

### **Sensex zooms over 600 points; Nifty above 15,100 mark**

The Indian benchmark indices were trading firm, up over 1%, in Monday's early deals after opening higher for the sixth straight day, on the back of favourable global cues.

At 9:50 AM, the frontline S&P BSE Sensex was trading at 51,352, up 620 points or 1.22%. Market breadth is positive and out of a total of 2,388 shares traded on the Bombay Stock Exchange, 1,571 advanced while 694 declined and 123 remained unchanged. The broader Nifty50 was at 15,107, levels, up 179 points or 1.2%.

The Nifty sectoral indices were painted green, with the Nifty Bank index, up 2%, leading the charge.

### **THE WEEK THAT WAS – FEB 1 TO FEB 5, 2021**

Key indices logged strong gains in the week after the Finance Minister Nirmala Sitharaman presented a growth-oriented Budget on Monday. Indices finished at a fresh lifetime peak on Friday after the Reserve Bank kept interest rates unchanged but continued its accommodative stance and announced fresh liquidity measures to revive growth.

The Nifty index crossed the psychological 15,000 mark while S&P BSE Sensex hit high above 51,000 mark. Global shares maintained their upward trajectory on progress in vaccine distribution, US stimulus hopes and growth optimism.

The Union Budget 2021 supported all the essential aspects of growth by an increase in government spending without an increase in indirect taxes. The Budget offered huge stimulus to infrastructure, capex, healthcare and boosted the credit flow by taking out the toxic assets of the banking system. Increased FDI limit in insurance improved the overall outlook of the sector.

In the week ended on Friday, February 5, 2021, the Sensex surged 4,445 points or 9.61% to settle at 50,731.63. The Nifty50 index soared 1,289.65 points or 9.46% to settle at 14,924.25. The Sensex hit record high of 51,073.27 while the Nifty hit record high of 15,014.65 on Friday, February 5, 2021.

The BSE Midcap index jumped 1,330.94 or 7.36% to settle at 19,413.17 while the BSE Smallcap index rallied 1,107.86 points or 6.16% to settle at 19,096.06.

### **GLOBAL MARKETS**

Asian shares hovered near record highs on Monday while oil edged closer to \$60 a barrel on hopes a \$1.9 trillion COVID-19 aid package will be passed by US lawmakers as soon as this month just as coronavirus vaccines are being rolled out globally.

MSCI's broadest index of Asia-Pacific shares outside Japan was last up 0.2% at 717.2, not far from last week's record high of 730.6.

Japan's Nikkei climbed 0.3% while Australian shares advanced 0.5% led by technology and mining shares. E-mini futures for the S&P 500 rose 0.3% in early Asian trading.

### **OIL, RUPEE & FIIs**

**Crude Oil:** Oil prices rose on Monday, with Brent futures nearing \$60 a barrel, boosted by supply cuts among key producers and hopes for further US economic stimulus measures to boost demand. Brent crude for April touched a high of \$59.95 a barrel and was at \$59.85, up 51 cents, or 0.9%. Front-month prices last hit \$60 on February 20, 2020.

**Indian Rupee:** The rupee gained 3 paise to settle at 72.93 against the US dollar on Friday after the Reserve Bank kept the policy rate unchanged but maintained its accommodative stance to spur growth.

**FPIs:** Net-net, foreign portfolio investors (FPIs) were buyers of domestic stocks to the tune of Rs 1,461.71 crore, data available with NSE suggested. DIIs were net sellers to the tune of Rs 1,418.65 crore, data suggests.

**10-year Bonds:** India 10-year bond yield fell 0.05% to 6.07 after trading in 6.05-6.15 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.

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.

In economic data, the Industrial Production and Manufacturing Production data for December will be released on February 12, 2021. Inflation rate for January is also due on February 12, 2021.

Overseas, China will announce inflation rate for January on February 10, 2021. US will announce inflation rate for January on February 10, 2021.

**Source:** Reuters, Capital Market, ET

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

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