

Monday Market Flash

December 26, 2022

Sensex above 60,100 mark amid volatility; Metal & PSU Bank gain

Markets have reversed early losses and are trading positive amid volatility tracking mixed global cues.

Barring Nifty Pharma index, which was fractionally lower in trade, all sectors rose in green. Nifty Metal, Nifty PSU Bank, and Nifty Realty indices gained the most, up to 1% each.

At 9:35 AM, the frontline S&P BSE Sensex was trading at 60,119 up by 274 points or 0.46%. Market breadth is positive and out of a total of 2,931 shares traded on the Bombay Stock Exchange, 1,916 advanced while 893 declined and 122 remained unchanged. The broader Nifty50 was at 17,884 levels up 85 points or 0.48%.

Broader markets, too, rose in tandem with benchmark indices, as Nifty Midcap 100 and Nifty Smallcap 100 indices advanced up to 1%.

WEEKLY REVIEW – DECEMBER 19 – DECEMBER 23, 2022

The domestic equity benchmarks witnessed sharp sell-off and ended the week with deep cuts, extending losses for the third week in a row. Market edged lower in four out of five trading sessions in the week. The Nifty settled below the 17,850 level.

Investor sentiment nosedived after latest data showed that over 11 million new COVID-19 cases were reported in December worldwide. The new infections were not confined to a region, but were spread across all continents, barring Africa. Traders were also concerned that aggressive monetary policy moves by global central banks could push the world economy into recession.

All sectoral indices in India, including the broader market, ended in the red. The India VIX index, which indicates the degree of volatility traders expect over the next 30 days, was up 6.4% to 16.2 from 15.2.

In the week ended on Friday, 23 December 2022, the S&P BSE Sensex tumbled 1,492.52 points or 2.43 % to settle at 59,845.29. The Nifty50 index fell 462.20 points or 2.53% to settle at 17,806.80. The BSE Midcap index slumped 1,312.42 points or 5.10% to settle at 24,426.79. The BSE Smallcap index slipped 2,264.07 points or 7.67% to settle at 27,252.68.

GLOBAL MARKETS

The S&P 500 closed higher on Friday, in a light trading day ahead of a long weekend, as investors assessed inflation data against rate hike and recession fears while energy shares jumped on higher oil prices. Dow Jones, NASDAQ Composite, and the S&P 500 rose up to 0.5%.

Asia-Pacific markets, meanwhile, inched lower this morning after core inflation in Japan rose 3.7% in November, highest in over 40 years. Key indices like Nikkei 225, Topix, Kospi, the S&P 200, Hang Seng, and Shanghai Composite fell up to 1%.

RUPEE, OIL & FIIs

Indian Rupee: The local currency ended lower against the dollar on Friday as FPIs moved bets to dollar after domestic equity indices hit a two-month low. The rupee ended at 82.8575 a dollar compared to 82.7625 a dollar on Thursday.

Crude Oil: Brent Crude and WTI Crude climbed up to 3 per cent each to \$83 per barrel and \$79 per barrel, respectively.

FPIs & DIIs: Foreign institutional investors (FII) sold shares worth a net Rs 706.84 crore while domestic institutional investors (DII) purchased shares worth a net Rs 3,398.98 crore on Friday, December 23, 2022, according to the data available on NSE.

For the month till December 22, FII sold shares worth a net Rs 8,469.53 crore while DII bought shares worth a net Rs 19,096.68 crore. In the month of November, FIIs purchased shares worth a net of Rs 22,546.34 crore while DIIs offloaded equities worth a net of Rs 6,301.32 crore.

WEEK AHEAD

Trading could be volatile in the forthcoming week as traders roll over positions in the F&O segment from the near month December series to January series. The December 2022 F&O contracts will expire on 29 December, 2022.

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 and renewed fears of a rise in Covid cases in many countries.

On the macro front, India's infrastructure output data for November will be unveiled on 30 December 2022

Overseas, China will announce Industrial Profits data for November on 27 December 2022.

China will announce the NBS Non-Manufacturing PMI for December on 31 December 2022.

Source: Bloomberg, BSE

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