

## **Sensex zooms over 400 points, Nifty aims 16,200 mark: IT & Metals lead**

Domestic stock markets opened with strong gains on Monday tracking strength in Asian and US equities.

At 9:40 AM, the frontline S&P BSE Sensex was trading at 54,203 up by 443 points or 0.82%. Market breadth is positive and out of a total of 2,781 shares traded on the Bombay Stock Exchange, 2,088 advanced while 546 declined and 147 remained unchanged. The broader Nifty50 was at 16,183 levels up 134 points or 0.83%.

The broader markets also opened in green. The BSE Midcap and Smallcap indices were up to 0.8% higher.

All sectors opened in green with Nifty IT and metals leading gains, rising up to 1.7%. PSBs, realty and pharma indices were the next top winners.

Indian rupee opened higher by 10 paise at 79.77 per dollar on Monday against Friday's close of 79.87.

## **WEEKLY REVIEW – JULY 11 – JULY 15, 2022**

The domestic equity benchmarks ended the week with modest losses as inflation in countries across the globe continues to rise. Surging inflation paves the way for steep hikes in interest rates by global central banks. The key indices logged losses in four out of five trading session in the week marked with high volatility. However, reduced FII selling, lower crude oil prices and a good monsoon provided some support to the market. The Nifty held the key 16,000 mark after falling below that level during the week.

In the week ended on Friday, 8 July 2022, the Sensex declined 721.06 points or 1.32% to settle at 53,760.78. The Nifty50 index lost 171.4 points or 1.06% to settle at 16,049.20. The BSE Midcap index rose 0.88% to settle at 22,854.62. The BSE Smallcap index gained 0.54% to settle at 25,779.56.

On the sectoral front, BSE Power index added 4.5% and BSE Oil & Gas, Auto and Realty indices rose 2% each. However, Information Technology index shed 6%.

## **GLOBAL MARKETS**

Asian shares inched higher on Monday following a much-needed bounce on Wall Street, but nerves are stretched ahead of a near-certain interest rate hike in Europe and another round of corporate earnings reports.

It is shaping up to be a fraught week for Europe as it waits anxiously to see if Russia resumes the flow of gas through the Nord Stream 1 pipeline on July 21, while Italy teeters on the brink of political turmoil should Prime Minister Mario Draghi go ahead and resign.

The uncertainty will haunt the European Central Bank as it holds a policy meeting where it is likely to kick off a tightening cycle with a rise of 25 basis points.

Japan's Nikkei was closed for a holiday, but futures traded at 27,040 compared to a cash close of 26,788, while South Korea gained 1.4%.

US stocks rallied on Friday with better-than-expected retail sales data and surprise earnings beat from Citigroup.

## OIL, RUPEE & FIIs

**Crude Oil:** Oil prices fell \$1 in early trading in Asia on Monday, cutting into gains from Friday, as attention turned back to rising COVID-19 cases in China and the prospect of lockdowns again reducing fuel demand in the world's top oil importing nation.

U.S. West Texas Intermediate (WTI) crude futures for August delivery dropped \$1.54, or 1.6%, to \$96.05 a barrel at 0055 GMT, after climbing 1.9% on Friday.

Brent crude futures for September settlement fell \$1.47, or 1.5%, to \$99.69 a barrel, paring a 2.1% gain from Friday.

**Rupee:** The rupee recovered 8 paise to settle at 79.91 (provisional) against the US currency on Friday, tracking heavy buying in domestic equities and weakness in the greenback overseas.

**FPIs & DIIs:** In the last week, foreign institutional investors (FIIs) offloaded equities worth of Rs 5,916.01 crore. However, domestic institutional investors (DIIs) purchased equities worth of Rs 2,146 crore.

However, in the month of July, FIIs sold equities worth Rs 10,459.13 crore and DIIs bought equities worth of Rs 7,367.04, till now.

## 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.

The Monsoon session of Parliament will commence from today and would conclude on 12 August 2022. The main highlight of the Monsoon Session of Parliament will be the elections for the office of the President of India. The polling will take place on July 18 and the counting of votes will take place on July 21. The voting for the post of Vice President will take place on August 6.

Overseas, China will announce Loan Prime Rate for 1 year and 5 years on 20 July 2022.

The Bank of Japan (BoJ) will announce its interest rate decision on 21 July 2022.

Japan will announce inflation rate for June on 22 July 2022.

In Europe, the European Central Bank (ECB) will announce its interest rate decision on 21 July 2022.

The US Existing Home Sales data for June will be declared on 20 July 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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