

Markets choppy amid mixed global cues; Nifty hovers around 13,300 mark

The Indian markets were trading with meagre gains in Monday's early deals, on the back of mixed set of global cues, hovering near their record highs scaled last week.

At 9:45 AM, the frontline S&P BSE Sensex was trading at 45,210, up 131 points or 0.3%. Market breadth is positive and out of a total of 2,222 shares traded on the Bombay Stock Exchange, 1,567 advanced while 547 declined and 108 remained unchanged. The broader Nifty50 was at 13,299, levels, up 40 point or 0.3%.

The Nifty sectoral indices were trading largely in the green, led by Nifty PSU Bank index, up 0.8%.

In the broader market, the S&P BSE Midcap and Smallcap indices were trading 0.3% and 0.8% higher, respectively.

THE WEEK THAT WAS

Markets surged last week amid encouraging global cues and optimism over progress in COVID-19 vaccine development. Sustained foreign fund inflows and weakness of the American currency in the overseas market also supported the domestic shares.

Major gains were reported on Friday after the Reserve Bank of India (RBI) left the repo rate unchanged while upgrading India's GDP target for the current fiscal year.

In the week ended on Friday, December 4, 2020, the S&P BSE Sensex advanced 929.83 points or 2.11% to settle at 45,079.55. The Nifty50 index rallied 289.60 points or 2.23% to settle at 13,258.55. Both the indices hit record high levels.

The BSE Midcap index gained 474.37 or 2.80% to settle at 17,389.02. The BSE Smallcap index rose 442.14 points or 2.62% to settle at 17,317.29.

GLOBAL MARKETS

Asian shares retreated from a record peak on Monday after a Reuters report the United States was preparing to impose sanctions on some Chinese officials highlighted geopolitical tensions, while oil prices fell on surging virus cases.

MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.3% following four straight sessions of gains. It is still up about 16% so far this year, the best since a 33% jump in 2017.

China's blue-chip index dropped 0.6% while Hong Kong's Hang Seng was down 1.2%. Japan's Nikkei declined 0.3% while Australian shares were up 0.5%.

On Wall Street, stock indexes reached fresh all-time highs on Friday with the Dow rising 0.8%, the S&P 500 gaining 0.9% and the NASDAQ adding 0.7%.

OIL, RUPEE & FIIs

Crude Oil: Oil prices slipped from its highest levels since March as a continued surge in coronavirus globally forced a series of renewed lockdowns, including strict new measures in Southern California.

US crude was off 22 cents at \$46.04 per barrel and Brent was down 19 cents at \$49.06. Brent has lost about a quarter of its value this year so far.

Indian Rupee: The rupee snapped its two-day losing streak to close 13 paise higher at 73.80 against the dollar on Friday as the Reserve Bank of India maintained status quo on the benchmark interest rate for the third time in a row.

FPIs: Net-net, foreign portfolio investors (FPIs) were buyers of domestic stocks to the tune of Rs 2,970 crore, data available with NSE suggested. DIIs were net sellers to the tune of Rs 1,971.60 crore, data suggests.

10-year Bonds: India 10-year bond yield fell 0.59 per cent to 5.89 after trading in 5.88-5.93 range.

WEEK AHEAD

Global cues, quarterly results, 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.

Developments in COVID-19 vaccines will also be closely watched. There were more than 200 vaccine candidates under development as of last month, with 48 in clinical trials, according to the World Health Organization. Some of these have emerged as frontrunners and are raising hopes of the world population that the pandemic may soon see an end.

India's industrial production data for October will be unveiled on Friday, December 11, 2020. The all-India general consumer price index (CPI) inflation data for November will also be unveiled on Friday.

Among overseas markets, in China, balance of trade data for November will be unveiled on December 7, 2020. The country's inflation data for November will release on December 9, 2020.

In Japan, Q3 GDP data will release on 8 December 2020. The Bank of Japan's Tankan index for big manufacturers' sentiment in Q4 will be unveiled on December 14, 2020.

In the United States, inflation data for November will release on December 10, 2020.

Source: Reuters, Capital Market, ET

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

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