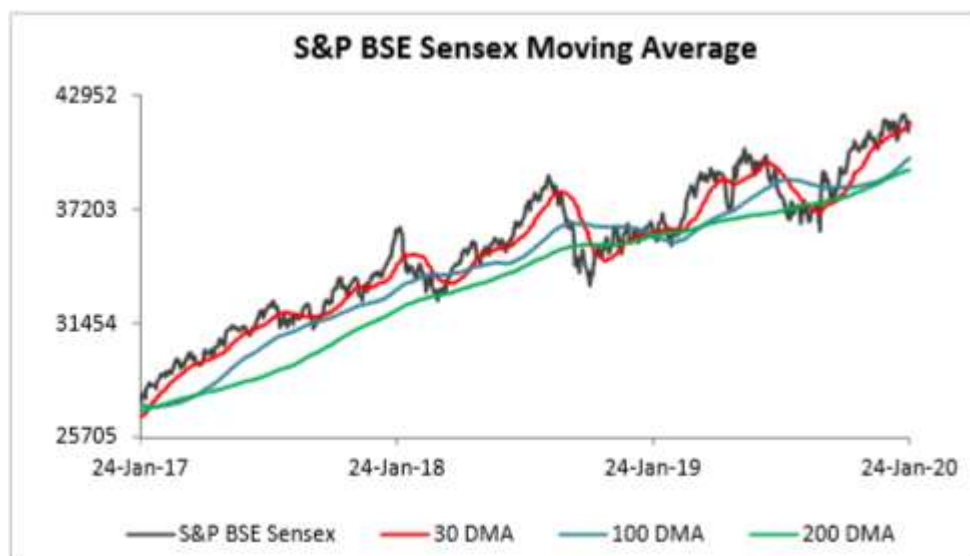


### **Market weak tracking dismal global cues; Nifty below 12,200**

Benchmark indices are trading lower amid weakness in global equities as investors grew increasingly anxious about the economic impact of China's spreading virus outbreak.

At 10:45 AM, the S&P BSE Sensex was trading at 41,464, down 150 points or 0.4%. Market breadth are marginally positive and out of a total of 1,994 shares traded on the Bombay Stock Exchange, 979 advanced while 892 declined and 123 remained unchanged. The Nifty50 was down 49 points or 0.4% at 12,199.

10-year Indian G-Sec yields were trading at 6.555 in morning against the previous close of 6.578.



### **THE WEEK THAT WAS**

Gains in last two trading days helped the key barometer indices end with modest weekly losses. Volatility was high during the week. Small and midcap stocks outperformed the Sensex and Nifty for the second straight week.

In the week ended on Friday, January 24, 2020, the S&P BSE Sensex fell 332.18 points or 0.79% to settle at 41,613.19. The Nifty50 declined 104.10 points or 0.84% to settle at 12,248.25. The BSE Midcap index advanced 113.57 points or 0.72% to settle at 15,822.54. The BSE Smallcap index rose 137.26 points or 0.93% to settle at 14,845.96.

| Indian Indices   | Px Last | Change in % |         | 52 Week |       | PE    |
|------------------|---------|-------------|---------|---------|-------|-------|
|                  |         | 1 Day       | 1 Month | High    | Low   |       |
| S&P BSE Sensex   | 41613   | 0.55        | 0.37    | 42274   | 35287 | 25.54 |
| Nifty 50         | 12248   | 0.56        | 0.28    | 12431   | 10584 | 28.10 |
| S&P BSE Midcap   | 15823   | 0.77        | 6.76    | 15861   | 12915 | 29.86 |
| S&P BSE 100      | 12382   | 0.58        | 0.94    | 12536   | 10723 | 25.48 |
| S&P BSE 200      | 5163    | 0.61        | 1.54    | 5217    | 4432  | 28.00 |
| Nifty Midcap 100 | 18357   | 0.92        | 8.93    | 18463   | 15134 | 26.79 |
| Nifty 500        | 10084   | 0.62        | 2.18    | 10175   | 8706  | 31.12 |

## GLOBAL MARKETS

Shares slid on Monday as investors shunned equities on growing concerns over the scope of a China virus outbreak, with safe-haven assets such as the Japanese yen and Treasury notes in greater demand.

US S&P 500 mini futures shed 1.2% in early Asian trade. The Nikkei futures traded in Chicago suggested Japanese shares are on course for a steep 2.0% decline.

Concerns over the spread of the coronavirus in China, and the potential economic impact, continue to generate financial market headlines.

