

Nifty trades below 8,950 mark; Sensex falls over 700 points

Markets opened negative on Monday as stimulus measures announced over the weekend, as part of the government's Rs 20 trillion economic package, failed to cheer markets.

Besides, the Centre has extended the nationwide lockdown by another two weeks, until May 31, to contain the spread of the novel coronavirus. Lockdown 4.0 comes with some relaxations to pave the way for increased movement of people and facilitate more economic activity.

At 10:35 AM, the S&P BSE Sensex was trading at 30,348, down 750 points or 2.4%. Market breadth was negative and out of a total of 1,819 shares traded on the Bombay Stock Exchange, 463 advanced while 1,249 declined and 107 remained unchanged. The Nifty50 was trading at 8,921, down 216 points or 2.4%.

10-year Indian G-Sec yields were trading at 6.052 in morning against the previous close of 6.081.

THE WEEK THAT WAS

Local indices ended lower as developments on the coronavirus front likely continued to weigh on investor sentiment. This is the second straight week that the Indian equity indices ended in the red.

In the week ended on Friday, May 15, the Sensex fell 544.97 points or 1.72% to settle at 31,097.73. The Nifty 50 index declined 114.65 points or 1.24% to settle at 9,136.85.

The BSE Mid-Cap index rose 76.51 or 0.67% to settle at 11,500.32. The BSE Small-Cap index gained 50.16 points or 0.47% to settle at 10,688.86.

GLOBAL MARKETS

Asian shares were led higher by S&P 500 futures on Monday and oil prices hit a five-week peak as countries' efforts to re-open their economies stirred hopes the world was nearer to emerging from recession.

Late Sunday, Powell outlined the likely need for three to six more months of government financial help for firms and families.

Data out on Friday showed retail sales and industrial production both plunged in April, putting the U.S. economy on track for its deepest contraction since the Great Depression.

MSCI's broadest index of Asia-Pacific shares outside Japan still edged up 0.4%. Japan's Nikkei rose 0.6% and Chinese blue chips 0.3%.

INDIAN RUPEE

On Friday, the rupee pared initial gains to settle 2 paise lower at 75.58 against the US dollar amid firming oil prices and lacklustre global cues.

At the interbank foreign exchange market, the rupee opened at 75.51, and stayed in a range of 75.45 - 75.59. The local unit finally finished at 75.58, down 2 paise over its previous close.

CRUDE OIL

Oil prices climbed higher on Monday, with the international benchmark Brent crude oil trading at \$33.42 per barrel, supported by gradual recovery in fuel demand as partial reopening of the economy gathered pace.

WEEK AHEAD

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.

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.

Overseas, Japan will announce industrial production data for March on May 19. In United States, the Markit Manufacturing, Services and Composite PMI for May will be announced on May 21. In Europe, the Euro Area ZEW Economic Sentiment Index for May will be announced on May 19.

***Source:** Reuters, Capital Market*

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

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