

## **Markets turn weak after positive opening; Metal, IT shares drag**

The equity markets opened with tepid gains on Monday amid mixed cues from global peers. The BSE Sensex rose 300 points to 53,051, and the NSE Nifty50 advanced 30 points to 15,780. Soon after, the benchmark indices turned negative as selling intensified in metals, IT and energy related counters.

At 9:55 AM, the frontline S&P BSE Sensex was trading at 52,749 down by 159 points or 0.30%. Market breadth is positive and out of a total of 2,907 shares traded on the Bombay Stock Exchange, 1,716 advanced while 1,027 declined and 164 remained unchanged. The broader Nifty50 was at 15,692 levels down 60 points or 0.40%.

The broader markets started mixed. The BSE Midcap index was up 0.34% and Smallcap index sat unchanged.

Sectorally, Nifty metals slumped 2%. Other losers were IT, auto and oil & gas packs, down 0.4-0.9%.

## **WEEKLY REVIEW – JUNE 27 – JULY 1, 2022**

Local stocks clocked minor gains in the week marked by high volatility across global markets. The Nifty closed a tad above 15,750. Indices logged gains in two out of five trading session in the week.

In the week ended on Friday, 1 July 2022, the Sensex advanced 179.95 points or 0.34% to settle at 52,907.93. The Nifty50 index gained 52.8 points or 0.34% to settle at 15,752.05. The BSE Midcap index rose 0.26% to settle at 21,858.93. The BSE Smallcap index gained 1.2% to settle at 24,807.74.

## **GLOBAL MARKETS**

Global share markets wavered on Monday as a run of soft U.S. data suggested downside risks for this week's June payrolls report, while the hubbub over possible recession was still driving a relief rally in government bonds.

The search for safety kept the U.S. dollar near 20-year highs, though early action was light with U.S. markets on holiday.

MSCI's broadest index of Asia-Pacific shares outside Japan were flat, while Japan's Nikkei added 0.6%.

Chinese blue chips were little changed as cities in eastern China tightened COVID-19 curbs on Sunday amid new coronavirus clusters.

EUROSTOXX 50 futures added 0.5% and FTSE futures 0.6%. However, both S&P 500 futures and Nasdaq futures eased 0.6%, after steadying just a little on Friday.

## OIL, RUPEE & FIIs

**Crude Oil:** Oil prices eased as investors weighed demand concerns against supply constraints. Output restrictions in Libya and a planned strike among Norwegian oil and gas workers were just the latest blows to production.

Brent slipped 34 cents to \$111.29, while U.S. crude eased 30 cents to \$108.13 per barrel.

**Rupee:** Rupee depreciated last week amid strong dollar and weak domestic stock markets. The rupee plunge continued for three quarters in a row now, falling to a new record low of 79.53.

**FPIs & DIIs:** On Friday, FIIs sold Indian equities worth Rs 2,324 crore on a net basis while DIIs bought worth Rs 1,310 crore. June reported the second biggest monthly FII outflow at Rs 58,112 crore after Rs 65,817 crore in March 2020. The total outflow since October 2021 is around Rs 3.85 lakh crore, though domestic institutional investors managed to compensate to a great extent by buying nearly Rs 3 lakh crore worth of shares in the same period.

## 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. Consolidation is expected to continue, with all eyes on corporate earnings and global cues, including the release of the Federal Reserve Open Market Committee (FOMC) meeting's minutes.

On the macro front, the S&P Global Composite PMI and the S&P Global Services PMI for June will be declared on 5 July 2022.

Overseas, China will announce the Caixin Services PMI and Caixin Composite PMI for June on 5 July 2022.

US will announce the ISM Non-Manufacturing PMI for June on 6 July 2022.

The US Non Farm Payrolls data for June will be announced on 8 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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