

Markets turn choppy after making a positive opening; Nifty Bank gains

Domestic equity markets trimmed gains in Monday's intra-day trade, however, traded in the positive territory.

Key indices Nifty50 climbed over 100 points to trade above 18,200 levels and the S&P BSE Sensex advanced over 300 points to trade at 61,290 levels in the early trades.

At 10:22 AM, the frontline S&P BSE Sensex was trading at 60,906 down by 45 points or 0.07%. Market breadth is negative and out of a total of 3,443 shares traded on the Bombay Stock Exchange, 2,042 advanced while 1,210 declined and 191 remained unchanged. The broader Nifty50 was at 18,129 levels up 12 points or 0.06%.

Broader markets, too, jumped in tandem as Nifty Midcap 100 and Nifty Smallcap indices gained up to 0.7%.

Barring Nifty Metal index, all sectors started trade on a positive note. Nifty Bank index gained the most, up over 1%.

WEEKLY REVIEW – OCTOBER 31 – NOVEMBER 4, 2022

Local indices notched steady gains during the week. Broader markets outperformed the key indices. Positive global cues, encouraging domestic economic data and strong buying by the FIIs boosted sentiment. The Nifty settled above the 18,100 level. The Sensex ended just below 61,000 mark.

In the week ended on Friday, 4 November 2022, the Sensex advanced 990.51 points or 1.65% to settle at 60,950.36. The Nifty 50 index gained 330.35 points or 1.86% to settle at 18,117.15. The BSE Midcap index rose 2.39% to settle at 25,647.07. The BSE Smallcap index rose 1.46% to settle at 29,107.24.

In terms of sectoral indices, metal stocks witnessed a strong rally offsetting selling pressure in healthcare and IT stocks. Also, capital goods and oil & gas supported the upside on the last trading day of last week.

All sectoral indices on the NSE settled in the green with Nifty Metal index closing 7.5% higher and Nifty Pharma, Nifty PSU Bank and Nifty Oil & Gas ending nearly 3 percent% each.

GLOBAL MARKETS

US stock futures and commodities slipped in Asia on Monday after Beijing denied it was considering easing its zero COVID-19 policy, though resilience in Asian equities took some of the sting out of the selling.

Risk assets had rallied on Friday amid speculation China was preparing to relax its pandemic restrictions, but over the weekend health officials reiterated their commitment to the "dynamic-clearing" approach to COVID cases as soon as they emerge.

A little of that reversed on Monday, with the Aussie down 0.7% at \$0.6421 after jumping 3% on Friday. The dollar gained 0.7% on the offshore yuan.

The US dollar index bounced 0.3% having dived almost 2% at the end of last week. The dollar was 0.4% firmer on the yen at 147.22 yen, while the euro eased a fraction to \$0.9929.

S&P 500 futures dipped 0.2%, while Nasdaq futures lost 0.3%. EUROSTOXX 50 futures lost 0.2% and FTSE futures 0.6% amid reports the UK government was planning tax rises and spending cuts.

MSCI's broadest index of Asia-Pacific shares outside Japan added 1.0%. Japan's Nikkei rose 1.2% and South Korea 0.8%.

RUPEE, OIL & FIIs

Indian Rupee: The rupee strengthened on Friday to close at 82.44 against the US dollar. The Indian rupee has depreciated by more than 10% against the US dollar so far this year due to the hawkish stance of the US Fed which pushed the greenback to over 2-decades high, coupled with the weakening of the Chinese yuan, geopolitical tensions, and soaring crude oil prices.

Crude Oil: Oil prices fell more than \$1 a barrel on Monday after Chinese officials on the weekend reiterated their commitment to a strict Covid containment approach, dashing hopes of an oil demand rebound at the world's top crude importer.

Brent crude futures dropped \$1.20, or 1.2 per cent, to \$97.37 a barrel, after hitting as low as \$96.50 earlier. US West Texas Intermediate crude was at \$91.24 a barrel, down \$1.37, or 1.5%, dropping to a session-low of \$90.40 a barrel earlier in the session.

FPIs & DIIs: During the week, foreign institutional investors (FIIs) bought equities worth Rs 10,338.72 crore of equities, while domestic institutional investors (DIIs) sold equities worth of Rs 4,496.06 crore.

WEEK AHEAD

The corporate results for the second quarter of the current fiscal (Q2FY23), July to September period, will continue to be in focus.

The movement of rupee against the dollar and crude oil prices will also dictate trend on the bourses in the near term. Investment by foreign portfolio investors (FPIs) and domestic institutional investors (DIIs) will be monitored. Volatility is likely to remain high amid the ongoing Russia-Ukraine crisis.

The Industrial Production and Manufacturing Production data for September will be released on 11 November 2022.

India's industrial production data for September will be unveiled on 11 November 2022.

Globally, China will announce inflation rate for October on 9 November 2022. US will announce inflation rate for October on 10 November 2022.

Source: Reuters, Capital Market, ET, BSE, BS

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

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