

## **Sensex dips over 800 points, Metal & IT shares fall; Rupee hits all-time low**

The markets started Monday's trade with deep cuts as weak global sentiment continued to weigh on equities. Rupee crossed the 77/\$ mark for the first time ever, as it hit a record low of 77.17 against USD at open.

At 9:35 AM, the frontline S&P BSE Sensex was trading at 53,994 down 842 points or 1.54%. Market breadth is dismal and out of a total of 2,884 shares traded on the Bombay Stock Exchange, 620 advanced while 2,169 declined and 95 remained unchanged. The broader Nifty50 was at 16,169 levels down 243 points or 1.48%.

In the broader markets, the BSE Midcap and Smallcap indices also fell up to 0.83%. India VIX rose 4.5% to cross 22 levels.

Sectorally, all indices opened with steep losses. Nifty Metals, IT, PSBs, Energy slipped the most, down up to 2%. Nifty Banks, Auto, Financials were also notable losers.

## **WEEKLY REVIEW – MAY 2 – MAY 6, 2022**

Domestic bourses dropped sharply in the truncated trading week tracking weak global stocks. The rising dollar index, continuous selling of domestic shares by FIIs and firm commodity prices put pressure on the bourses. The Sensex dropped below the key 55,000 level.

In the week ended on Friday, 6 May 2022, the Sensex lost 2,225.29 points or 3.9% to settle at 54,835.58. The Nifty50 index dropped 691.30 points or 4.04% to settle at 16,411.25. The BSE Midcap index lost 1,288.43 or 5.28% to settle at 23,129.61. The BSE Smallcap index declined 1,519.51 points or 5.31% to settle at 27,092.41.

Among the sectors, the Nifty Information Technology index declined 15%, the Nifty Media index fell 12% and the Nifty Realty index shed 10%. However, the Nifty Energy index added 9.4%.

## **GLOBAL MARKETS**

Asian markets got off to a shaky start on Monday as U.S. stock futures took an early skid on rate worries, while a tightening lockdown in Shanghai stoked concerns about global economic growth and possible recession.

S&P 500 stock futures led the way with a drop of 1.0%, while Nasdaq futures shed 0.9%. U.S. 10-year bond yields edged up to a fresh top at 3.15%.

MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.3%, and Japan's Nikkei 1.2%.

Investors were also tense ahead of the U.S. consumer price report due on Wednesday.

## OIL, RUPEE & FIIs

**Crude Oil:** Oil prices eased back a little on fears about Chinese demand, while the Group of Seven (G7) nations committed on Sunday to ban or phase out imports of Russian oil.

Brent was last quoted 63 cents lower at \$111.76, while U.S. crude lost 61 cents to \$109.16.

**Rupee:** Rupee crossed the 77/\$ mark for the first time ever, as it hit a record low of 77.17 against USD at open.

The Indian rupee ended weak against the US dollar during the week. The rupee fell 48 paise lower at 76.91 a dollar on May 6 against its April 29 closing of 76.43.

**FPIs & DIIs:** Continuing its selling spree for the seventh consecutive month, foreign portfolio investors have pulled out Rs 17,144 crore from the Indian equity market in April. In May too, the trend remained the same. Domestic institutional investors (DIIs) bought equities worth Rs 8,533.26 crore

Foreign investors have pulled over Rs 6,400 crore from the Indian equity market in the first four trading sessions of the ongoing month. The recent pull-out was triggered due to an aggressive rate hike by the US Federal Reserve. FPIs remained net sellers for seven months to March 2022, withdrawing a massive net amount of Rs 1.65 lakh crore from equities. The ongoing geopolitical environment following Russia's invasion of Ukraine also weighed on FPIs buying sentiment.

## 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, the Industrial Production and Manufacturing Production and Manufacturing Production data for March will be released on 12 May 2022. Inflation rate for April will be declared on the same day.

Overseas, China will announce inflation rate for April on 11 May 2022.

US will announce inflation data for April on 11 May 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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