

Sensex rises 300 points, Nifty holds 11,300 mark; pharma leads

The Indian equity markets were trading almost 1% higher on Monday, lifted mainly by the pharma stocks. The Nifty sectoral indices were trading in the green, led by Nifty Pharma index, up around 4%.

At 9:50 AM, the frontline S&P BSE Sensex was trading at 38,367, up 326 points or 0.86%. Market breadth is positive and out of a total of 1,940 shares traded on the Bombay Stock Exchange, 1,330 advanced while 520 declined and 90 remained unchanged. The broader Nifty50 was at 11,313 levels, up 99 points or 0.89%.

THE WEEK THAT WAS

Indian markets logged modest gains in the week with the Nifty50 staying above the 11,000-mark. The S&P BSE Sensex closed above the 38,000-mark.

Sentiment was boosted after the Reserve Bank of India left key interest rates unchanged and allowed banks to restructure certain loans as part of efforts to revive the economy. Ratcheting US-China tensions and mounting COVID-19 cases capped gains.

In the week ended on Friday, August 7, 2020, the S&P BSE Sensex advanced 433.68 points or 1.15% to settle at 38,040.57. The Nifty50 index gained 140.60 points or 1.27% to settle at 11,214.05. The BSE Midcap index rose 459.76 or 3.34% to settle at 14,218.87. The BSE Smallcap index rallied 646.93 points or 4.97% to settle at 13,668.69.

Overseas investors remained net buyers in Indian markets by investing a net Rs 8,327 crore in the first week of August amid better than expected results by big Indian companies.

Foreign portfolio investors (FPI) invested a net Rs 7,842 crore in equities and Rs 485 crore in the debt segment between Aug 3-6, according to depositories data.

GLOBAL MARKETS

Asian stocks held tight ranges on Monday as worries over flaring tensions between the United States and China weighed on sentiment although signs of a recovery in industrial activity in the world's second-largest economy capped losses.

MSCI's broadest index of Asia-Pacific shares outside Japan see-sawed between red and green but held in small ranges to stay below a 6-1/2 month peak touched last week.

Trading was expected to be light with Japanese and Singaporean markets closed for public holidays.

Chinese shares started lower with the blue-chip down a shade and Hong Kong's Hang Seng index falling 0.2%.

US stocks ended mixed as investors pored through the newly-released July jobs report.

The Dow Jones Industrial Average index rose 46.50 points, or 0.17%, to 27,433.48. The S&P500 index was up 2.12 points, or 0.06%, to 3,351.28. The Nasdaq Composite Index slid 97.09 points, or 0.87%, to 11,010.98.

CRUDE OIL

Oil prices climbed in early trade on Monday, clawing back over half of Friday's losses, on a pledge from Iraq to deepen its crude oil supply cuts. US WTI crude futures rose 49 cents, or 1.2%, to \$41.71 a barrel, while Brent crude futures were up 40 cents, or 0.9%, at \$44.80 a barrel.

MONEY MARKET

Rupee: The rupee ended almost flat at 74.93 against the US dollar on Friday due to a caution prevailing in the forex market in view of mounting coronavirus cases and US-China trade tensions.

10-year Bonds: India 10-year bond yield rose 0.41 per cent to 5.88 after trading in 5.86-5.89 range.

Call Rates: The overnight call money rate weighted average stood at 3.41 per cent, according to RBI data. It moved in a range of 1.80-4.1.

WEEK AHEAD

Macroeconomic data, global cues, progress of monsoon, April-June 2020 quarterly earnings, 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 watched in the trading week ahead. The spread of coronavirus and its impact on the local and global economy will also be closely watched.

India's industrial production data for June will be declared tomorrow. Inflation rate for July will be announced on August 12, 2020.

Wholesale price index inflation for July will be announced on August 14, 2020.

Overseas, China will announce inflation rate for July today. China's industrial production data for July will be released on August 14, 2020.

In US, inflation rate for July will be announced on August 12, 2020. US Retail Sales for July will be announced on August 14, 2020.

In Europe, the Euro Area ZEW Economic Sentiment Index for August will be declared tomorrow. The Euro Area industrial production data for June will be released on August 12, 2020.

Source: Reuters, Capital Market, ET

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

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