

Market Flash

October 09, 2023





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Sensex falls over 400 points on geopolitical mayhem; Nifty below 19,550

Domestic market witnessed a gap down opening on Monday following the sudden escalation of war between Israel and Palestine-based militant group Hamas over the weekend.

The US markets, which, closed on a buoyant note on Friday, stock futures were seen quoting with losses of over 0.5% while Crude Oil prices surged around 4% to \$88 levels. The military clashes between Israeli and Hamas forces over the weekend increased the political uncertainty across the Middle East and weighed over investor's sentiments.

Indian rupee opened marginally higher at 83.22 per dollar on Monday against Friday's close of 83.25.

At 9:30 AM, the frontline S&P BSE Sensex was trading at 65,584 down 411 points or 0.62%. Market breadth is weak and out of a total of 2,763 shares traded on the Bombay Stock Exchange, 588 advanced while 2,030 declined and 145 remained unchanged. The broader Nifty50 was at 19,530 levels down 123 points or 0.63%.

Stocks from the IT sector are likely to remain in focus this week, with Q2 earnings scheduled to start. All major sectors are in negative zone with metals and PSBs leading the downfall. Broader markets are also witnessing selling pressure with the BSE Mid Cap and Small Cap indices down over 1%.

WEEKLY REVIEW – OCTOBER 3 – OCTOBER 6, 2023

The benchmark indices ended the week on a flat note with decent gains, snapping the two-week downfall. The Nifty settled above the 19,650 mark. Positive cues from global markets, PMI data, and a correction in crude prices boosted market sentiment. Investors found solace in the recovery seen in global markets, a marginal pullback of US treasury yields and the dollar index.

RBI's MPC unanimously decided to keep the repo rate unchanged at 6.5% on Friday. The central bank also retained its policy stance as the "withdrawal of accommodation" with five out of six MPC members voting in favour of this.

In the week ended on Friday, 6 October 2023, the S&P BSE Sensex rose 167.22 points or 0.25% to settle at 65,995.63. The Nifty50 index added 15.20 points or 0.08% to close at 19,653.50. The BSE Mid Cap index shed 0.81% to end at 32,077.66. The BSE Small Cap index gained 0.79% to close at 37,860.58.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
Domestic				
S&P BSE Sensex	65,995.63	0.55	0.17	8.47
Nifty 50	19,653.50	0.55	0.22	8.55
S&P BSE 200	8,604.34	0.55	0.02	9.58
S&P BSE 500	27,401.70	0.55	0	11.36
S&P BSE Midcap	32,077.66	0.66	-0.14	26.72
S&P BSE Smallcap	37,860.58	0.56	-0.23	30.88
S&P BSE Auto	36,233.46	0.43	0.32	25.28
S&P BSE Bankex	49,851.94	0.34	0.24	1.93
S&P BSE Cap Goods	48,205.14	0.02	5.15	44.58
S&P BSE Consumer Durables	46,528.84	1.47	2.62	17.14
S&P BSE FMCG	18,676.45	0.41	-0.84	16.18
S&P BSE Healthcare	28,065.86	0.49	-1.03	21.85
S&P BSE IT	32,643.66	0.71	0.05	13.85
S&P BSE Metal	22,654.83	0.4	-2.05	8.63
S&P BSE Oil & Gas	18,704.42	0.3	-2.4	-8.35
S&P BSE Power	4,541.31	0.36	-0.62	3.65
S&P BSE Realty	4,695.42	3.01	2.79	36.22

GLOBAL MARKETS

Asian markets traded mixed, while the US stock futures dropped 0.7% in early Monday trade after the fresh geopolitical tensions escalated in the Middle East. The MSCI's broadest index of Asia-Pacific shares outside Japan edged up 0.2%. The US stock futures (S&P 500) fell 0.7 percent in early Monday trade.

Japan and South Korea's markets are closed for a holiday.

Trading in the Hong Kong stock market has been halted for the morning session after the country raised its typhoon warning to Signal 8 for Typhoon Koinu. However, Hang Seng index futures stood higher at 17,724 compared to the HSI's last close of 17,485.98.

Australia's S&P/ASX 200 rose 0.61% in early trading, snapping a five-day losing streak.

