

## Market Flash

May 29, 2023

### **Sensex gains 400 points, Nifty above 18,600; Nifty Bank hits new high**

Equity benchmark indices are trading firm tracking improved global sentiment after the US reached a tentative deal to raise the borrowing limit over the weekend. Indian rupee opened flat at 82.58 per dollar against previous close of 82.57.

At 10:25 AM, the frontline S&P BSE Sensex was trading at 62,930 up by 429 points or 0.69%. Market breadth is positive and out of a total of 3,309 shares traded on the Bombay Stock Exchange, 1,970 advanced while 1,204 declined and 135 remained unchanged. The broader Nifty50 was at 18,613 levels up 114 points or 0.62%.

On the sectoral front, Nifty Financial index led gains, rising 1.45%. Nifty Bank meanwhile, notched a new high of 44,440 mark.

The broader markets gained in line with benchmarks. The BSE Mid Cap and Small Cap indices rose to 0.5% each.

### **WEEKLY REVIEW – MAY 22 – MAY 26, 2023**

Indian equity indices ended the week with modest gains. Foreign institutional investors (FIIs) have been net buyers of domestic equities in recent months, which supported the market rally. The Nifty settled around the 18,500 level. The benchmark indices edged higher in four out of five trading sessions during this week. Buying demand was witnessed across the sectors wherein FMCG, IT, and realty were among the top gainers.

In the week ended on Friday, 26 May 2023, the S&P BSE Sensex jumped 772.01 points or 1.25% to settle at 62,501.69. The Nifty50 index gained 295.95 points or 1.63% to close at 18,499.35. The BSE Mid Cap index rallied 2.49% to settle at 26,803.15. The BSE Small Cap index advanced 1.39% to close at 30,162.66.

## **GLOBAL MARKETS**

Asian shares and US stock futures rose on Monday, buoyed by a weekend deal by US President Joe Biden and congressional Republican Kevin McCarthy to suspend the government's debt ceiling, ending a months-long stalemate and angst for investors.

After weeks of negotiations, McCarthy and Biden forged an agreement late on Saturday to avert an economically destabilising default to suspend the \$31.4 trillion debt ceiling until 2025. The deal will now have to pass through the narrowly divided Congress.

The positive news lifted S&P 500 futures 0.4% in early trade while Nasdaq futures firmed 0.6%. Nikkei surged 1.9% to a fresh 33-year high and Australia's resources heavy shares gained 0.6%.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.3%.

## **RUPEE, OIL & FIIs**

**Indian Rupee:** Rupee ended 16 paise higher at 82.58 against US dollar on Friday amid strong gains in the domestic equity markets supported by foreign fund inflows.

**Crude Oil:** Oil prices rose on Monday after U.S. leaders reached a tentative debt ceiling deal, possibly averting a default in the world's largest economy and oil consumer, although concerns about further interest rate hikes capped gains.

Brent crude futures climbed 66 cents, or 0.9%, to \$77.61 a barrel, while US West Texas Intermediate crude was at \$73.42 a barrel, up 75 cents, or 1%. Trade is expected to be subdued on Monday because of UK and US. holidays.

**FPIs & DIIs:** Domestic institutional investors (DIIs) outran foreign institutional investors (FIIs) in buying Indian equities during the trading week from May 22nd to 26th. Both FIIs and DIIs were net buyers throughout the current week.

As per NSE data, on Friday, FIIs' buy value stood at Rs 8,203.32 crore on Friday in Indian equities, while their selling value was at Rs 7,853.17 crore -- resulting in an inflow of Rs 350.15 crore.

Meanwhile, DIIs purchased Rs 7,705.60 worth of equities in the day, while selling Rs 5,864.62 crore, recording an inflow of Rs 1,840.98 crore.

## WEEK AHEAD

The March 2023 quarterly earnings, progress of monsoon, domestic and global macroeconomic data, trend in global stock markets, the movement of rupee against the dollar and crude oil prices will also dictate trend on the bourses. Investment by foreign portfolio investors (FPIs) and domestic institutional investors (DIIs) will also be monitored. Auto stocks will be in focus as auto companies will start announcing monthly sales numbers for May starting from 1 June 2023.

On the macro front, the government will announce data on first quarter gross domestic product (GDP) on 31 May 2023.

Progress of monsoon will be watched. India's weather office retained its forecast for 'normal' monsoon this year although it is said that there is a high probability of El Nino.

Overseas, China will announce the NBS Manufacturing PMI for May on 31 May 2023. China will announce the Caixin Manufacturing PMI for May on 1 June 2023.

The US Non Farm Payrolls data for May will be announced on 2 June 2023.

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**Source: Bloomberg, BSE, HSBC MF**

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