

Indian indices followed their global peers and advanced over 1% on Monday, lifted by financials and auto stocks.

At 10:45 AM, the S&P BSE Sensex was trading at 31,982, up 350 points or 1%. Market breadth are positive and out of a total of 1,909 shares traded on the Bombay Stock Exchange, 1,094 advanced while 695 declined and 120 remained unchanged. The Nifty50 was up 102 points or 1.1% at 9,354.

10-year Indian G-Sec yields were trading at 6.213 in morning against the previous close of 5.967.

THE WEEK THAT WAS

Key indices dropped sharply in the week gone up amid volatility. A rapid increase in new cases of coronavirus in India in the last few days played the spoilsport. Sentiment was also impacted as the nationwide lock-down was extended for another two-week. The lockdown, put in to contain the COVID-19 outbreak, was set to end on 3 May 2020, but now it has been pushed to 17 May 2020.

In the week ended on Friday, 8 May 2020, the Sensex slumped 2,074.92 points or 6.15% to settle at 31,642.70. The Nifty 50 index tanked 608.40 points or 6.17% to settle at 9,251.50.

The BSE Mid-Cap index dropped 589.64 or 4.91% to settle at 11,423.81. The BSE Small-Cap index skid 463.14 points or 4.17% to settle at 10,638.70.

GLOBAL MARKETS

Asian shares followed Wall Street higher on Monday as investors looked ahead to more countries restarting their economies, even as some reported an unwelcome pick up in new coronavirus cases.

South Korea warned of a second wave of the new coronavirus as infections rebounded to a one-month high, while new infections accelerated in Germany.

Still, investors seemed determined to stay optimistic and MSCI's broadest index of Asia-Pacific shares outside Japan firmed 0.1%.

Japan's Nikkei added 0.7% and South Korean stocks 0.3%. E-Mini futures for the S&P 500 opened soft but bounced as the morning wore on and was last up 0.3%.

Wall Street had rallied on Friday after the April payrolls report proved dire but not quite as awful as analysts' worst fears.

CRUDE OIL

Oil prices opened about 1% lower as a persistent glut weighed on prices and the coronavirus pandemic eroded global oil demand, even as some governments began to ease lockdowns. Brent crude futures lost 27 cents to \$30.70 a barrel, while US crude fell 39 cents to \$24.35.

WEEK AHEAD

Indian stocks are expected to trade volatile in the near term. Rising cases of novel coronavirus, or COVID-19, and government stimulus package will be closely watched.

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.

There are hopes of a stimulus package from the government. According to reports, the government is working on a comprehensive financial package not only for MSMEs but for all sectors of the economy.

All eyes will be on the government guidelines pertaining to lockdown. Amid the unabated rise in the number of coronavirus cases in Maharashtra, Chief Minister Uddhav Thackeray reportedly indicated that the lockdown in the state could be extended till the end of this month.

While the nationwide lockdown was extended till May 17, Telangana has already extended it till May 29. The nationwide lockdown was first announced by Prime Minister Narendra Modi on March 24 in a bid to combat the coronavirus threat. It was further extended till May 3.

On the macro front, India's industrial production data for March will be declared on 12 May 2020. Inflation rate for April will be declared on the same day. Wholesale price index inflation for April will be announced on 14 May 2020.

Overseas, officials from Beijing and Washington are reportedly scheduled to hold a call as soon as next week to discuss progress in the phase-one trade pact which has been in doubt as President Donald Trump accused China of mishandling the coronavirus outbreak and threatened to quash the agreement. US negotiator Robert Lighthizer and his counterpart in China Vice Chairman Liu He will be on the call, reports indicated.

China will announce industrial production data for April on 15 May 2020. The US non-farm payrolls data for April 2020 will be announced on Friday, 8 May 2020. In Europe, the Euro Area industrial production data for March will be announced on 13 May 2020.

Source: Reuters, Capital Market

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

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