

Monday Market Flash

February 20, 2023

Sensex hovers around 61,000 mark; Nifty Pharma index falls 1%

Domestic equity markets are trading choppy in Monday's trade, amid mixed global cues. Indian rupee opened 13 paise higher at 82.70 per dollar on Monday against Friday's close of 82.83.

At 9:30 AM, the frontline S&P BSE Sensex was trading at 61,038 up by 35 points or 0.06%. Market breadth is slightly positive and out of a total of 2,815 shares traded on the Bombay Stock Exchange, 1,369 advanced while 1,297 declined and 149 remained unchanged. The broader Nifty50 was at 17,926 levels down 7 points or 0.04%.

Broader markets edged higher in trade. Nifty Midcap 100 and Nifty Smallcap 100 indices climbed up to 0.1%. Volatility index, India VIX, meanwhile, climbed nearly 2%.

Sectorally, Nifty Auto, Nifty Media, and Nifty PSU Bank indices surged up to 0.2%. On the flipside, Nifty Pharma index declined the most, over 1%.

WEEKLY REVIEW – FEBRUARY 13 – FEBRUARY 17, 2023

Indian equity indices managed to end the week on a high note. However, the BSE Midcap and BSE Smallcap index logged significant losses during this week. The Nifty settled near the 17,950 mark.

On the sectoral front, buoyancy in the IT and energy heavyweights kept the tone positive while banking and financials were under pressure.

In the week ended on Friday, 17 February 2023, the S&P BSE Sensex rose 319.87 points or 0.53% to settle at 60,002.57. The Nifty 50 index added 87.70 points or 0.49% to settle at 17,944.20. The BSE Midcap index fell 0.82% to settle at 24,685.27. The BSE Smallcap index declined 0.77% to settle at 28,046.40.

GLOBAL MARKETS

Asian shares got off to a subdued start on Monday as a US holiday made for slow trading ahead of minutes of the last Federal Reserve meeting and a reading on core inflation that could add to the risk of interest rates heading higher for longer.

MSCI's broadest index of Asia-Pacific shares outside Japan was largely flat, after sliding 2.2% last week. Japan's Nikkei dipped 0.2% and South Korea 0.4%.

US stocks will be closed today on account of Presidents' Day. The S&P 500 ended lower on Friday, weighed down by Microsoft and Nvidia as investors worried that inflation and a strong US economy could put the Federal Reserve on pace for more interest rate hikes.

The S&P 500 declined 0.28% to end the session at 4,079.09 points. The Nasdaq fell 0.58% to 11,787.27 points, while Dow Jones Industrial Average rose 0.39% to 33,826.69 points.

RUPEE, OIL & FIIs

Indian Rupee: depreciated by 12 paise to close at 82.83 against the dollar on Friday, having logged its fourth consecutive weekly decline amid worries over the Fed's rate hike trajectory.

Crude Oil: Oil prices were little changed in early Asian trade on Monday, after settling down \$2 a barrel on Friday, as rising supplies in the United States and forecasts of more interest rate hikes cooled optimism over China's demand recovery.

Brent crude slid 9 cents, or 0.1%, to \$82.91 a barrel. US West Texas Intermediate crude for March, which expires on Tuesday, was at \$76.40 a barrel, up 6 cents. The more active April contract fell 9 cents to \$76.46.

FPIs & DIIs: Foreign investors seem to have shifted their focus back on the Indian equity markets as they turned net buyers last week with an investment of over Rs 7,600 crore.

This came following a net outflow of Rs 3,920 crore by foreign portfolio investors (FPIs) from equities in the preceding week (February 7-12), data with the depositories showed.

As per the data, FPIs have purchased equities worth a net sum of Rs 7,666 crore in the week ended February 17. DIIs continued their buying with purchases of Rs 2,735.1 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. The December 2022 quarterly results are currently underway.

The RBI will release the minutes of the six-member Monetary Policy Committee meeting on 22 February 2023. The next meeting of the MPC is scheduled for April 3-6, 2023.

Overseas, China will announce Loan Prime Rate for 1 year and 5 years today.

Japan will announce inflation rate for January on 24 February 2023.

US will announce Durables Goods Orders data for January on 27 February 2023.

In Europe, the ZEW Economic Sentiment Index for February will be declared tomorrow.

Source: Bloomberg, BSE

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