

Sensex gains 100 points amid volatility; Nifty around 17,400

Indian equity markets have turned choppy after making a subdued opening in Monday's trade amid weak global sentiments. Indian rupee opened 20 paise lower at 79.44 per dollar on Monday against Friday's close of 79.24.

At 9:37 AM, the frontline S&P BSE Sensex was trading at 58,523 up by 135 points or 0.23%. Market breadth is positive and out of a total of 2,862 shares traded on the Bombay Stock Exchange, 1,700 advanced while 1,028 declined and 134 remained unchanged. The broader Nifty50 was at 17,430 levels up 33 points or 0.19%.

Broader markets, too, reflected the tepid mood as Nifty Midcap 100 underperformed Nifty Smallcap 100 and lost 0.06% in trade.

Sectorally, Nifty Metal, Nifty Pharma, and Nifty Auto defied the overall market mood. However, Nifty PSU Bank and Nifty Realty were bogged down in trade.

WEEKLY REVIEW – AUGUST 1 – AUGUST 5, 2022

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The Nifty settled tad below the 17,400 level. The key indices logged gains in four of five trading sessions during the week. Cooling commodity prices, easing supply-side bottlenecks and some decent buying from foreign institutional investors (FIIs) in the past few sessions boosted the sentiment.

In the week ended on Friday, 29 July 2022, the Sensex advanced 817.68 points or 1.42% to settle at 58,387.93. The Nifty50 index gained 239.25 points or 1.39% to settle at 17,397.50. The BSE Midcap index rose 1.78% to settle at 24,479.05. The BSE Smallcap index added 2.03% to settle at 27,605.08.

GLOBAL MARKETS

Asian share markets were mostly softer on Monday and the dollar held firm after a stunning U.S. payrolls report pushed back against talk of recession but also bolstered the case for more super-sized rate hikes.

Markets quickly moved to price around a 70% chance the Federal Reserve will lift rates by 75 basis points in September, sending two-year yields up 20 basis points on Friday and further inverting the curve.

The blockbuster data only raised the stakes for the July U.S. consumer prices report due on Wednesday, which could see a slight pullback in headline growth, but likely a further acceleration in core inflation.

The risk haunted equity markets with S&P 500 futures and Nasdaq futures both down 0.2%.

MSCI's broadest index of Asia-Pacific shares outside Japan dipped 0.5%, after three sessions of gains. Japan's Nikkei was flat and South Korea's KOSPI dipped 0.2%, while Chinese blue chips eased 0.1%.

EUROSTOXX 50 futures fared better and added 0.4%, while FTSE futures rose 0.2%.

OIL, RUPEE & FIIs

Crude Oil: Oil prices continued their recent retreat after suffering the worst week since April on worries about stalling global demand as central banks keep tightening.

Brent lost 11 cents to \$94.81, while U.S. crude eased 13 cents to \$88.88 per barrel.

Rupee: The rupee appreciated by 17 paise to close at 79.23 (provisional) against the U.S. dollar on Friday after the Reserve Bank hiked interest rates by 50 basis points.

At the interbank foreign exchange market, the domestic currency opened at 79.15 per dollar. It hovered in a range of 78.94 to 79.29 during the session.

FPIs & DIIs: Foreign institutional investors (FIIs) net bought shares worth Rs 1,605.81 crore whereas domestic institutional investors (DIIs) net sold shares worth Rs 495.94 crore on August 5, as per provisional data available on the NSE.

WEEK AHEAD

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. Stock markets will remain closed on Tuesday, 9 August 2022 on account of Muharram.

On the macro front, the Industrial Production and Manufacturing Production data for June will be released on 12 August 2022. India's inflation rate for July will be unveiled on 12 August 2022.

Overseas, China will announce inflation rate for July on 10 August 2022.

US will announce inflation rate for July on 10 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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