

Indices flat in volatile trade amid weak global cues

The Indian markets erased majority of its early losses after falling nearly half a per cent in Monday's opening deals amid weak cues from their Asian peers.

At 10:00 AM, the frontline S&P BSE Sensex was trading at 46,970, up 10 points or 0.01%. Market breadth is negative and out of a total of 2,193 shares traded on the Bombay Stock Exchange, 870 advanced while 1,235 declined and 88 remained unchanged. The broader Nifty50 was at 13,755, levels, down 6 point or 0.04%.

All the Nifty sectoral indices were trading in the red, led by Nifty PSU Bank index, down 1.5%.

THE WEEK THAT WAS

Indian shares posted a seventh straight weekly gain supported by positive global cues. The undertone of the market was upbeat following the progress in coronavirus vaccine along with consistent improvement in recovery rate from COVID-19 cases. Robust inflows from foreign institutional investors and improving domestic economic scenario also boosted the investor's risk appetite.

The Sensex and the Nifty, both, scaled record high during the week. The Sensex settled a tad below 47,000 mark. The Nifty managed to close above 13,750 level.

In the week ended on Friday, December 18, 2020, the Sensex rose 861.68 points or 1.87% to settle at 46,960.69. The Nifty50 index gained 246.70 points or 1.83% to settle at 13,760.55. The BSE Midcap index added 279.86 or 1.60% to settle at 17,801.18 while the BSE Smallcap index rose 216.52 points or 1.23% to settle at 17,769.10.

GLOBAL MARKETS

Asian stocks faltered on Monday as unease over a new coronavirus strain that was shutting much of the United Kingdom offset news a deal had finally been struck on a long-awaited US stimulus bill.

MSCI's broadest index of Asia-Pacific shares outside Japan dipped 0.2% after hitting a string of record peaks last week. Japan's Nikkei reversed early gains to be down 0.6%, off its highest since April 1991.

OIL, RUPEE & FIIs

Crude Oil: Oil prices ran into profit-taking after notching up seven straight weeks of gains, with travel restrictions in Europe a further blow to demand.

US crude fell \$1.45 to \$47.65 a barrel, while Brent crude futures dropped \$1.53 to \$50.73.

Indian Rupee: The rupee appreciated by 3 paise to close at 73.56 against the US dollar on Friday amid sustained foreign fund inflows and positive domestic equities.

FPIs: Foreign portfolio investors (FPI) pumped in Rs 54,980 crore in Indian markets in December so far amidst availability of excess liquidity in global markets and expectation of fresh stimulus package by various central banks, among others.

As per the depositories' data, FPIs invested a net Rs 48,858 crore into equities and Rs 6,122 crore into debt segment between December 1 and 18.

10-year Bonds: India 10-year bond yield were flat at 5.95 after trading in the 5.95-5.97 range.

WEEK AHEAD

Trend in global markets, 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.

Stock markets will remain closed on Friday, December 25, 2020 on account of Christmas.

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.

Overseas, China will announce Loan Prime Rate for 1 year today. The United States Durable Goods Orders for November will be declared on Thursday, December 24, 2020.

Source: Reuters, Capital Market, ET

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

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