

Market Flash

June 12, 2023

Sensex hovers around 62,700 mark, Small Caps upbeat; Realty shares gain

Equity benchmark indices opened with slim gains on Monday as investors await consumer inflation for May and IIP data for April later today. Indian rupee opened flat at 82.45 per dollar against previous close of 82.46.

At 9:40 AM, the frontline S&P BSE Sensex was trading at 62,699 up by 73 points or 0.12%. Market breadth is positive and out of a total of 3,149 shares traded on the Bombay Stock Exchange, 1,962 advanced while 1,059 declined and 128 remained unchanged. The broader Nifty50 was at 18,591 levels up 27 points or 0.15%.

The broader markets also moved higher. The BSE Mid Cap and Small Cap indices rose 0.14% and 0.4%, respectively.

Sectorally, Pharma, Consumer Durables and Private Bank indices lagged with slim losses. While Realty index led gains, rising 0.9%.

Moody's on Sunday said the Indian economy is expected to clock a 6-6.3% growth in June quarter, and flagged risks of fiscal slippage arising from weaker-than-expected government revenues in the current fiscal. Moody's growth estimate is lower than the 8% projection for the first quarter made by the Reserve Bank last week.

WEEKLY REVIEW – JUNE 5 – JUNE 9, 2023

The domestic equity barometers ended with minor gains on Friday, after a action-packed week that was filled with significant developments in the global markets. The Nifty settled above the 18,550 level after hitting a high of 18,777.90 and a low of 18,531.60 during the week. The key equity benchmarks logged gains in three out of five trading sessions during this week.

The broader market sustained its outperformance for second week in a row. In the week ended on Friday, 9 June 2023, the S&P BSE Sensex gained 78.52 points or 0.13% to settle at 62,625.63. The Nifty50 index added 29.30 points or 0.16% to close at 18,563.40. The BSE Mid Cap advanced 0.82% to settle at 27,518.19. The BSE Small Cap index rose 1.64% to close at 31,391.99.

The resolution of the US debt ceiling uncertainty and the anticipation of a pause in US Fed rate hikes contributed to the positive sentiment in the domestic market.

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) this week voted unanimously to keep the repo rate unchanged at 6.5%, in line with widely reported market expectations.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
Domestic				
S&P BSE Sensex	62,625.63	-0.35	1.40	2.93
Nifty 50	18,563.40	-0.38	1.63	2.53
S&P BSE 200	8,004.97	-0.31	2.49	1.95
S&P BSE 500	25,224.55	-0.28	2.84	2.51
S&P BSE Midcap	27,518.19	0.03	5.42	8.71
S&P BSE Smallcap	31,391.99	0.02	6.98	8.52
S&P BSE Auto	33,689.92	-0.42	7.26	16.48
S&P BSE Bankex	49,874.11	-0.04	1.59	1.98
S&P BSE Cap Goods	39,412.48	1.15	5.62	18.21
S&P BSE Consumer Durables	41,383.89	-0.58	5.69	4.18
S&P BSE FMCG	18,162.55	-0.82	4.30	12.98
S&P BSE Healthcare	24,180.99	-0.10	3.84	4.98
S&P BSE IT	28,654.43	-0.68	2.47	-0.06
S&P BSE Metal	19,949.92	-0.66	-1.78	-4.34
S&P BSE Oil & Gas	17,888.05	-0.49	-2.85	-12.35
S&P BSE Power	3,954.69	0.31	4.09	-9.74
S&P BSE Realty	3,988.70	-0.04	11.11	15.72

GLOBAL MARKETS

Asian shares started tentatively on Monday as investors braced for central bank meetings from Europe, Japan and the United States this week, along with U.S. inflation data that will likely influence the Federal Reserve's monetary policy path.

MSCI's broadest index of Asia-Pacific shares outside Japan eased 0.17% to 519.96, having touched a more than one-month peak of 521.94 earlier in the session. The index is up 4% for the month. Japan's Nikkei rose 0.7%, while E-mini futures for the S&P 500 rose 0.15%. China stocks eased 0.01%, while Hong Kong's Hang Seng Index opened up 0.3%.

US stocks closed higher on Friday, with the Nasdaq settling up for the seventh straight week. Nasdaq's seven-week winning streak was last seen in November 2019.

