

Indices scale fresh high; Sensex up 300 pts, Nifty tops 13,800

The Indian markets hit fresh record high on Monday amid positive global cues after US President Donald Trump signed into law a \$2.3 trillion pandemic aid and spending package. Moreover, the United Kingdom's historic trade deal with the European Union also aided investor sentiment.

At 10:00 AM, the frontline S&P BSE Sensex was trading at 47,254, up 280 points or 0.6%. Market breadth is positive and out of a total of 2,361 shares traded on the Bombay Stock Exchange, 1,677 advanced while 576 declined and 108 remained unchanged. The broader Nifty50 was at 13,838, levels, up 88 point or 0.65%.

The index hit an intra-day high of 47,349. The broader Nifty50 index was also testing the 13,850-mark. All the Nifty sectoral indices were trading in the green, led by Nifty Metal index, up 1.6%.

In the broader markets, the S&P BSE Midcap and Smallcap indices were up 0.6% and 1% higher, respectively.

THE WEEK THAT WAS

Key indices ended on a flat note after seeing high volatility during the week. The equity markets were concerned about the new strain of the COVID-19 virus found in UK. However, reports from vaccine manufacturers that the current vaccine would likely be effective against the new strain as well helped assuage some of the market concerns.

In the week ended on Thursday, December 24, 2020, the S&P BSE Sensex rose 12.85 points or 0.03% to settle at 46,973.54. The Nifty50 index fell 11.30 points or 0.08% to settle at 13,749.25.

The BSE Midcap index slipped 124.48 or 0.70% to settle at 17,676.70. The BSE Smallcap index lost 93.57 points or 0.53% to settle at 17,675.53.

GLOBAL MARKETS

Global shares ticked up on Monday as a source said US President Donald Trump signed into law a \$2.3 trillion pandemic aid and spending package he had until now refused to sign.

US S&P futures last traded up 0.4%. Japan's Nikkei inched up 0.4%. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.2%, though trade is slow with many markets still closed for holiday.

US bond yields edged up in its first trade after Christmas, with the 10-year US Treasuries yield up 0.6 basis point at 0.930%.

OIL, RUPEE & FIIs

Crude Oil: Oil prices edged down a tad, with US crude futures down 0.8% at \$47.85 per barrel.

Indian Rupee: Climbing for the second straight session, the rupee darted up 21 paise to end at 73.55 against the US dollar on Thursday amid sustained foreign fund inflows and positive domestic equities.

FPIs: Net-net, foreign portfolio investors (FPIs) were buyers of domestic stocks to the tune of Rs 1,225.69 crore, data available with NSE suggested. DIIs were net sellers to the tune of Rs 1,897.92 crore, data suggests.

10-year Bonds: India 10-year bond yield fell 0.35 per cent higher at 5.92 after trading in 5.92-5.98 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.

Trading could be volatile in the forthcoming week as traders roll over positions in the F&O segment from the near month December series to January series. The December 2020 F&O contracts will expire on Thursday, December 31, 2020.

India's infrastructure output data for November will be unveiled on Thursday.

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, developments surrounding Brexit deal will be closely eyed. Britain and the European Union appeared close to clinching a long-elusive trade agreement on Wednesday. It comes after EU Chief Brexit Negotiator Michel Barnier said that the bloc was making a "final push" to strike a Brexit trade deal with Britain ahead of December 31.

Source: Reuters, Capital Market, ET

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

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