

# Monday Market Flash

March 20, 2023

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## **Sensex falls over 500 points, Nifty below 16,950; IT & Metals drag**

Domestic markets opened lower on Monday, amid subdued global cues. Indian rupee opened marginally higher at 82.49 per dollar on Monday against Friday's close of 82.55.

All sectors drowned in the sea of red, with Nifty IT, Nifty Metal, Nifty PSU Bank, and Nifty Media indices declining over 1%, each.

At 9:35 AM, the frontline S&P BSE Sensex was trading at 57,441 down by 549 points or 0.95%. Market breadth is negative and out of a total of 2,861 shares traded on the Bombay Stock Exchange, 1,014 advanced while 1,716 declined and 131 remained unchanged. The broader Nifty50 was at 16,930 levels down 167 points or 0.98%.

Broader markets, too, edged lower in trade as Nifty Midcap 100 and Nifty Smallcap 100 indices dropped up to 0.3%. Volatility index, India VIX, meanwhile, jumped over 5%.

## **WEEKLY REVIEW – MARCH 13 – MARCH 17, 2023**

The domestic equity benchmarks extended their downfall and declined further during the week. The Nifty settled at the 17,100 level. The key equity indices edged lower in three out of five trading sessions during this week. The turmoil in the US banking space in US dampened the investors sentiment. Traders will look ahead to the US Federal Reserve's meeting next week to see how the central bank will proceed in its fight against inflation considering the shakeup in the banking sector.

In the week ended on Friday, 10 March 2023, the S&P BSE Sensex tumbled 1,145.23 points or 1.94% to settle at 57,989.90. The BSE Nifty50 index lost 312.85 points or 1.80% to settle at 17,100.05. The BSE Midcap index fell 2.06% to settle at 24,112.01. The BSE Smallcap index shed 2.81% to settle at 27,167.74.

## GLOBAL MARKETS

Asian stocks were trading mostly in the red, even as US futures rose due to a weekend rescue deal for Credit Suisse and a concerted effort from central banks to shore up the mood.

MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.21%. Japan's Nikkei shed 0.39%; Australia's ASX 200 declined 0.41%; New Zealand's DJI shed 0.50%; China's Shanghai added 0.10%; Hong Kong's Hang Seng dropped 0.85% and Seoul's Kospi eased 0.12%.

Wall Street closed lower on Friday, marking the end of a tumultuous week dominated by an unfolding crisis in the banking sector and the gathering storm clouds of possible recession.

All three indexes ended the session deep in negative territory, with financial stocks down the most among the major sectors of the S&P 500.

For the week, while the benchmark S&P 500 ended higher than last Friday's close, the Nasdaq and the Dow posted weekly declines.

## RUPEE, OIL & FIIs

**Indian Rupee:** The rupee reversed its four-day losing streak and rose 17 paise to 82.59 against the US dollar on Friday, tracking positive sentiments in the domestic equity markets. Traders said a weak dollar overseas also supported the domestic unit.

**Crude Oil:** Oil prices rose on Monday after suffering their biggest weekly loss in months as UBS struck a deal to buy Credit Suisse and some of the world's largest central banks sought to reassure and stabilise global financial markets.

Brent crude futures rose 35 cents, or 0.5%, to \$73.32 a barrel after a near 12% loss last week, its biggest weekly fall since December.

US West Texas Intermediate crude was at \$67.11 a barrel, up 37 cents, or 0.6%, after a 13% decline last week, its biggest since last April.

**FPIs & DIIs:** Foreign investors have put in Rs 11,500 crore in the Indian equities so far this month. According to the data with the depositories, Foreign Portfolio Investors (FPIs) invested Rs 11,495 crore in Indian equities till March 17.

This came after a net outflow of Rs 5,294 crore in February and Rs 28,852 crore in January. Prior to that, FPIs infused a net amount of Rs 11,119 crore in December, data showed.

Domestic institutional investors (DIIs) turned buyers of equities to the tune of Rs 1,817.14 crore.

## WEEK AHEAD

Investment by foreign portfolio investors (FPIs) and domestic institutional investors (DIIs) will be monitored. The movement of rupee against the dollar and crude oil prices will also dictate trend on the bourses in the near term.

Overseas, China will announce Loan Prime Rate for 1 year and 5 years on 20 March 2023.

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

The US Federal Reserve is due to make its interest-rate decision on 22 March 2023, and the Bank of England the day after.

The United States Durable Goods Orders for February will be declared on 24 March 2023.

In Europe, the ZEW Economic Sentiment Index for March will be declared on 21 March 2023.

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**Source: Bloomberg, BSE**

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