

Sensex zooms 700 points, Nifty around 15,900 mark; IT shares rally

The domestic markets opened gap-up on Monday tracking strength in the US and Asia. All Sensex-30 shares opened in green.

At 9:42 AM, the frontline S&P BSE Sensex was trading at 53,408 up by 680 points or 1.29%. Market breadth is positive and out of a total of 2,904 shares traded on the Bombay Stock Exchange, 2,321 advanced while 472 declined and 111 remained unchanged. The broader Nifty50 was at 15,903 levels up 203 points or 1.30%.

In the broader markets, the BSE Midcap and Smallcap indices also opened firmly in the positive territory, rising up to 1.3%.

Sectorally too, all pockets moved higher. Nifty IT led the gains, rising over 2%. Banks, Auto, Financials, Realty and Metals gained over 1% each.

WEEKLY REVIEW – JUNE 20 – JUNE 24, 2022

Local stocks clocked strong gains in the week marked by high volatility tracking positive global stocks. The Nifty closed a tad below 15,700. Indices logged gains in four out of five trading session in the week.

Improved global sentiment, short-covering and value buying in beaten-down quality stocks helped the Indian market snap a two-week losing streak to close with 2.6% gains in the week ended June 24.

Global stock markets jumped amid cooling commodity prices. The lower commodity prices are expected to help the manufacturing sector by easing their input costs. It will also help control overall inflation.

In the week ended on Friday, 24 June 2022, the Sensex advanced 1,367.56 points or 2.66% to settle at 52,727.98. The Nifty50 index gained 405.75 points or 2.65% to settle at 15,699.25. The BSE Midcap index rose 2.38% to settle at 21,803.16. The BSE Smallcap index gained 1.61% to settle at 24,521.93.

GLOBAL MARKETS

OIL, RUPEE & FIIs

Crude Oil: Oil prices slipped more than \$1 a barrel on Monday as global economic concerns depressed the oil demand outlook while investors eyed the G7 meeting this week for possible moves on Russian oil exports and a revival of the Iran nuclear deal.

Brent crude futures slipped \$1.42, or 1.3 percent, to \$111.70 a barrel by 0010 GMT after rebounding 2.8 percent on Friday. US West Texas Intermediate crude was at \$106.08 a barrel, down \$1.54, or 1.4 percent, following a 3.2 percent gain in the previous session.

Rupee: The rupee on Friday slipped 1 paisa to close at its all-time low of 78.33 against the US dollar amid growing concerns over aggressive monetary policy tightening by central banks and relentless foreign capital outflows. Indian rupee opened 11 paise higher at 78.23 per dollar on Monday against Friday's close of 78.33.

FPIs & DIIs: Foreign institutional investors continued their selling given the faster policy tightening by central banks to arrest rising inflation and the war in Ukraine.

FII's have dumped Rs 53,600 crore worth of shares, so far, in June, the third highest monthly outflow since March 2020, against Rs 54,300 crore outflow in the previous month.

Domestic institutional investors (DIIs) bought nearly Rs 42,000 crore worth of shares in June, so far, against nearly Rs 51,000 crore of buying in the previous month. Overall DIIs, which played a supportive role in every market correction, have tried to compensate for the FII outflow.

WEEK AHEAD

Trading could be volatile in the forthcoming week as traders roll over positions in the F&O segment from the near month June series to July series. The June 2022 F&O contracts will expire on 30 June 2022.

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 India Meteorological Department (IMD) on Thursday, 23 June 2022, said that the Southwest Monsoon is likely to cover the entire country by 6 July 2022 as against the normal date of 8 July 2022.

Auto stocks will be in focus as auto companies will start announcing monthly sales numbers for June starting from 1 July 2022.

Overseas, China will announce the NBS Manufacturing PMI for June on 30 June 2022.

China will announce the Caixin Services PMI for June on 1 July 2022.

Japan will announce Consumer Confidence data for June on 29 June 2022.

In US, the United States Durable Goods Orders for May will be declared on 27 June 2022.

The US ISM Manufacturing PMI data for June will be announced on 1 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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