While Dow 30 closed at 33,833.60, up by 168.59 points or 0.50%, the S&P 500 finished 26.41 points or 0.62% higher at 4,293.93. The Nasdaq Composite ended at 13,238.50, up by 133.63 points or 1.02%.

International				
DJIA*	33,833.61	0.50	0.64	2.07
Nasdaq Composite*	13,238.52	1.02	8.01	26.48
Nikkei 225 (Japan)	32,265.17	1.97	10.34	23.65
Straits Times (Singapore)	3,186.97	0.01	-1.73	-1.98
Hang Seng (Hong Kong)	19,389.95	0.47	-2.40	-1.98
Kospi Composite (Seoul)	2,641.16	1.16	5.22	18.10
FTSE 100 (London)	7,599.74	-0.32	-2.30	1.99
Cac 40 (France)*	7,222.15	0.27	-2.94	11.56
Xetra Dax (Germany)*	15,989.96	0.18	0.23	14.84
S&P 500 (US)*	4,293.93	0.62	3.77	11.84
Shanghai (China)	3,231.41	0.55	-3.76	4.60
MICEX (Russia)*	2,714.89	0.19	7.41	26.03
Bovespa (Brazil)*	Closed	NA	NA	0.00
JCI (Indonesia)	6,694.02	0.42	-1.27	-2.29
SET (Thailand)	1,555.11	-0.28	-0.61	-6.80

RUPEE, OIL & FIIs

Indian Rupee: The INR ended at 82.4625 against the US dollar versus 82.5625 in the previous session, snapping a two-week winning streak and dropping 0.19% this week. The rupee traded between 82.42 and 82.68 for the week.

The INR will be tracking US inflation data and the Fed's policy decisions.

Crude Oil: Oil prices fell more than a dollar a barrel on Friday to record a second straight weekly decline, as disappointing Chinese data added to doubts about demand growth after Saudi Arabia's weekend decision to cut output.

Brent crude futures fell \$1.17, or 1.5%, to settle at \$74.79 a barrel, while the US West Texas Intermediate crude fell \$1.12, or 1.6 percent, to \$70.17 a barrel.

FPIs & DIIs: Foreign institutional investors (FII) sold shares worth Rs 308.97 crore, whereas domestic institutional investors (DII) bought shares worth Rs 1,245.51 crore on June 9, provisional data from the National Stock Exchange shows.

FII equity investments, Rs cr					MF equity investments, Rs cr				
	Buy	Sell	Net	MTD		Buy	Sell	Net	MTD
08-Jun	8,292.00	7,680.00	612.00	5,951.00	08-Jun	0.00	0.00	0.00	3,093.36*
May-23	240,766.01	199,559.25	41,206.76		May-23	100303.37	97856.86	2446.51	
Apr-23	135,616.60	119,883.18	15,733.42		Apr-23	75553.66	80684.71	-5131.05	
Mar-23	180,062.00	165,117.53	14,944.47		Mar-23	105430.73	84666.43	20764.3	
Feb-23	161,397.43	166,676.47	-5,279.04		Feb-23	101628.76	88804.09	12824.67	
Jan-23	162,479.53	192,429.37	-29,949.84		Jan-23	110573.17	88731.37	21841.8	
Dec-22	146,357.97	147,711.68	-1,353.71		Dec-22	101205.58	86513.25	14692.33	
Last Close	9,609.00	8,165.00	1,444.00		Last Close	0.00	0.00	0.00	
6 Months average	171,113.26	165,229.58	5,883.68		6 Months average	99,115.88	87,876.12	11,239.76	

*Data as of Jun 7

WEEK AHEAD

The major central banks - US Fed, BoJ and ECB meetings will be in focus this week. The 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.

On the macro front, the Industrial Production and Manufacturing Production and Manufacturing Production data for April will be released today.

India's inflation based on wholesale price index (WPI) for May will be announced on 14 June 2023.

Overseas, China will also announce industrial production data for May on 15 June 2023.

The Bank of Japan (BoJ) will announce its interest rate decision on 16 June 2023.

The US Federal Reserve (Fed) will announce its interest rate decision after its two-day policy meeting on 14 June 2023.

US will announce inflation rate for May on 13 June 2023. The US Retail Sales data for May will be announced on 15 June 2023.

The European Central Bank (ECB) will announce its interest rate decision on 15 June 2023.

Source: Bloomberg, BSE, HSBC MF

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