

Sensex surges over 450 points; Nifty eyes 11,900 mark

The domestic equity markets started Monday on a strong footing, with the benchmark indices rising nearly 1%, amid positive cues from Asian indices.

Majority of the Nifty sectoral indices were trading in the green, led by Nifty Financial Service index, up 1.3%.

In the broader market, the S&P BSE Midcap and Smallcap indices were trading 0.4 and 0.5% higher, each.

At 10:25 AM, the frontline S&P BSE Sensex was trading at 40,439, up 456 points or 1.14%. Market breadth is positive and out of a total of 1,991 shares traded on the Bombay Stock Exchange, 1,254 advanced while 645 declined and 92 remained unchanged. The broader Nifty50 was at 11,875 levels, up 112 points or 0.95%.

THE WEEK THAT WAS

Key indices ended with modest losses as a sell-off on Thursday erased gains logged during the week. Volatility was high during the week. The Nifty index closed above 11,750 level while S&P BSE Sensex closed slightly below the crucial 40,000 mark. Rising coronavirus infections in parts of Europe and uncertainties over the stimulus package in the US impacted sentiment.

In the week ended on Friday, October 16, 2020, the S&P BSE Sensex dropped 526.51 points or 1.29% to settle at 39,982.98. The Nifty50 index fell 151.75 points or 1.27% to settle at 11,762.45.

The BSE Midcap index slipped 73.99 or 0.50% to settle at 14,621.31. The BSE Smallcap index shed 120.20 points or 0.81% to settle at 14,786.56.

GLOBAL MARKETS

Asian markets advanced toward a recent 2-1/2-year peak on Monday powered by hopes of a U.S fiscal package and expectations of a coronavirus vaccine by the end of this year, though weaker-than-expected Chinese data capped gains.

MSCI's broadest index of Asia-Pacific shares outside Japan climbed 0.6% for its second straight day of gains, paring back slightly following third-quarter gross domestic product data from China.

The index has risen in eight of the last 10 sessions amid a rally in risk assets buoyed by hopes of a coronavirus vaccine and expectations of a so-called "blue wave", which would see the Democrats claim victory in November's elections.

Chinese shares started higher though the blue-chip index pared gains after China's GDP data missed forecasts, though separate monthly indicators pointed to an expansion in economic activity.

Japan's Nikkei and Australia's benchmark index were each up 1.1%.

OIL, RUPEE & FIIs

Crude Oil & Gold: Brent crude futures slipped 14 cents to \$42.79 a barrel, and U.S. West Texas Intermediate (WTI) crude futures fell 14 cents to \$40.74 a barrel. Spot gold was a shade firmer at \$1,900.8 an ounce.

Indian Rupee: The rupee on Friday settled almost flat at 73.35 against the US dollar in the absence of any fresh trigger.

FPIs & DIIs: Net-net, foreign portfolio investors (FPIs) were sellers of domestic stocks to the tune of Rs 479.59 crore, data available with NSE suggested. DIIs were net sellers to the tune of Rs 429.81 crore, data suggests.

10-year Bonds: India 10-year bond yield rose 0.63 per cent to 5.93 after trading in 5.91-5.94 range.

WEEK AHEAD

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.

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.

Rising coronavirus infections in parts of Europe and uncertainties over the stimulus package in the US may impact sentiment. Meanwhile, global cues will be on the radar as US elections are just around the corner.

China will release third quarter GDP numbers today. China will announce Loan Prime Rate for 1 year tomorrow.

Source: Reuters, Capital Market, ET

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

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