

Bull market continues; Sensex hits 48,00 mark, Nifty at 14,000

The Indian markets made a firm start on Monday, recording their fresh new high, after the Indian drug regulator DGCI gave its approval to Covid vaccines produced by AstraZeneca and Bharat Biotech for emergency use in the country.

Besides this, DGCI also approved phase 3 clinical trials of Ahmedabad-based Cadila Healthcare's ZyCov-D, paving the way for a timely roll-out of another indigenous Covid-19 vaccine.

At 9:50 AM, the frontline S&P BSE Sensex was trading at 48,103, up 234 points or 0.5%. Market breadth is positive and out of a total of 2,310 shares traded on the Bombay Stock Exchange, 1,768 advanced while 440 declined and 102 remained unchanged. The broader Nifty50 was at 14,099, levels, up 81 point or 0.6%.

All the Nifty sectoral indices, except Nifty Realty index, 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 trading 0.8% up, each.

THE WEEK THAT WAS

Key benchmark indices logged strong gains during the week on positive global cues. Record GST collections also boosted sentiment. Indian markets scaled new highs with Nifty50 breaching the 14,000 mark and BSE Sensex above 47,800 level. Trading was volatile as the December 2020 F&O contracts expired on December 31, 2020.

In the week ended on Friday, January 1, 2021, the Sensex rose 895.44 points or 1.91% to settle at 47,868.98. The Nifty50 index gained 269 points or 1.96% to settle at 14,018.50. The BSE Midcap index added 487.78 or 2.76% to settle at 18,164.48. The BSE Smallcap index advanced 585.50 points or 3.31% to settle at 18,261.03.

GLOBAL MARKETS

Asian share markets resumed their ascent on Monday as investors pinned their hope on vaccines to eventually deliver a global economic upturn, even as a possible tightening in virus rules for Tokyo pulled Japanese stocks off 30-year highs.

After a slow start, MSCI's broadest index of Asia-Pacific shares outside Japan swung 0.8% higher to hit another all-time peak.

South Korea climbed 2% to a record, led by the chip and auto sectors, while Chinese blue chips added 0.3%.

E-Mini futures for the S&P 500 were steady after also touching a record high. EUROSTOXX 50 futures were flat, while FTSE futures rose 0.4%.

Japan's Nikkei shed early gains to fall 0.4% after Prime Minister Yoshihide Suga confirmed the government was considering a state of emergency for Tokyo and three surrounding prefectures.

Investors are cautiously watching runoff elections in Georgia for two U.S. Senate seats on Tuesday that will determine which party controls the Senate.

OIL, RUPEE & FIIs

Crude Oil: Oil prices edged lower ahead of a meeting of OPEC and allied producers to discuss output levels for February. Brent crude for March was at \$51.76 a barrel, down 4 cents or 0.08%.

Indian Rupee: Snapping its six-session winning streak, the rupee depreciated by 4 paise to settle at 73.11 against the US dollar on the first trading day of the New Year on Friday. At the interbank forex market, the domestic unit opened at 73.09 against the US dollar and witnessed an intra-day high of 73.02 and a low of 73.11.

FPIs: Net-net, foreign portfolio investors (FPIs) were buyers of domestic stocks to the tune of Rs 506.21 crore, data available with NSE suggested. DIIs were net buyers to the tune of Rs 69.40 crore, data suggests.

10-year Bonds: India 10-year bond yield rose 0.07 per cent to 5.89 after trading in 5.88-5.90 range.

WEEK AHEAD

Trend in global markets, 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. 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, Markit Manufacturing PMI for December will be declared today. Markit Services PMI for December will be declared on Wednesday, January 6, 2021.

Overseas, the political transition in US will witness its final leg and all eyes will be on two U.S. Senate races in Georgia next week that will determine control of the chamber and influence Democratic President-elect Joe Biden's ability to enact his agenda.

China will announce the Caixin Manufacturing PMI for December today. The US Markit Manufacturing PMI for December will be declared today. The Euro Area Markit Manufacturing PMI for December will be declared today.

Source: Reuters, Capital Market, ET

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

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