

Sensex plunges over 750 points, Nifty holds 17,000 mark; Banks & Auto drag

Bears weighed domestic equity markets on Monday amid weak global cues, muted foreign flows, and higher crude oil prices.

At 9:57 AM, the frontline S&P BSE Sensex was trading at 57,417 down by 774 points or 1.33%. Market breadth is weak and out of a total of 3,210 shares traded on the Bombay Stock Exchange, 930 advanced while 2,112 declined and 168 remained unchanged. The broader Nifty50 was at 17,077 levels down 238 points or 1.38%.

The weakness spread to broader markets as Nifty Midcap 100 and Nifty Smallcap 100 lowered over 1% each. Volatility gauge, India VIX, meanwhile, climbed over 6%.

All sectors nosedived into the negative territory on the back of somber risk appetite. Nifty Bank, Nifty Auto, Nifty FMCG indices tumbled the most - over 1% each.

The rupee opened at a record low of 82.64 against the dollar after the US jobs report cemented bets of more large Federal Reserve rate hikes.

WEEKLY REVIEW – OCTOBER 3 – OCTOBER 7, 2022

Key indices logged modest gains in the week, snapping three-week losing trend. Global shares zoomed as weak US data raised hopes that the Federal Reserve may ease from its hawkish stance. The stock indices opened and closed the week with losses, but gained in the other trading sessions during the truncated trading week.

The Nifty settled above the 17,300 level. In the week ended on Friday, 7 October 2022, the Sensex gained 764.37 points or 1.33% to settle at 58,191.29. The Nifty50 index rose 220.30 points or 1.29% to settle at 17,314.65. The BSE Midcap index rose 2.14% to settle at 25,384.80. The BSE Smallcap index gained 2.57% to settle at 29,182.93.

In terms of sectoral indices, consumer durables stocks outran their counterparts, while metal, oil & gas, and IT stocks were among the top bears. BSE Metal index rose 5.7%, Capital Goods index up 3.6% and Realty index gained 3.4%. On the other hand, FMCG index shed 1%.

GLOBAL MARKETS

Stocks slipped in Asia today after a surprise drop in US unemployment quashed any thought of a pivot on policy tightening ahead of a reading on inflation which is expected to see core prices move higher again.

Geopolitical tensions added to the uncertainty as markets waited to see how the Kremlin might respond to the blast that hit Russia's only bridge to Crimea. [read more](#) [read more](#)

Holidays in Japan and South Korea made for thin trading in Asia, while the Treasury market is also shut on Monday.

S&P 500 futures led the early action with a drop of 0.5%, while Nasdaq futures fell 0.6% as US earnings season kicks off later this week.

Nikkei futures traded at 26,615 compared to Friday's cash close of 27,116.

Wall Street sank on Friday after an upbeat payrolls report seemed to seal the deal on another outsized rate hike from the Federal Reserve.

RUPEE, OIL & FIIs

Indian Rupee: The Indian rupee slipped to a fresh record low of 82.43 against the US dollar on Friday before finally settling at 82.30 per dollar. During the week, Indian rupee touched a fresh record low of 82.42. The INR ended 98 paise lower to end at 82.32 per dollar on October 7 against its September 30 closing of 81.34.

Crude Oil: Oil prices edged higher after Brent climbed 11% last week in the wake of a deal on supply reductions by OPEC+.

Brent firmed 12 cents to \$98.04 a barrel, while US crude rose 21 cents to \$91.85 per barrel.

FPIs & DIIs: After remained buyers for the first three session, Foreign institutional investors (FIIs) sold heavily on Friday. In this week, FIIs sold equities worth Rs 36.55 crore of equities, while domestic institutional investors (DIIs) bought equities worth of Rs 1,024.09 crore.

WEEK AHEAD

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

On the macro front, the Industrial Production and Manufacturing Production data for August will be released on 12 October 2022. Inflation rate for September will be declared on the same day.

Wholesale price index (WPI) inflation data for September is due on 14 October 2022.

Overseas, China will announce inflation rate for September on 14 October 2022.

US will announce inflation rate for September on 13 October 2022. US Retail Sales data for September will be declared on 14 October 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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