

Benchmark indices have extended gains and are trading near day's high tracking positive amid stimulus hopes and measures across the globe. To ease liquidity pressures on mutual funds and mitigate the economic impact of COVID-19, the Reserve Bank of India (RBI) today announced a special liquidity facility of ₹ 50,000 crore for mutual funds. RBI shall conduct repo operations of 90 days tenor at the fixed repo rate.

At 10:35 AM, the S&P BSE Sensex was trading at 32,003, up 676 points or 2.2%. Market breadth are positive and out of a total of 1,927 shares traded on the Bombay Stock Exchange, 1,211 advanced while 595 declined and 121 remained unchanged. The Nifty50 was up 195 points or 2.1% at 9,350.

10-year Indian G-Sec yields were trading at 6.175 in morning against the previous close of 6.167.

THE WEEK THAT WAS

Key benchmark indices fell after logging gains in prior two weeks. The rapidly rising number of COVID-19 infections in India and the resultant deaths put pressure on bourses. Global stocks fell on doubts about progress in the development of drugs to treat COVID-19.

In the week ended on Friday, 24 April 2020, the S&P BSE Sensex fell 261.50 points or 0.83% to settle at 31,327.22. The Nifty50 index declined 112.25 points or 1.21% to settle at 9,154.40. The BSE Midcap index dropped 359.87 or 3.04% to settle at 11,464.20. The BSE Smallcap index slipped 167.37 points or 1.55% to settle at 10,633.54.

GLOBAL MARKETS

Asian shares bounced on Monday as the Bank of Japan (BOJ) announced more stimulus steps to help cushion the economic impact of the coronavirus, while oil took another spill as the world ran short of space to store it all.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 1.2% in early trade, taking back some of last week's 2.6% decline. Japan's Nikkei gained 2.1%, and Chinese blue chips 1%.

CRUDE OIL

Oil prices fell on Monday on signs that worldwide oil storage is filling rapidly, raising concerns that production cuts will not be fast enough to catch up with the collapse in demand from the coronavirus pandemic.

US West Texas Intermediate futures fell \$1.22, or 7.2%, to \$15.72 a barrel, while Brent crude was down 33 cents, or 1.5%, at \$21.11 a barrel.

Oil futures marked their third straight week of losses last week - and have fallen for eight of the past nine - with Brent ending down 24% and WTI off around 7%.

WEEK AHEAD

Trading could be volatile in the truncated trading week ahead as traders roll over positions in the F&O segment from the near month April series to May series. The April 2020 F&O contracts expire on Thursday, 30 April 2020. Domestic stock markets will remain closed on Friday, 1 May 2020 on account of Maharashtra Day.

The January-March quarter earnings of India Inc, global cues, movement of rupee against the dollar, Brent crude oil price movement and investments by foreign portfolio investors (FPI) and domestic institutional investors (DII) will be also be watched.

The spread of coronavirus and its impact on the local and global economy will be closely watched. Investors feared that the Covid-19 outbreak could bring economy to a grinding halt.

Overseas, the Bank of Japan will announce its interest rate decision on 28 April 2020. Euro Area Business Confidence data for April will be declared on 29 April 2020. The US Federal Reserve's two-day meeting begins on 28 April and interest rate decision will be announced on 29 April 2020. The European Central Bank will announce its interest rate decision on 30 April 2020.

Source: Reuters, Capital Market

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

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