

## **Markets falter tracking weak Asian cues; Nifty hovers around 9,800 mark**

The Indian equity markets on Monday were trading with around 2% cut, in line with trends in their global peers.

At 10:45 AM, the S&P BSE Sensex was trading at 33,166, down 615 points or 1.82%. Market breadth is negative and out of a total of 2,256 shares traded on the Bombay Stock Exchange, 1,152 advanced while 942 declined and 162 remained unchanged. The Nifty50 was down 174 points or 1.74% at 9,798.

10-year Indian G-Sec yields were trading at 5.784 in morning against the previous close of 5.796.

### **THE WEEK THAT WAS**

Local stocks ended the week with modest losses amid high volatility. Market mood was dampened by mounting COVID-19 cases, no immediate relief provided by Supreme Court on AGR dues and a pessimistic outlook by US Fed on recovery timelines. The Nifty50 shut shop below the psychological 10,000 mark.

In the week ended on Friday, June 12, 2020, the S&P BSE Sensex fell 506.35 points or 1.48% to settle at 33,780.89. The Nifty50 index declined 169.25 points or 1.67% to settle at 9,972.90.

The BSE Midcap index rose 45.99 or 0.37% to settle at 12,600.15 while the BSE Smallcap index slipped 9.90 points or 0.08% to settle at 11,845.27.

### **GLOBAL MARKETS**

Asian shares stumbled on Monday and oil prices slipped as fears of a second wave of coronavirus infections in Beijing sent investors scurrying for safe-havens while underwhelming data from China further weighed on sentiment.

MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.3% with Australian shares off 0.1% and South Korea easing 0.3%. Japan's Nikkei faltered 0.7%. Chinese shares opened in the red with the blue-chip index down 0.1%.

Monday's losses follow a strong rally in global equities since late March, fueled by central bank and fiscal stimulus and optimism as countries gradually lifted restrictions put in place to curb the spread of the novel coronavirus.

### **CRUDE OIL**

Crude oil extended losses after posting its first weekly loss since late April. Brent crude was last down 2.25% at \$37.86 a barrel while U.S. crude fell 3.09% to \$35.14.

Oil investors await OPEC+ committee meetings of experts later this week who will advise the producer group and its allies on output cuts.

## **INDIAN RUPEE**

On Friday, the Indian rupee fell sharply against the US dollar amid a selloff in domestic equity markets, increased global risk-off sentiment and broad strength in the greenback.

The rupee fell to 76.10 per US dollar at day's low as compared to previous close of 75.78 per USD in the previous session.

## **WEEK AHEAD**

Macroeconomic data, global cues, 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 in the trading week ahead.

The spread of coronavirus and its impact on the local and global economy will be closely watched. Wholesale price index inflation for April will be announced today.

Meanwhile, monsoon has covered a significant part of west and central India but its progress will be slower this week, the India Meteorological Department said.

Overseas, China will announce industrial production data for May today. US industrial production data for May will be released tomorrow. In Europe, the ZEW Economic Sentiment Index for June will be declared tomorrow. The Euro Area inflation rate for May will be announced on June 17, 2020.

*Source: Reuters, Capital Market, ET*

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

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