

# Market Flash

August 28, 2023





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### Markets trade flat, broader markets outperform; IT shares fall

Domestic markets have turned choppy after making a positive start tracking firm cues from global markets. Indian rupee opened 10 paise higher at 82.55 per dollar on Monday against Friday's close of 82.65.

In a highly anticipated speech, Fed Chair Jerome Powell on Friday said again that it will make upcoming decisions on interest rates based on what incoming data reports say about inflation and the economy, and he made no promises about what's coming next. But he also took care to say he's aware of the risks of going too far on interest rates and doing "unnecessary harm to the economy."

At 10:03 AM, the frontline S&P BSE Sensex was trading at 64,910 up 23 points or 0.04%. Market breadth is positive and out of a total of 3,192 shares traded on the Bombay Stock Exchange, 1,906 advanced while 1,136 declined and 150 remained unchanged. The broader Nifty50 was at 19,283 levels up 15 points or 0.08%.

Among broader indices, Nifty Mid Cap 100 and Nifty Small Cap 100 surged up to 0.7%.

On the sectoral front, IT index was dragging, while most other indices have gained. PSU Bank, Auto and Realty were witnessing positive trend.

### WEEKLY REVIEW – AUGUST 21 – AUGUST 25, 2023

Indian equity benchmarks concluded the week with minor cuts on Friday, extending losses for the fifth week in a row. However, the BSE Mid Cap and BSE Small Cap index logged significant gains during the period under review. The Nifty settled below the 19,300 level. The benchmark indices edged higher in three out of five trading sessions during this week.

In the week ended on Friday, 25 August 2023, the S&P BSE Sensex fell 62.15 points or 0.10% to settle at 64,886.51. The Nifty50 index lost 44.35 points or 0.23% to close at 19,265.80. The BSE Mid Cap index gained 1.5% to end at 30,717.91. The BSE Small Cap index added 2.19% to close at 36,055.96.

India VIX, which is a measure of the fear in the markets, rose 3.27% to settle at 12.08 levels.



Indices	Last close	One-day change in %	One month change in %	% YTD change in %
<b>Domestic</b>				
S&P BSE Sensex	64,886.51	-0.56	-2.21	6.65
Nifty 50	19,265.80	-0.62	-2.11	6.41
S&P BSE 200	8,406.97	-0.66	-0.93	7.07
S&P BSE 500	26,690.68	-0.62	-0.44	8.47
S&P BSE Midcap	30,717.91	-0.85	3.25	21.35
S&P BSE Smallcap	36,055.96	-0.24	5.18	24.65
S&P BSE Auto	34,887.21	-0.58	-3.46	20.62
S&P BSE Bankex	49,774.49	-0.47	-3.63	1.78
S&P BSE Cap Goods	43,991.70	-1.29	3.61	31.94
S&P BSE Consumer Durables	43,624.12	-0.67	2.48	9.82
S&P BSE FMCG	18,609.46	-0.91	-1.31	15.76
S&P BSE Healthcare	27,642.28	-0.92	2.75	20.01
S&P BSE IT	31,264.90	-0.52	4.08	9.04
S&P BSE Metal	21,256.92	-1.12	-1.91	1.92
S&P BSE Oil & Gas	18,707.17	-0.34	-3.64	-8.34
S&P BSE Power	4,321.98	-1.26	3.94	-1.35
S&P BSE Realty	4,267.75	-1.27	-0.34	23.82

## GLOBAL MARKETS

Asia-Pacific markets started the final trading week of August higher after US Federal Reserve chair Jerome Powell said that inflation remains “too high” and that the central bank is “prepared to raise rates further if appropriate.”

Speaking at Jackson Hole over the weekend, Powell acknowledged that progress has been made on inflation and that the Fed will remain flexible as it contemplates further moves but gave little indication that it’s ready to start easing rates anytime soon.

Japan’s Nikkei 225 climbed 0.93%, while the Topix was up 0.89%. South Korea’s Kospi gained 0.41% and Kosdaq 0.7%. Australia’s S&P/ASX 200 gained 0.47% on its open, ahead of the country’s July retail sales data expected later Monday. Futures for Hong Kong’s Hang Seng index stood at 17,970, also pointing to a positive open compared with the HSI’s close of 17,956.38.