Wall Street ended in green on Friday. The tech-heavy Nasdaq Composite surged 211.51 points, or 1.60%, to 13,431.34. The Dow Jones Industrial Average gained 288.01 points, or 0.87%, to 33,407.58, while the S&P 500 added 50.31 points, or 1.18%, to 4,308.5.

RUPEE, OIL & FIIs

Indian Rupee: The rupee last week was held in a narrow range amid likely intervention from the central bank. It closed at 83.2450 on Friday.

Crude Oil: Oil surged 5% after Hamas' surprise attacks on Israel over the weekend, the broadest and bloodiest in decades, threatened to inflame tensions in the Middle East, home to almost a third of global supply.

West Texas Intermediate traded near \$87 a barrel as a war-risk premium returned to markets. The combined death toll topped 1,100 as fighting headed into a third day, while the US said it was sending warships to the region. Gold gained along with the dollar on haven bids.

Both West Texas Intermediate and Brent surged more than 5%, days after crude posted its biggest weekly drop since March. The fallout in markets will likely be determined by whether conflict spreads to the rest of the Middle East region, with oil traders also shifting focus to Iran, which is both a major oil producer and supporter of Hamas.

FPIs & DIIs: Foreign institutional investors (FII) offloaded shares worth net Rs 90.29 crore, while domestic institutional investors (DII) added shares worth net Rs 783.25 crore on October 6, 2023, according to the provisional data available on the NSE.

International

DJIA*	33,119.57	-0.03	-4.39	-0.08
Nasdaq Composite*	13,219.83	-0.12	-5.71	26.31
Nikkei 225 (Japan)	30,994.67	-0.26	-6.76	18.78
Straits Times (Singapore)	3,174.39	0.61	-1.5	-2.37
Hang Seng (Hong Kong)	17,485.98	1.58	-5.22	-11.6
Kospi Composite (Seoul)	2,408.73	0.21	-6.03	7.71
FTSE 100 (London)	7,451.54	0.53	0.18	0
Cac 40 (France)*	6,998.25	0.02	-3.54	8.1
Xetra Dax (Germany)*	15,070.22	-0.2	-4.45	8.24
S&P 500 (US)*	4,258.19	-0.13	-5.31	10.9
Shanghai (china)	Closed	NA	NA	0
MICEX (Russia)*	3,130.57	-0.04	-3.54	45.33
Bovespa (Brazil)*	113,284.08	-0.28	-3.45	3.23
JCI (Indonesia)	6,888.52	0.2	-1.54	0.55
SET (Thailand)	1,438.45	-0.97	-7.12	-13.8

***Data as of Oct 5**

FII equity investments, Rs cr

	Buy	Sell	Net	MTD
5-Oct	11,600.00	11,938.00	-338	-5,130.00
23-Sep	239,207.19	258,101.01	-18,893.82	
23-Aug	274,277.35	259,982.33	14,295.02	
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	
Last Close	10,222.00	14,178.00	-3,956.00	
6 Months average	229,092.98	205,510.34	23,582.64	

MF equity investments, Rs cr

	Buy	Sell	Net	MTD
5-Oct	5,406.00	4,267.00	1,139.00	2,834.00*
23-Sep	119295.59	99548.54	19747.05	
23-Aug	136454.48	110953.63	25500.85	
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	
Last Close	5,406.00	4,267.00	1,139.00	
6 Months average	106,079.49	96,757.01	9,322.48	

-MF data as of Oct 4

WEEK AHEAD

Geopolitical risks are likely to contribute to the market movement in the week ahead. Market participants will also keep an eye on movement in oil prices after the conflict between Israel and Hamas fighters started over the weekend.

The corporate results for the second quarter of the current fiscal (Q2FY24), July to September period, will be in focus. 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.

The Union Finance Ministry will kick off consultations for the Union Budget 2024-25 on 10 October 2023. In meetings with individual ministries, the finance ministry will finalise the Revised Estimates for 2023-24 and the Budget Estimates for 2024-25 and will continue till the middle of November. Pre-Budget consultations with ministries will continue till 14 November 2023.

On the macro front, the Industrial Production and Manufacturing Production data for August will be released on 12 October 2023. Inflation rate for September will be declared on the same day. Wholesale price index (WPI) inflation data for September is due on 13 October 2023.

Overseas, China will announce inflation rate for September on 13 October 2023. US will announce inflation rate for September on 12 October 2023.

Source: Bloomberg, BSE, HSBC MF, CRISIL, Capital Market

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