

Indices hit lifetime highs in opening deals; Nifty around 13,600

The Indian markets logged their fresh lifetime highs after opening half a per cent higher on Monday, on the back of strong global cues.

At 9:35 AM, the frontline S&P BSE Sensex was trading at 46,297, up 198 points or 0.43%. Market breadth is positive and out of a total of 2,094 shares traded on the Bombay Stock Exchange, 1,555 advanced while 455 declined and 84 remained unchanged. The broader Nifty50 was at 13,574, levels, up 60 point or 0.45%.

All the Nifty sectoral indices, except Nifty Realty index, were trading in the green, led by Nifty PSU Bank index, up 1.7%.

In the broader markets, the S&P BSE Midcap and Smallcap indices were trading 0.5% and 0.7% higher, respectively.

THE WEEK THAT WAS

Key benchmark indices finished with modest gains during the week after scaling record high. The Sensex settled above 46,000 mark while the Nifty managed to close above 13,500 levels. Volatility was high during the week. Sentiment was underpinned by data showing a steady decline in new coronavirus cases in India.

In the week ended Friday, December 11, 2020, the Sensex jumped 1,019.46 points or 2.26% to settle at 46,099.01. The Nifty50 index rose 255.30 points or 1.93% to settle at 13,513.85.

The BSE Midcap index gained 132.30 or 0.76% to settle at 17,521.32. The BSE Smallcap index added 235.29 points or 1.36% to settle at 17,552.58.

GLOBAL MARKETS

Stocks started a busy week with guarded gains as investors gauged the chance of added US fiscal and monetary stimulus, while the British pound rose in relief as a last-gasp extension to Brexit talks dodged a hard divorce.

Progress on coronavirus vaccines cheered risk sentiment, with the first shipments speeding across the United States as part of an historic mission to inoculate more than 100 million people by the end of March.

E-Mini futures for the S&P 500 responded by rising 0.5%, while March Treasury bond futures slipped 4 ticks. EUROSTOXX 50 futures added 0.6% and FTSE futures 0.3%.

MSCI's broadest index of Asia-Pacific shares outside Japan edged up 0.1%, having hit a string of record highs last week.

Japan's Nikkei added 0.6% as a survey showed the mood among hard-hit Japanese businesses had improved in the December quarter.

OIL, RUPEE & FIIs

Crude Oil: Oil prices edged higher on Monday having now rallied for six weeks straight as investors priced in a global recovery next year.

US crude firmed 9 cents to \$46.66 a barrel, while Brent crude futures rose 12 cents to \$50.09.

Indian Rupee: The Indian rupee ended almost flat at 73.64, up 2 paise, against the American currency on Friday as dollar buying by banks weighed on the domestic currency. At the interbank forex market, the domestic unit opened at 73.65 against the US dollar and witnessed an intra-day high of 73.56 and a low of 73.71.

FPIs: Foreign institutional investors (FIIs) have continued their buying spree of Indian equities, lapping up stocks worth more than \$2.8 billion so far in December amid optimism about the availability of a covid-19 vaccine and faster-than-expected economic recovery.

Foreign investors bought \$2.81 billion of Indian equities between 1 and 9 December. In November, they had bought nearly \$9.55 billion.

10-year Bonds: India 10-year bond yield fell 0.02 per cent to 5.92 after trading in 5.89-5.92 range.

WEEK AHEAD

Global central banks policy decisions, macro data, 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.

Global cues will continue to be in focus as resurgence in virus cases around the world, leads to more restrictions and more pressure on economic recovery. Updates related to COVID-19 will be closely watched. Also on the radar will be news on Covid vaccine development. From here on the pace of the improvement of economic indicators along with outcomes of a possible vaccine or cure for COVID-19 would determine the movement of the market.

India's wholesale price index (WPI) inflation for November will be announced today.

Overseas, US Retail sales for November will be announced on December 16, 2020. The US Federal Reserve (Fed) will wrap up its two-day policy meeting on 16 December 2020.

On 18 December 2020, the spotlight will turn to the Bank of Japan's (BoJ) meeting to decide interest rate.

The Bank of England (BoE) will announce its interest rate decision on 17 December 2020.

The Euro Area industrial production data for October will be announced today.

Source: Reuters, Capital Market, ET

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

Disclaimer: The article (including market views expressed herein) is for general information only and does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this information. The data/information used/disclosed in the article is only for information purposes and not guaranteeing/indicating any returns. The article provides general information and comparisons made (if any) are only for illustration purposes. Investments in mutual funds and secondary markets inherently involve risks and recipient should consult their legal, tax and financial advisors before investing. Recipient of this document should understand that statements made herein regarding future prospects may not be realized. Recipient should also understand that any reference to the indices/ sectors/ securities/ schemes etc. in the article is only for illustration purpose and are NOT stock recommendation(s) from the author or L&T Investment Management Limited, the asset management company of L&T Mutual Fund ("the Fund") or any of its associates. Any performance information shown refers to the past and should not be seen as an indication of future returns. The value of investments and any income from them can go down as well as up. The distribution of the article in certain jurisdictions may be restricted or totally prohibited and accordingly, persons who come into possession of the article are required to inform themselves about, and to observe, any such restrictions.

CL07701