

Benchmark indices are trading firm amid volatility after falling over 100 points within the first hour of the session.

At 10:20 AM, the S&P BSE Sensex was trading at 37,879, up 198 points or 0.5%. Market breadth was flat and out of a total of 1,860 shares traded on the Bombay Stock Exchange, 848 advanced while 877 declined and 135 remained unchanged. The Nifty50 was trading at 11,218, up 45 points or 0.4%.

10-year Indian G-Sec yields were trading at 6.670 in morning against the previous close of 6.680.

### **THE WEEK THAT WAS**

Local stocks logged strong losses in the week gone by on selling pressure in index pivotals. The Monetary Policy Committee (MPC) today reduced repo rate by 25 bps from 5.40% to 5.15%. The stance of the policy remained unchanged at “accommodative”.

Market sentiment was impacted after the Reserve Bank of India (RBI) slashed the country's economic growth outlook for this fiscal. Deepening fears the China-US trade war also dented sentiment.

The undertone was weak with the key indices settling lower in four trading days of the truncated trading week. The Sensex dropped below the 38,000 mark. The Nifty cracked below the 11,500 mark.

In the week ended on Friday, 4 October 2019, the Sensex fell 1,149 points or 2.96% to settle at 37,673. The Nifty 50 index fell 338 points or 2.93% to settle at 11,175. The BSE Mid-Cap index fell 552 points or 3.87% to settle at 13,714. The BSE Small-Cap index fell 523 points or 3.92% to settle at 12,809.

### **GLOBAL MARKETS**

Asian shares edged higher on Monday after data showed the U.S. unemployment rate dropped to the lowest in almost 50 years, easing concerns of a slowdown in the world's largest economy. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.25%. Japan's Nikkei stock index rose 0.29%, while Australian shares were up 0.48%.

US stocks closed higher Friday after the Labor Department's monthly employment report calmed fears of a recession but provided enough evidence of a slowing economy to maintain market expectations for another Federal Reserve interest rate cut in late October.

### **INDIAN RUPEE**

The rupee on Monday opened eight paise lower at 70.96 against the US dollar amid drop in crude oil prices and rise in Asian equities. The domestic unit on Friday closed almost flat at

70.88 against after the Reserve Bank of India (RBI) in a widely expected move cut key interest rates by 0.25 percentage point.

## **CRUDE OIL**

Oil prices fell on Monday, extending last week's heavy losses, with traders fearing the global economic slowdown will weigh on future oil demand growth while pegging hopes for a rebound on progress in talks this week on ending the US-China trade war. Brent crude futures edged down 24 cents to \$58.13 a barrel.

## **WEEK AHEAD**

Macroeconomic data, trend in global markets, the movement of rupee against the dollar and crude oil price movement, inflows from foreign portfolio investors (FPIs) and domestic institutional investors (DIIs) will be closely watched in the truncated trading week ahead.

Financial results of India Inc for the quarter ended 30 September 2019 will be closely watched. Domestic stock markets will remain closed tomorrow on account of Dussehra.

On the macro front, India's industrial production data for August 2019 will be announced on 11 October 2019. Manufacturing production data for August 2019 will also be announced on the same day.

Overseas, developments on the U.S.-China trade front will be closely watched. Trade negotiations between the U.S. and China are reportedly set to resume on October 10 in Washington, D.C.

In China, the Caixin Services PMI for September 2019 will be announced on 8 October 2019. The Caixin Composite PMI for September 2019 will also be announced on the same day.

The US Federal Open Market Committee (FOMC) will unveil minutes of its recently concluded meeting on 9 October 2019. The US inflation rate for September 2019 will be declared on 10 October 2019.

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

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

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