All three major Wall Street indexes closed sharply lower on Friday, with the S&P 500 seeing its biggest one-day percentage drop in over three months.

The S&P 500 lost 0.90%, the Dow Jones Industrial Average fell 0.58% and the Nasdaq Composite shed 0.93% after the Centers for Disease Control and Prevention confirmed a second case of the virus on US soil.

| Global Indices                | Px Last | Change in % |         | 52 Week |       | PE    |
|-------------------------------|---------|-------------|---------|---------|-------|-------|
|                               |         | 1 Day       | 1 Month | High    | Low   |       |
| Russell 1000                  | 1822    | -0.90       | 2.30    | 1845    | 1455  | NA    |
| Russell 3000                  | 1482    | -0.95       | 4.08    | 1502    | 1119  | NA    |
| Nasdaq                        | 9315    | -0.93       | 4.04    | 9451    | 7011  | 27.69 |
| FTSE 100                      | 7586    | 1.04        | -0.61   | 7727    | 6734  | 15.90 |
| CAC 40                        | 6024    | 0.88        | -0.09   | 6110    | 4879  | 19.85 |
| DAX                           | 13577   | 1.41        | 2.07    | 13640   | 10864 | 18.19 |
| Nikkei                        | 23827   | 0.13        | -0.01   | 24116   | 20111 | 18.83 |
| Hang Seng                     | 27950   | 0.15        | 0.31    | 30280   | 24900 | 11.22 |
| Shanghai Comp. <sup>[1]</sup> | 2977    | -2.75       | -0.21   | 3288    | 2560  | 11.73 |

## INDIAN RUPEE

The Indian rupee hit a near three-week low against the US dollar amid subdued global equities. Risk appetite was hit after China reported an increase in fatalities and infections from the new coronavirus.

In early deals today, the rupee traded at 71.45 a dollar, down from Friday's close of 71.33. The Indian unit had opened at 71.50 and touched so far today a low of 71.51 -- a level last seen on 9 January.

## **CRUDE OIL**

Oil prices slumped a further 2% to multi-month lows on Monday as the rising number of cases of the new China virus and city lockdowns deepened concerns about demand for crude, even as Saudi Arabia's energy minister sought to calm the market.

Brent crude fell by \$1.12 a barrel, or 1.9%, to \$59.57, having earlier dropped to \$58.68, the lowest since late October. US crude slipped by \$1.14, or 2.1%, to \$53.05, having earlier eased to \$52.15, the lowest since early October.

## **WEEK AHEAD**

Earnings from major companies, US Fed's interest rate decision and hopes of positive measures from the Budget would drive sentiment in the equity markets this week which may also witness volatile sessions amid derivatives expiry. Markets would also track rupee-dollar trend, Brent crude oil movement, inflows from foreign portfolio investors (FPIs) and domestic institutional investors (DIIs).

Participants would also keep an eye on the spread of the deadly coronavirus in China and other countries, they added. The lethal virus has claimed 56 lives in China, and spread to about a dozen nations.

Finance Minister Nirmala Sitharaman will present the Union Budget 2020-21 on February 1 amid high expectations of a personal tax rate cut as well as other measures to encourage demand amid a teetering economy.

Stock markets will be open for normal trading on Saturday, 1 February 2020, when the Union Budget will be presented by Finance Minister Nirmala Sitharaman.

The budget session of Parliament will be held in two phases- the first one will be from January 31 to February 11 and the second phase will be from March 2 to April 3.

On the macro front, India's infrastructure output data for December will be unveiled on January 31, 2020. Overseas, China will announce Official NBS Manufacturing PMI and nonmanufacturing PMI for January on January 31, 2020.

In US, the Federal Reserve's next policy meeting is scheduled on January 28-29. The Fed is likely to leave interest rates unchanged in its upcoming meeting.

| F&O Trends               | Px Last   | Previous  | Change % |
|--------------------------|-----------|-----------|----------|
| Near Futures             | 12,271.60 | 12,201.00 | 0.58     |
| Near Basis               | 23.35     | 20.65     | 13.08    |
| Mid Futures              | 12,310.10 | 12,239.90 | 0.57     |
| Mid Basis                | 61.85     | 59.50     | 3.95     |
| Near Open Interest (Cr.) | 1.24      | 1.26      | -1.61    |
| Mid Open Interest (Cr.)  | 0.20      | 0.18      | 12.35    |
| Rollover (%)             | 16.68     | 14.90     | 11.99    |

**Source:** Reuters, Capital Market, Internal

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

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