## RUPEE, OIL & FIIs

**Indian Rupee:** The rupee on Friday declined by 8 paise to settle at 82.64 against the US dollar, snapping its three-day rally due to forex outflows, a strong American currency and negative equity markets.

**Crude Oil:** Oil futures climbed about 1% to a one-week high on Friday as US diesel prices soared, the number of oil rigs dropped, and a fire broke out at a refinery in Louisiana. Brent crude futures rose \$1.12, or 1.3%, to settle at \$84.48 a barrel, while US West Texas Intermediate (WTI) crude rose 78 cents, or 1.0%, to settle at \$79.83.

Diesel futures soared about 5% to a near seven-month high, boosting the diesel crack spread a measure of refining profit margins, to its highest since January 2023.

**FPIs & DIIs:** Foreign institutional investors (FII) sold shares worth Rs 4,638.21 crore, whereas domestic institutional investors (DII) purchased Rs 1,414.35 crore worth of stocks on August 25, provisional data from the National Stock Exchange (NSE) showed.

### International

DJIA*	34,099.42	-1.08	-3.7	2.87
Nasdaq Composite*	13,463.97	-1.87	-4.23	28.64
Nikkei 225 (Japan)	31,624.28	-2.05	-3.24	21.19
Straits Times (Singapore)	3,189.88	0.29	-2.93	-1.89
Hang Seng (Hong Kong)	17,956.38	-1.4	-7.61	-9.23
Kospi Composite (Seoul)	2,519.14	-0.73	-4.45	12.64
FTSE 100 (London)	7,333.63	0.18	-4.49	-1.59
Cac 40 (France)*	7,214.46	-0.44	-2.87	11.44
Xetra Dax (Germany)*	15,621.49	-0.68	-3.52	12.19
S&P 500 (US)*	4,376.31	-1.35	-3.92	13.98
Shanghai (China)	3,064.07	-0.59	-5.18	-0.82
MICEX (Russia)*	3,151.86	0.46	5.93	46.32
Bovespa (Brazil)*	117,025.60	-0.94	-3.56	6.64
JCI (Indonesia)	6,895.44	-0.06	-0.32	0.65
SET (Thailand)	1,560.20	0.18	2.22	-6.5

**\*Data as of Aug 24**

**FII equity investments, Rs cr**

	Buy	Sell	Net	MTD
24-Aug	13,076.00	10,870.00	2,206.00	11,464.00
23-Jul	234,667.68	200,673.78	33,993.90	
23-Jun	250,023.02	194,862.49	55,160.53	
23-May	240,766.01	199,559.25	41,206.76	
23-Apr	135,616.60	119,883.18	15,733.42	
23-Mar	180,062.00	165,117.53	14,944.47	
23-Feb	161,397.43	166,676.47	-5,279.04	
Last Close	9,543.00	8,641.00	902	
6 Months average	200,422.12	174,462.12	25,960.01	

**MF equity investments, Rs cr**

	Buy	Sell	Net	MTD
24-Aug	3,082.00	2,594.00	488	3,374.00*
23-Jul	95495.32	87787.86	7707.46	
23-Jun	109374.51	103710.48	5664.03	
23-May	100303.37	97856.86	2446.51	
23-Apr	75553.66	80684.71	-5131.05	
23-Mar	105430.73	84666.43	20764.3	
23-Feb	101628.76	88804.09	12824.67	
Last Close	3,082.00	2,594.00	488	
6 Months average	97,964.39	90,585.07	7,379.32	

**-MF Data as of Aug 3**

## WEEK AHEAD

Focus will continue to remain on the earnings season of the first quarter ended 30 June 2023.

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 Thursday, 31 August 2023, India is scheduled to announce its second-quarter year-on-year GDP growth rate.

On the same day, Thursday, 31 August 2023, India will also reveal the infrastructure output data for July.

Moving to Friday, 1 September 2023, India's S&P Global Manufacturing PMI for August will be released.

Turning to the global market, the US JOLTs Job Openings data for July is scheduled to be released on Tuesday, 29 August 2023.

China's NBS Manufacturing PMI data for August will be released on Thursday, 31 August 2023.

The Euro Area Inflation Rate YoY Flash for August will also be released on Thursday, 31 August 2023.

China's Caixin Manufacturing PMI data for August will be released on Friday, 1 September 2023.

Finally, on Friday, 1 September 2023, the US Unemployment Rate, Non Farm Payrolls, and ISM Manufacturing PMI data for August will be released.

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

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