

Sensex surges over 400 points, Nifty above 17,950; IT & Media lead

Markets opened on a positive note in Monday's trade amid strong global cues.

At 10:10 AM, the frontline S&P BSE Sensex was trading at 60,207 up by 413 points or 0.69%. Market breadth is positive and out of a total of 3,304 shares traded on the Bombay Stock Exchange, 2,261 advanced while 891 declined and 152 remained unchanged. The broader Nifty50 was at 17,957 levels up 124 points or 0.69%.

Broader markets, too, were upbeat in trade as Nifty Midcap 100 and Nifty Smallcap 100 rose up to 1%.

All sectors opened in a positive territory with Nifty Media and Nifty IT indices leading the pack.

WEEKLY REVIEW – SEPTEMBER 5– SEPTEMBER 9, 2022

Key indices ended the trading week with modest gains. Positive global cues, cooling oil prices and consistent FII inflows supported buying in domestic equities. Nifty settled above the 17,800 level.

In the week ended on Friday, 9 September 2022, the Sensex rose 989.81 points or 1.68% to settle at 59,793.14. The Nifty50 index gained 293.90 points or 1.68% to settle at 17,833.35. The BSE Midcap index rose 1.86% to settle at 25,937.22. The BSE Smallcap index gained 2.53% to settle at 29,528.74.

On the sectoral front, Banking and IT stocks outperformed, while capital goods and consumer durables stocks were laggards.

GLOBAL MARKETS

Asian share markets rallied on Monday on hopes a key reading on U.S. inflation will show some cooling, while the US dollar was restrained by the risk of higher European interest rates and Japanese intervention.

Holidays in China and South Korea made for slow trading, while traders were unsure what implications Ukraine's surprising success against Russian forces.

MSCI's broadest index of Asia-Pacific shares outside Japan added 0.5%, having bounced modestly from a two-year low hit last week. Japan's Nikkei added another 1.1%, after rallying 2% last week.

Chinese blue chips firmed 1.3% ahead of retail and industry data due later in the week that may show some improvement in August after a disappointing July.

Wall Street looked to extend Friday's bounce and S&P 500 futures edged up 0.1%, while Nasdaq futures gained 0.2%. EUROSTOXX 50 futures gained 0.7% and FTSE futures 0.3%.

RUPEE, OIL & FIIs

Rupee: The rupee depreciated by 10 paise to 79.67 against the US dollar in opening trade on Monday, even as the equity market opened on a positive note.

At the interbank foreign exchange market, the rupee opened at 79.66 against the greenback, then fell to 79.67, registering a decline of 10 paise over its last close. In initial deals, the local unit also touched 79.64 against the dollar.

On Friday, the rupee appreciated by 12 paise to close at 79.57 against the American currency.

Crude Oil: Oil prices have also been trending lower amid concerns about a global economic slowdown, though cuts to supply did prompt a 4% bounce on Friday.

Early Monday, Brent was down \$1.29 at \$91.55, while U.S. crude shed \$1.28 to \$85.51 per barrel.

FPIs & DIIs: FII inflows were at the highest since January 2021, however, DIIs turned net sellers in August after 17 months of buying.

Foreign investors have made a net investment of around Rs 5,600 crore into the domestic equity markets in September so far amid optimism about improving macro fundamentals compared to other emerging markets. Last month, the FPIs made a record investment of Rs 51,200 crore, the highest in the calendar year 2022), after a net investment of nearly Rs 5,000 crore in July.

Foreign institutional investors (FIIs) emerged as net buyers in the Indian equity market on September 8, while domestic institutional investors (DIIs) turned net sellers. As per the exchange data, FIIs net brought shares worth Rs 2,132.42 crore, while DIIs net sold stocks worth Rs 1,167.56 crore.

WEEK AHEAD

The movement of rupee against the dollar and crude oil prices will dictate trend on the bourses in the near term. Investment by foreign portfolio investors (FPIs) and domestic institutional investors (DIIs) will be monitored. Participants will also be eyeing progress of monsoon.

On the macro front, India's industrial production data for July will be unveiled on 12 September 2022. India's manufacturing production data for July will also be unveiled on the same day.

India's inflation based on wholesale price index (WPI) for August will be declared on 14 September 2022.

Overseas, China will also announce industrial production data for August on 13 September 2022.

The US Retail Sales data for August will be announced on 15 September 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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