

## **Sensex, Nifty gain over 0.5%; financials lead**

Benchmark indices are trading higher by over 0.5% each amid positive trend seen in the Asian markets. The Nifty sectoral indices were largely in the green, led by Nifty Bank index, up 1.4%.

The broader markets continued their outperformance with the S&P BSE Midcap and Smallcap indices ruling 0.6% and 1% higher, respectively.

At 10:05 AM, the frontline S&P BSE Sensex was trading at 38,657, up 222 points or 0.6%. Market breadth is positive and out of a total of 2,288 shares traded on the Bombay Stock Exchange, 1,468 advanced while 715 declined and 105 remained unchanged. The broader Nifty50 was at 11,443 levels, up 70 points or 0.6%.

### **THE WEEK THAT WAS**

Key benchmark indices logged modest gains in the week on the back of positive global cues. The S&P BSE Sensex settled above 38,400 while the Nifty50 finished above 11,300 levels. Small and midcap stocks saw strong gains.

In the week ended on Friday, August 21, 2020, the S&P BSE Sensex rose 557.38 points or 1.47% to settle at 38,434.72. The Nifty50 index gained 193.20 points or 1.73% to settle at 11,371.60.

The BSE Midcap index advanced 520.37 or 3.61% to settle at 14,953.95. The BSE Smallcap index jumped 770.01 points or 5.56% to settle at 14,625.19.

### **GLOBAL MARKETS**

Asian shares started cautiously on Monday on jitters over heady valuations though sentiment was underpinned by coronavirus hopes after the US Food & Drug Administration (FDA) authorised the use of blood plasma from recovered patients as a treatment option.

The announcement from the US FDA of a so-called “emergency use authorization” came on the eve of the Republican National Convention, where Donald Trump will be nominated to lead his party for four more years.

MSCI’s broadest index of Asia-Pacific shares outside of Japan was last down 0.04%, but not too far from a six-month high touched last week.

Australian shares were flat while Japan’s Nikkei was reversed early losses to be last up 0.07%.

South Korea’s KOSPI, which has been on a slippery slope since hitting a more than two-year peak earlier this month, was mildly positive.

## COMMODITY MARKET

Oil prices rose on Monday, with Brent crude up 9 cents at \$44.44 a barrel and U.S. crude climbing 9 cents to \$42.43.

Gold saw some selling pressure with spot prices off 0.3% at 1,933.09 an ounce.

## BOND MARKET

**Rupee:** The rupee perked up 18 paise to end at 74.84 against the US dollar, tracking gains in domestic equities and some easing in global crude oil prices.

**10-year bonds:** India 10-year bond yield climbed 2.33% to 6.14 after trading in 6.03-6.14 range.

**Call rates:** The overnight call money rate weighted average stood at 3.43%, 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.

Trading could be volatile this week as traders roll over positions in the F&O segment from the near month August series to September series. The August 2020 F&O contracts expire on Thursday, August 27, 2020.

Overseas, China's industrial profits data (YTD) for July will be released on August 27, 2020.

The United States Durable Goods Orders for July will be declared on August 26, 2020.

In Europe, the consumer confidence data for August will be announced on August 28, 2020.

*Source: Reuters, Capital Market, ET*

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

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