

## **Sensex gains over 450 points, Nifty inches 15,950; Metal & Auto stocks shine**

The key benchmark indices opened flat on Monday tracking weakness in US stock futures and China's industrial output data. But, soon after, the indices were seen firming up on renewed buying interest.

At 9:45 AM, the frontline S&P BSE Sensex was trading at 53,256 up 464 points or 0.88%. Market breadth is positive and out of a total of 2,926 shares traded on the Bombay Stock Exchange, 2,141 advanced while 665 declined and 120 remained unchanged. The broader Nifty50 was at 15,932 levels up 148 points or 0.94%.

The broader markets also turned positive. The BSE Midcap and Smallcap indices were up to 1% higher.

Sectorally, Metals, Auto, Realty, Energy and PSBs gained the most on Nifty, up 1-2%. On the flip side, Pharma and FMCG pockets were in the red.

## **WEEKLY REVIEW – MAY 9 – MAY 13, 2022**

Domestic shares tumbled last week as world markets were unnerved by elevated US inflation which triggered concerns of accelerated rate hikes. Fears mounted that high interest rates will bring the global economy to a standstill. China's Covid lockdowns and Russia's war in Ukraine also worried investors.

In the week ended Friday, 13 May 2022, the Sensex slumped 2041.96 points or 3.72% to settle at 52,793.62. The Nifty50 index fell 629.10 points or 3.83% to settle at 15,782.15. In the month of May Sensex and Nifty have lost more than 7% each.

The broader market collapsed. The BSE Mid-Cap index fell 1313.95 points or 5.68% to settle at 21,815.66. The BSE Small-Cap index fell 1776.66 points or 6.56% to settle at 25,315.75.

During the week gone by, all the sectoral indices were in the red with BSE Metal and Power indices falling 13% each. BSE Telecom index shed 6.7% and Realty index declined 5.8%.

India's retail inflation, which is measured by the Consumer Price Index (CPI), rose to 7.79% in the month of April 2022. India's factory output, measured in terms of Index of Industrial Production (IIP), witnessed a growth of 1.9% in March 2022.

## **GLOBAL MARKETS**

Stocks in Asia climbed Monday and Treasuries slipped amid a steadier mood in global markets following a bounce in Wall Street shares.

Japan and Hong Kong paced regional equity gains, while US and European futures were little changed, providing some relief from this year's stock market rout. The dollar hovered near a two-year high.

Sentiment may be getting a boost from China, which effectively cut the interest rate for new mortgages over the weekend, seeking to bolster an ailing housing market. The rate on one-year policy loans was left unchanged on Monday.

Covid lockdowns are squeezing economic activity in China. Shanghai partially loosened curbs by announcing a phased reopening of shops.

## **OIL, RUPEE & FIIs**

**Crude Oil:** Oil prices slipped on Monday, giving up earlier gains as investors took profits after a surge in the previous session, but global supply fears loomed with the European Union preparing to phase in a ban on imports from Russia.

Brent crude futures were down 64 cents, or 0.6%, at \$110.91 a barrel, while U.S. West Texas Intermediate (WTI) crude futures dropped 60 cents, or 0.5%, to \$109.89 a barrel.

**Rupee:** The rupee pared its initial gains and settled 5 paise lower at its fresh lifetime low of 77.55 against the US dollar on Friday, as inflation concerns and strength of the American currency weighed on the local unit.

The Indian currency market will remain shut today on account of Buddha Pournima.

**FPIs & DIIs:** Foreign institutional investors (FIIs) continued their selling in the eight straight month (May 2022). FIIs sold equities worth of Rs 19,967.57 crore, while domestic institutional investors (DIIs) bought equities worth of Rs 18,202.10 crore, in the last week.

However, in the month of May till now FIIs sold equities worth Rs 32,701.03 crore, while DIIs purchased equities worth Rs 26,735.36 crore.

## **WEEK AHEAD**

Markets are expected to move in sync with global peers in the coming week. A close eye will be kept on the developments concerning the Russia – Ukraine crisis. The Q4 results season would also be the key event that the market would be looking for in the near future. 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.

On the macro front, India's inflation based on wholesale price index (WPI) for April will be unveiled tomorrow.

Overseas, China's industrial production for April will release today.

U.S. retail sales data for April will release tomorrow.

Japan's consumer inflation data will release on Friday, 20 May 2022.

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

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

**Disclaimer:** The article (including market views expressed herein) is for general information only and does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this information. The data/information used/disclosed in the article is only for information purposes and not guaranteeing/indicating any returns. The article provides general information and comparisons made (if any) are only for illustration purposes. Investments in mutual funds and secondary markets inherently involve risks and recipient should consult their legal, tax and financial advisors before investing. Recipient of this document should understand that statements made herein regarding future prospects may not be realized. Recipient should also understand that any reference to the indices/ sectors/ securities/ schemes etc. in the article is only for illustration purpose and are NOT stock recommendation(s) from the author or L&T Investment Management Limited, the asset management company of L&T Mutual Fund ("the Fund") or any of its associates. Any performance information shown refers to the past and should not be seen as an indication of future returns. The value of investments and any income from them can go down as well as up. The distribution of the article in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of the article are required to inform themselves about, and to observe, any such restrictions.

CL09460