

Sensex drops 350 points tracking global cues

Benchmark indices have slipped over half a per cent in Monday's early deals, tracking similar cues from their Asian peers.

At 10:30 AM, the frontline S&P BSE Sensex was trading at 48,685, down 350 points or 0.73%. Market breadth is negative and out of a total of 2,533 shares traded on the Bombay Stock Exchange, 718 advanced while 1,695 declined and 120 remained unchanged. The broader Nifty50 was at 14,300, levels, down 133 point or 0.9%.

The Nifty sectoral indices were trading largely in the red, with the Nifty Metal index, down 3%, leading the list of losers.

THE WEEK THAT WAS

Local indices settled with modest gains amid volatility during the week. Gains were capped due to rising COVID-19 cases across US, Europe and China. The Sensex and the Nifty retreated after scaling record high during the week.

In the week ended on Friday, January 15, 2021, the Sensex rose 252.16 points or 1.18% to settle at 18,912.10. The BSE Midcap index fell 226.62 points or 1.18% to settle at 18,912.10. The BSE Smallcap index slipped 208.95 points or 1.11% to settle at 18,699.64.

GLOBAL MARKETS

Asian share markets pared early losses on Monday as data confirmed China's economy had bounced back last quarter as factory output jumped, helping offset recent disappointing news on US consumer spending.

Chinese blue chips edged up 0.4% after the economy was reported to have grown 6.5% in the fourth quarter, on a year earlier, topping forecasts of 6.1%. Production for December also beat estimates, though retail sales missed the mark. Broadest index of Asia-Pacific shares outside Japan trimmed losses and were off 0.2%, having hit a string of record peaks in recent weeks. Japan's Nikkei slipped 0.8% and is away from a 30-year high.

OIL, RUPEE & FIIs

Crude Oil: Oil prices ran into profit-taking on worries the spread of increasingly tight lockdowns globally would hurt demand. Brent crude futures were off 12 cents at \$54.98 a barrel, while US crude eased 11 cents to \$52.25 a barrel.

Indian Rupee: The rupee snapped its three-session winning streak and settled for the day 3 paise lower at 73.07 against the US dollar on Friday, with weaker Asian peers and heavy selloffs in domestic equities weighing on sentiment.

FPIs: Foreign portfolio investors (FPI) put in Rs 14,866 crore in Indian markets in the first half of January with participants expecting strong third-quarter results by companies. As per depositories data, FPIs invested a net Rs 18,490 crore into equities but pulled out Rs 3,624 crore from debt segment between January 1-15.

10-year Bonds: India 10-year bond yield rose 1.08 per cent to 5.98 after trading in 5.92-5.98 range.

WEEK AHEAD

Global central bank decisions, trend in global markets, quarterly results, 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.

The Union Budget 2021-22 would be presented on February 1. The Parliament session would be starting from January 29, and would be held in two phases. Subject to exigencies of government business, the session is likely to conclude on April 8, 2021.

Overseas, major central bank meetings - BoE and BoJ decisions will be closely watched.

The Bank of Japan (BoJ) will announce its interest rate decision on January 21, 2021.

The Bank of England (BoE) will also announce its interest rate decision on January 21, 2021.

China will announce Loan Prime Rate for 1 year and 5 years on January 20, 2021. China will announce Q4 GDP data today.

In US, President-elect Joe Biden and Vice President-elect Kamala Harris will take the oath of office in front of the US Capitol on January 20.

In Europe, the ZEW Economic Sentiment Index for January will be declared tomorrow.

Source: Reuters, Capital Market, ET

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

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