

Sensex, Nifty rise tracking global cues; Nifty holds 10,850

The Indian markets started the week on a strong note and were trading around 1% higher, on the back of positive global cues amid optimism about the Coronavirus vaccines and better than expected economic data in Europe. All the Nifty sectoral indices were trading in the green, led by Nifty Metal index, up 1.8%.

At 10:15 AM, the S&P BSE Sensex was trading at 36,884, up 289 points or 0.8%. Market breadth are positive and out of a total of 2,138 shares traded on the Bombay Stock Exchange, 1,163 advanced while 844 declined and 131 remained unchanged. The Nifty50 was up 87 points or 0.81% at 10,856.

10-year Indian G-Sec yields were trading at 5.772 in morning against the previous close of 5.760.

THE WEEK THAT WAS

Key barometers extended gains to the fourth week. Market mood remained buoyant, despite continuous increase in COVID-19 cases. Volatility was high during the week. Global stocks rose as investors focused on the prospect of economic recovery and progress on potential coronavirus drugs.

In the week ended on Friday, July 10, 2020, the S&P BSE Sensex rose 572.91 points or 1.59% to settle at 36,594.33. The Nifty50 index gained 160.70 points or 1.51% to settle at 10,768.05.

The BSE Midcap index advanced 108.13 or 0.81% to settle at 13,396.83. The BSE Smallcap index added 200.76 points or 1.59% to settle at 12,803.78.

GLOBAL MARKETS

Asian shares crept toward five-month peaks on Monday as investors wagered the US earnings season would see most companies beat forecasts given expectations had been lowered so far by coronavirus lockdowns.

MSCI's broadest index of Asia-Pacific shares outside Japan added 0.15%, having climbed sharply last week on the back of surging Chinese stocks, which added another 1% on Monday.

Japan's Nikkei gained 1.7% and South Korea 1.2%. E-Mini futures for the S&P 500 rose 0.5% even as some US states reported record new cases of COVID-19, a divergence that shows no sign of stopping.

On Friday, US stocks finished higher as a broad gain in financial shares bolstered the market. The Dow Jones Industrial Average jumped 369.21 points, or 1.44%, to 26,075.30. The S&P 500 rose 32.99 points, or 1.05%, to 3,185.04. The Nasdaq Composite index was up 69.69 points, or 0.66%, to 10,617.44.

CRUDE OIL

Oil prices eased in early trade, although that followed a sharp rise on Friday when the International Energy Agency (IEA) bumped up its 2020 demand forecast.

Brent crude futures dipped 41 cents to \$42.83 a barrel, while US crude lost 40 cents to \$40.15.

INDIAN RUPEE

The Indian rupee weakened by 21 paise to close at 75.20 against the US dollar on Friday amid foreign capital outflows and a firm greenback overseas.

WEEK AHEAD

Macroeconomic data, global cues, progress of monsoon, April-June 2020 quarterly earnings, 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 in the trading week ahead. The spread of coronavirus and its impact on the local and global economy will be closely watched.

On the macro front, inflation rate for June will be announced today. Wholesale price index inflation for June will be announced tomorrow.

The India Meteorological Department (IMD) said that for the country as a whole, cumulative rainfall during this year's monsoon from June 1 till July 10 was 14% above the Long Period Average (LPA). The June-September southwest monsoon is critical for the country's farmland is dependent on the rains for irrigation.

Overseas, the Bank of Japan will announce its interest rate decision on July 15, 2020. China will announce industrial production data for June on July 16, 2020. In Europe, the European Central Bank will announce its interest rate decision on July 16, 2020. The Euro Area industrial production data for May will be announced tomorrow.

Source: Reuters, Capital Market

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

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