

Indices hit record high; Sensex tops 44,000, & Nifty near 12,900

Benchmark indices scaled fresh lifetime highs on Tuesday as positive news from Moderna Inc, that its Covid-19 vaccine has 94.5% efficacy rate, boosted investor sentiment.

Indices surpassed their previous highs touched on November 14 during the special one-hour Muhurat Trading. Stock market was closed yesterday on account of Diwali Balipratipada.

Among frontline indices, the S&P BSE Sensex hit a new record high of 44,161 levels in the opening deals, surpassing previous high of 43,830.93 levels. The broader Nifty50, meanwhile, hit new high of 12,934 mark.

Among key sectoral indices on the NSE, Nifty IT index slipped 0.4% in early deals. On the contrary, Nifty Metal index added 2% to trade as the top gainer.

In the broader market, the S&P BSE Midcap and the S&P BSE Smallcap indices were at 16,015 levels and 15,801 levels, respectively, up 0.2% each.

At 10:10 AM, the frontline S&P BSE Sensex was trading at 43,951, up 313 points or 0.7%. Market breadth is positive and out of a total of 2,179 shares traded on the Bombay Stock Exchange, 1,226 advanced while 852 declined and 101 remained unchanged. The broader Nifty50 was at 12,861 levels, up 81 points or 0.63%.

MUHURAT TRADING - SAMVAT 2077

Markets conducted a special one-hour Muhurat trading session on Diwali (Saturday) to mark the beginning of Samvat 2077. The Hindu calendar year starts on Diwali and it is believed that Muhurat trading brings prosperity and wealth throughout the year.

The benchmark S&P BSE Sensex jumped 195 points or 0.45% to hit record closing of 43,638 and similarly the broader NSE Nifty settled 60 points or 0.47% higher at 12,780. Sensex surged more than 350 points to hit an all-time high of 43,831 in opening session; while Nifty traded above 12,800-mark for the first time ever before settling a bit lower.

THE WEEK THAT WAS

Key indices ended higher for second straight week with the Sensex and the Nifty, both scaling all-time highs. The S&P BSE Sensex closed above the crucial 43,000 level. The Nifty index ended above 12,700 mark during the week. Market logged gains in four out of five trading sessions of the week.

Additional package of incentives announced by the government, positive news of COVID-19 vaccine development, inflows of foreign investor money and the results of the US elections boosted sentiment.

In the week ended on Friday, November 13, 2020, the Sensex surged 1,549.94 points or 3.70% to settle at 43,443. The Nifty50 index jumped 456.40 points or 3.72% to settle at 12,719.95.

The BSE Midcap index soared 471.73 or 3.06% to settle at 15,876.49. The BSE Smallcap index advanced 421.12 points or 2.77% to settle at 15,639.13.

GLOBAL MARKETS

Asian stocks cautiously pushed further into record territory on Tuesday, and oil edged higher after US benchmarks were pepped up by news of another promising coronavirus vaccine.

Investor sentiment was given a boost when Moderna Inc said its experimental COVID-19 vaccine was 94.5% effective in preventing infection based on interim late-stage data.

The Cambridge, Massachusetts-based firm became the second drugmaker, after Pfizer Inc, to announce promising trial data in the development of a vaccine to defeat the pandemic.

MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.11% on Tuesday morning, a day after hitting its highest level since launching in 1987.

The MSCI World Index of global shares which also hit a record high on Monday, ticked higher still in Asia's morning trading.

Hong Kong benchmark rose 0.1% and Australia's S&P/ASX 200 rose 0.23%. Japan's Nikkei 225 fell 0.2% after hitting a 29-year high the day before.

OIL, RUPEE & FIIs

Crude Oil: Oil prices edged higher on Tuesday on expectations OPEC and its allies will extend oil production cuts for at least three months, while sentiment was bolstered by news of another promising coronavirus vaccine. Brent crude futures for January rose 16 cents, or 0.4%, to \$43.98 a barrel and US WTI crude for December added 13 cents, or 0.3%, to \$41.47 a barrel.

Indian Rupee: The rupee halted its four-session losing streak on Friday, settling with a marginal 2 paise gain at 74.62 to the US dollar, as stronger Asian peers against the greenback lent support to the domestic unit.

FPIs: Net-net, foreign portfolio investors (FPIs) were sellers of domestic stocks to the tune of Rs 78.53 crore on Saturday, data available with NSE suggested. DIIs were net sellers to the tune of Rs 20.27 crore, data suggests.

10-year Bonds: India 10-year bond yield stood at 5.87 after trading in 5.87-5.91 range.

WEEK AHEAD

Global cues, quarterly results, 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. A win for Joe Biden in the US presidential race has lifted hope of the much-awaited stimulus package in the US.

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.

Overseas, China will release industrial production data for October yesterday. China will announce Loan Prime Rate for 1 year on Friday, 20 November 2020.

Japan announced industrial production data for September yesterday.

Saudi Arabia is gearing up to host the upcoming two-day virtual summit of G20 leaders, an international forum for the governments and central bank governors, from 19 countries and the European Union (EU) from November 21.

In Europe, the Consumer Confidence Flash data for November will be announced on Friday, November 20, 2020.

Source: Reuters, Capital Market, ET

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

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