

## **Nifty below 15,000 mark amid volatility; PSU banks drag**

The Indian markets slid in the early deals of Monday's volatile session, with public sector banks being the top drags. Markets had registered sharp gains post the Union Budget, but last week profit-taking was witnessed. Markets might witness volatile trade this week amid monthly derivatives expiry.

At 10:10 AM, the frontline S&P BSE Sensex was trading at 50,582, down 316 points or 0.62%. Market breadth is flat and out of a total of 2,456 shares traded on the Bombay Stock Exchange, 1,181 advanced while 1,144 declined and 131 remained unchanged. The broader Nifty50 was at 14,902, levels, down 79 points or 0.50%.

The Nifty sectoral indices, barring the Nifty Metal index, were painted red. In the broader markets, the S&P BSE Midcap and Smallcap indices were up 0.13% and 0.3%, respectively.

### **THE WEEK THAT WAS – FEB 15 TO FEB 19, 2021**

Key indices ended with modest losses as investors booked profits after recent rally. Rising global and local bond yields impacted sentiment. The upmove was triggered by a range of positive developments, including a high-spending union budget, strong corporate earnings, robust foreign fund flows and progress on COVID-19 vaccinations.

The Sensex settled below the key 51,000 level while the Nifty ended below the psychological 15,000 mark. Both these indices retreated after scaling record highs. However, the broader markets that are BSE Midcap index and the BSE Smallcap Index, both, ended in the green last week.

In the week ended Friday, February 19, 2021, the Sensex dropped 654.54 points or 1.27% to settle at 50,889.76. The Nifty 50 index shed 181.55 points or 1.20% to settle at 14,981.75. The BSE Midcap index rose 124.49 or 0.63% to settle at 20,035.52. The BSE Smallcap index added 241.36 points or 1.23% to settle at 19,863.41.

### **GLOBAL MARKETS**

Asian share markets inched higher today as expectations for faster economic growth and inflation globally batter bonds and boost commodities, though rising real yields also make equity valuations look more stretched in comparison.

MSCI's broadest index of Asia-Pacific shares outside Japan added 0.1%, after easing from a record top late last week as the jump in US bond yields unsettled investors.

Japan's Nikkei recouped 1.0% and South Korea 0.4%, while E-Mini futures for the S&P 500 were a fraction firmer.

## **OIL, RUPEE & FIIs**

**Crude Oil:** Oil prices have gone along for the ride, aided by tightening supplies and freezing weather, giving Brent gains of 21% for the year so far.

Early Monday, Brent crude futures were up 43 cents at \$63.34 a barrel, while US crude added 11 cents to \$59.35.

**Indian Rupee:** Buoyed by foreign fund inflow and weaker US dollar, the Indian rupee is trading at its highest level in almost a year. On Friday the rupee closed flat at 72.65 against the greenback, as foreign funds continued to pump monies into Indian markets.

**FPIs:** On Friday, foreign institutional investors (FIIs) net bought shares worth Rs 118.75 crore, while domestic institutional investors (DIIs) net sold shares worth Rs 1,174.98 crore in the Indian equity market.

Foreign portfolio investors (FPIs) invested Rs 24,965 crore in Indian markets in February so far. According to depositories' data, FPIs pumped in Rs 24,204 crore into equities and Rs 761 crore in the debt segment, taking the total net investment to Rs 24,965 crore during February 1-19.

## **WEEK AHEAD**

Trading could be volatile this week as traders roll over positions in the F&O segment from the near month January series to February series. The February 2021 F&O contracts will expire on Thursday.

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.

On the macro front, India's gross domestic product (GDP) for the fourth quarter will be released on February 26, 2021. India's infrastructure output data for January will be unveiled on February 26, 2021.

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.

China will announce Loan Prime Rate for 1 year and 5 years today. The United States Durable Goods Orders for January will be declared on February 25, 2021.

**Source:** Reuters, Capital Market

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

**carefully.**

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