F&O series above 17,200. Indian rupee opened 9 paise higher at 79.17 per dollar on Monday against Friday's close of 79.26.

At 9:50 AM, the frontline S&P BSE Sensex was trading at 57,817 up by 247 points or 0.43%. Market breadth is positive and out of a total of 2,891 shares traded on the Bombay Stock Exchange, 1,914 advanced while 834 declined and 143 remained unchanged. The broader Nifty50 was at 17,249 levels up 91 points or 0.53%.

Broader markets, too, were exuberant in trade as Nifty Midcap 100 and Nifty Smallcap 100 inched higher up to 0.5%.

Sectorally, Nifty Auto and Nifty Media hogged the limelight as they climbed up to 2% in trade while PSU Banks and Realty sector are in red zone.

## **WEEKLY REVIEW – JULY 25 – JULY 29, 2022**

Key indices logged gains for the second straight week on buying demand in index pivotals. Shares rallied on hope that global central banks may go slow on interest rate hikes. Softening commodity prices and net buying by foreign institutional investors (FIIs) in the past few sessions also boosted the sentiment. The Nifty settled above the 17,150 level level.

Global sentiment was upbeat after the US Fed hinted at slowing down rate hikes going forward and rejected the speculation that the US economy is in recession.

The key indices logged gains in three of five trading sessions during the week. The Nifty settled above 17,150 mark. On the sectoral front, Nifty Metal index added 7.7%, Nifty Media index rose 5% and Nifty Information Technology index gained 3.5%.

In the week ended on Friday, 29 July 2022, the Sensex gained 1,498.02 points or 2.67% to settle at 57,570.25. The Nifty 50 index advanced 438.80 points or 2.62% to settle at 17,158.25. The BSE Midcap index rose 1.65% to settle at 24,050.90. The BSE Smallcap index gained 1.06% to settle at 27,056.38.

## **GLOBAL MARKETS**

Asian shares were sluggish on Monday as disappointing Chinese economic data fed doubts Wall Street's rally could be sustained, while the dollar continued its retreat on the yen as speculators were forced out of suddenly unprofitable short positions.

China's official measure of factory activity contracted in July as fresh virus flare-ups weighed on demand, and the Caixin PMI also missed forecasts.

South Korean activity weakened for the first time in two years, while Japan expanded at the slowest pace in 10 months.

The caution was evident as MSCI's broadest index of Asia-Pacific shares outside Japan eased 0.2%.

Chinese blue chips were flat, while Japan's Nikkei eked out a gain of 0.4% and South Korea 0.3%.

S&P 500 futures and Nasdaq futures both eased 0.3%. EUROSTOXX 50 futures added 0.1%, while FTSE futures fell by the same amount.

## **OIL, RUPEE & FIIs**

**Crude Oil:** Oil prices dropped early on Monday as investors braced for this week's meeting of officials from OPEC and other top producers on supply adjustments. Brent crude futures dropped 63 cents, or 0.6%, to \$103.34 a barrel by 0000 GMT. U.S. West Texas Intermediate crude was at \$97.87 a barrel, down 75 cents, or 0.7%, after hitting a session low of \$97.55 when trading commenced in Asia.

**Rupee:** The rupee on Friday notched up its biggest single-day gain in nine months to close at a three-week high of 79.24 against the US dollar on fresh capital inflows and a weak green back in global markets.

**FPIs & DIIs:** During the week, the selling by foreign institutional investors (FIIs) declined to Rs 145.87 crore, while domestic institutional investors (DIIs) bought equities worth Rs 2,238.51 crore. In July, FIIs sold equities worth Rs 6,567.71 crore, while DIIs bought equities worth of Rs 10,546.02.

## **WEEK AHEAD**

The Reserve Bank of India (RBI)'s rate setting Monetary Policy Committee's (MPC) meeting will be the key event to be watched. The MPC meeting was rescheduled due to administrative exigencies. The MPC will now meet on August 3-5, from previously scheduled August August 2-4, said the RBI.

Earnings announcements from India Inc will remain in focus in the trading week ahead. The movement of rupee against the dollar and crude oil prices will also dictate trend on the bourses in the near term. Investment by foreign portfolio investors (FPIs) and domestic institutional investors (DIIs) will be monitored. Participants will also be eyeing COVID cases trend and progress of monsoon.

Auto stocks will be in focus as auto companies will start announcing monthly sales numbers for July starting from today.

On the macro front, the S&P Global Composite PMI data for July will be declared today. The S&P Global Services PMI for July will be declared on 3 August 2022.

Overseas, China will announce the Caixin Manufacturing PMI for July today.

The US ISM Manufacturing PMI data for July will be announced today. The US ISM Non Manufacturing PMI data for July will be announced on 3 August 2022.

The US Non Farm Payrolls data for July will be announced on 5 August 2022.

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

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

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