

### **Markets choppy tracking Asian cues; Pharma shares rise**

Benchmark indices started the expiry week of the September series derivative contracts on a flat note, tracking similar cues from their Asian peers.

At 10:50 AM, the frontline S&P BSE Sensex was trading at 38,890, up 44 points or 0.11%. Market breadth is weak and out of a total of 2,375 shares traded on the Bombay Stock Exchange, 966 advanced while 1,270 declined and 139 remained unchanged. The broader Nifty50 was at 11,510 levels, up 5 points or 0.04%.

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The trend among the Nifty sectoral indices was largely negative, led by Nifty PSU Bank index, down half a per cent. On the other hand, Nifty Pharma index was trading 1% higher.

In the broader market, the S&P BSE Midcap index was trading flat while the Smallcap index was up 0.5%.

### **THE WEEK THAT WAS**

Local stock bourses ended the week on a flat note amid high volatility. Worries over a resurgence in coronavirus cases impacted sentiment. The Nifty settled a tad above 11,500 mark. Broader markets outperformed the benchmark indices.

In the week ended on Friday, September 18, 2020, the Sensex fell 8.73 points or 0.02% to settle at 38,845.82. The Nifty50 index rose 40.50 points or 0.35% to settle at 11,504.95.

The BSE Midcap index advanced 388.18 or 2.65% to settle at 15,047.80. The BSE Smallcap index jumped 741.71 points or 5.09% to settle at 15,299.98.

### **GLOBAL MARKETS**

Asian shares and most currencies held tight ranges on Monday, as investors awaited developments on US fiscal stimulus and coronavirus vaccines amid a resurgence of infections in Europe.

MSCI's broadest index of Asia-Pacific shares outside Japan was 0.1% weaker, though it was not too far from a June 2018 peak at 568.84.

Australia's benchmark index slipped 0.5% while New Zealand's stumbled 0.6%. Chinese shares opened in the red with the blue-chip index down 0.3%.

On Friday, US stocks declined with the Dow down 0.9%, the S&P 500 losing 1.1% and Nasdaq Composite dropping 1.07%.

## **OIL, RUPEE & FIIs**

**Crude Oil & Gold:** US crude slipped 2 cents to \$43.13 a barrel. Brent crude fell 1 cent to \$41.1. Gold was slightly lower, with spot prices at \$1,951.3 an ounce.

**Indian Rupee:** The rupee strengthened by 21 paise to close at 73.45 against the US dollar on Friday as weak American currency and positive domestic equities buoyed investor sentiment.

**FPIs & DIIs:** Net-net, foreign portfolio investors (FPIs) were buyers of domestic stocks to the tune of Rs 205.15 crore, data available with NSE suggested. DIIs were net sellers to the tune of Rs 100.83 crore, data suggests.

## **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.

The market may witness volatility due to the expiry of September futures & options contracts on Thursday, September 24 and roll over of positions to next month.

Also, 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 announce Loan Prime Rate for 1 year today.

Bank of Japan will unveil minutes of the recent Monetary Policy meeting on September 24, 2020. Japan Jibun Bank Manufacturing PMI Flash for September will be announced on September 23, 2020.

The Euro Area Markit Manufacturing PMI Flash for September will be declared on September 23, 2020.

*Source: Reuters, Capital Market, ET*

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

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CL07497