

Sensex plunges 700 points; Nifty breaks 14,850 mark

The Indian benchmark indices slid over 1% in Monday's early deals after opening on a flat note, dragged mainly by financials and metals.

At 9:45 AM, the frontline S&P BSE Sensex was trading at 50,098, down 694 points or 1.39%. Market breadth is weak and out of a total of 2,419 shares traded on the Bombay Stock Exchange, 706 advanced while 1,578 declined and 135 remained unchanged. The broader Nifty50 was at 14,822, levels, down 209 points or 1.39%.

The Nifty sectoral indices traded weak, with Nifty Financial Services index, down 1%, bleeding the most.

In the broader market, the S&P BSE Midcap and Smallcap indices were down 0.5% and 0.4%, respectively.

WEEKLY REVIEW – MARCH 8 TO MARCH 12, 2021

The equity barometers posted modest gains in the truncated trading week amid volatility. The Nifty index settled above the key 15,000 mark after falling moving above and below that level during the week. Global markets advanced this week on the passage of Washington's \$1.9 trillion stimulus package and after the ECB pledged to ramp up the bond buying program and bond yields fell sharply.

In the week ended on Friday, March 12, 2021, the Sensex rose 386.76 points or 0.77% to settle at 50,792.08. The Nifty50 index gained 92.85 points or 0.62% to settle at 15,030.95. The BSE Midcap index fell 10.59 or 0.05% to settle at 20,577.21. The BSE Smallcap index added 273.05 points or 1.30% to settle at 21,209.07.

GLOBAL MARKETS

Global stock prices were off to a solid start while US bond yields hovered near a 13-month peak on Monday as investors bet U.S. economic growth will accelerate after the passing of a massive stimulus package.

US S&P500 futures rose 0.25% in early Asian trade, trading just below a record high level touched last week, while Japan's Nikkei ticked up 0.1%. MSCI's broadest index of Asia-Pacific shares outside Japan was little changed.

OIL, RUPEE & FIIs

Crude Oil: Oil prices edged up on Monday, with Brent drifting near \$70 a barrel, propped up by output cuts from major producers and optimism about global economic and fuel demand recovery in the second half of the year.

Brent crude futures for May gained 23 cents, or 0.3%, to \$69.45 a barrel by 0102 GMT while US West Texas Intermediate crude for April was at \$65.90 a barrel, up 29 cents, or 0.4%.

Indian Rupee: Extending its gaining streak for the third day in a row, the Indian rupee advanced by another 12 paise to close at 72.79 against the US dollar on Friday amid some easing of crude oil prices.

At the interbank foreign exchange, the Indian unit opened at 72.66 but surrendered some gains as the trade progressed and closed the session at 72.79 -- showing a rise of 12 paise to the dollar.

FPIs: Foreign portfolio investors were net sellers to the tune of Rs 7,013 crore so far this month in the Indian markets on profit-booking as jitters in global bond markets spooked investors.

As per depositories data, FPIs pulled out Rs 531 crore from equities and Rs 6,482 crore from the debt segment between March 1-13. The total net outflow stood at Rs 7,013 crore.

WEEK AHEAD

Global central banks policy decisions, trend in global stock 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.

The Dollar Index, which measures the US currency against a basket of six peers, will also be closely 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.

On the macro front, the government will unveil data on inflation based on the wholesale price index for February today.

Overseas, Japan will declare inflation data for February on March 18, 2021. The Bank of Japan (BoJ) will announce its interest rate decision on March 19, 2021.

The US Federal Reserve (Fed) will announce its interest rate decision after its two-day policy meeting on March 17, 2021.

In Europe, ZEW Economic Sentiment index for March will be released tomorrow.

Source: Reuters, Capital Market, ET

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

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