

Sensex gains over 400 points; Nifty IT index up 2%

The Indian markets were trading firm, in line with Asian indices, on Monday on reports that US President Donald Trump could return to the White House today after responding well to Covid-19 treatment.

At 10:00 AM, the frontline S&P BSE Sensex was trading at 39,146, up 448 points or 1.16%. Market breadth is positive and out of a total of 1,779 shares traded on the Bombay Stock Exchange, 1,175 advanced while 487 declined and 117 remained unchanged. The broader Nifty50 was at 11,543 levels, up 126 points or 1.08%.

The trend among Nifty sectoral indices was positive, led by Nifty IT index, up almost 2%. Meanwhile, volatility index, India VIX, shot up 6%.

Meanwhile, in the broader market, the S&P BSE Midcap and Smallcap indices were trading half a per cent higher, each.

THE WEEK THAT WAS

Key indices logged strong gains in the truncated trading week as lockdown norms were relaxed. The S&P BSE Sensex closed a tad below 38,700 mark. The index ended above 11,400 level. Meanwhile, renewed US stimulus hopes kept the global markets lifted. Stock market was closed on Friday, October 2, 2020 on account of Gandhi Jayanti.

In the week ended on Thursday, October 1, 2020, the S&P BSE Sensex gained 1,308.39 points or 3.50% to settle at 38,697.05. The Nifty50 index jumped 366.70 points or 3.32% to settle at 11,416.95.

The BSE Midcap index spurred 476.57 or 3.32% to settle at 14,813.25. The BSE Smallcap index rallied 474.86 points or 3.28% to settle at 14,970.44.

GLOBAL MARKETS

Stock markets rose on Monday on hopes that President Donald Trump could be discharged from hospital later in the day, easing some of the political uncertainty that shook global bourses in the previous session.

Trump, 74, was flown to hospital for treatment for the coronavirus on Friday, but his doctors say he has responded well and could return to the White House on Monday.

That helped US S&P 500 e-mini futures rise 0.82% in Asian trading, while Nasdaq futures gained 1.11%.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.63%.

Australian stocks jumped 2.37% for the biggest daily gain in almost two weeks. Japan's Nikkei rose 1.39%. China's financial markets are closed for a public holiday.

OIL, RUPEE & FIIs

Crude Oil & Gold: Brent crude futures rose 1.22% to \$39.75 a barrel while U.S. crude futures gained 1.46% to \$37.59 per barrel.

Gold, another asset often bought during times of uncertainty, was little changed at \$1,898.90.

Indian Rupee: The rupee appreciated by 63 paise - or 0.85% - to end at 73.14 against the US dollar on Thursday, a day after the government allowed states to reopen movie theatres at 50 per cent capacity.

FPIs & DIIs: Net-net, foreign portfolio investors (FPIs) were buyers of domestic stocks to the tune of Rs 1,632.25 crore, data available with NSE suggested. DIIs were net buyers to the tune of Rs 259.46 crore, data suggests.

10-year Bonds: India 10-year bond yield fell 0.32 per cent to 5.99 after trading in 5.96-6.00 range.

WEEK AHEAD

Macroeconomic data, global cues, progress of monsoon, 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.

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, Markit Services PMI for September will be declared on October 6, 2020.

Overseas, China will announce the Caixin Composite PMI and Caixin Services PMI for September on October 9, 2020.

The US Markit Composite PMI and Markit Services PMI for September will be declared on October 5, 2020.

The Euro Area Markit Composite PMI and Markit Services PMI for September will be declared on October 5, 2020.

Source: Reuters, Capital Market, ET

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

carefully.

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