

## **Markets turn choppy after positive opening; Nifty holds 11,150 mark**

The Indian markets erased their opening gains and were trading flat with negative bias on Monday, mirroring the mixed trend in Asian indices.

At 9:55 AM, the frontline S&P BSE Sensex was trading at 37,810, down 67 points or 0.2%. Market breadth is positive and out of a total of 1,978 shares traded on the Bombay Stock Exchange, 1,195 advanced while 688 declined and 95 remained unchanged. The broader Nifty50 was at 11,162 levels, down 17 points or 0.05%.

Telecom stocks will remain in focus as the Supreme Court will again hear the AGR case today. In last week's hearing, the Supreme Court had directed telecom companies under insolvency to submit details of spectrum sharing agreements that they have entered into.

Foreign portfolio investors (FPI) remained net investors in Indian markets in the first half of August, pumping in Rs 28,203 crore in debt and equities on net basis in the period, according to the depositories data. Also, FPIs turned net investors in the debt segment in August after a gap of five months.

### **THE WEEK THAT WAS**

Key barometers suffered small losses amid weak macroeconomic data and concerns over rising coronavirus cases. Weak global cues, profit-booking at higher levels, uncertainty over US-China's trade meeting and dimming hopes of a rate cut after a rise in inflation in July impacted sentiment. The Nifty50 closed below 11,200 mark and the S&P BSE Sensex settled under 38,000 level.

In the week ended on Friday, August 14, 2020, the S&P BSE Sensex fell 163.23 points or 0.43% to settle at 37,877.34. The Nifty50 index slipped 35.65 points or 0.32% to settle at 11,178.40. The BSE Midcap index rose 214.71 or 1.51% to settle at 14,433.58. The BSE Smallcap index gained 186.49 points or 1.36% to settle at 13,855.18.

### **GLOBAL MARKETS**

Asian shares firmed toward recent peaks on Monday as Chinese markets swung higher, while investors waited to see if the recent sell-off in longer-dated US Treasuries would extend and maybe take some pressure off the beleaguered dollar.

MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.5% to 565.74, moving nearer to the January top of 574.52.

Chinese blue chips led the way with gains of 2.0%, with the country's central bank providing more medium term loans to the financial system.

Japan's Nikkei dipped 0.6% after touching a six-month peak on Friday, as the country suffered its biggest economic contraction on record in the second quarter.

## **CRUDE OIL**

Oil prices climbed higher on Monday, lifted by China's plans to ship in large volumes of US crude in August and September, outweighing concerns over a slowdown in demand recovery after the coronavirus pandemic and an uptick in supplies.

Brent crude rose 21 cents, or 0.5%, to \$45.01 a barrel while US West Texas Intermediate crude was up 27 cents, or 0.6%, to \$42.28 a barrel.

## **MONEY MARKET**

**Indian Rupee:** The rupee on Friday slid 6 paise to end at 74.90 against the US dollar as data showing slow economic recovery and higher inflation dampened forex market sentiment.

**10-year Bonds:** India 10-year bond yield rose 1.19% to 5.96 after trading in 5.93-5.99 range.

**Call Rates:** The overnight call money rate weighted average stood at 3.44%, according to RBI data. It moved in a range of 1.80-4.10%.

## **WEEK AHEAD**

Macroeconomic data, global cues, progress of monsoon, 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.

Overseas, Japan will announce industrial production data for June today. The United States Markit Manufacturing PMI for August will be declared on August 21, 2020. The Euro Area Markit Manufacturing PMI for August will also be declared on August 21, 2020.

*Source: Reuters, Capital Market, ET*

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

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