



HSBC Mutual Fund

Market Flash

February 05, 2024





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Sensex above 72,200 amid volatility; Mid Cap & Small Cap outperform

Equity benchmark indices had a muted start with positive bias on Monday as most markets held losses elsewhere in Asia this morning.

At 9:50 AM, the frontline S&P BSE Sensex was trading at 72,201 up 116 points or 0.16%. Market breadth is positive and out of a total of 3,310 shares traded on the Bombay Stock Exchange, 2,058 advanced while 1,135 declined and 117 remained unchanged. The broader Nifty50 was at 21,910 levels up 57 points or 0.26%.

The broader markets were relatively firm. The BSE Mid Cap and Small Cap indices held gains of up to 0.37%.

Auto, realty and pharma segments lead gainers while banking pack witnessed some selling pressure. Rupee weakens 10 paise to open at 83.03/dollar.

WEEKLY REVIEW – JANUARY 29 – FEBRUARY 2, 2024

Domestic equity barometers snapped two week losing streak to end the budget week on a high note. The broader market sustained its outperformance for the second straight week. The benchmark indices edged higher in three out of five trading sessions during this week.

The Nifty settled above the 21,850 mark after attaining a record high level on Friday. In the week ended on Friday, 2 February 2024, the S&P BSE Sensex jumped 1,384.96 points or 1.96% to settle at 72,085.63.

The Nifty 50 index surged 501.2 points or 2.35% to close at 21,853.80. The BSE Mid Cap index advanced 3.13% to end at 38,928.11. The BSE Small Cap index rallied 3.35% to close at 45,849.80.

The upmove was backed by IT and financial stocks leading the gains while FMCG and Media fell the most.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
Domestic				
S&P BSE Sensex	72,085.63	0.61	0.27	-0.21
Nifty 50	21,853.80	0.72	0.87	0.56
S&P BSE 200	9,824.30	0.71	2.07	1.92
S&P BSE 500	31,471.57	0.7	2.51	2.45
S&P BSE Midcap	38,928.11	0.8	5.19	5.67
S&P BSE Smallcap	45,849.80	0.49	6.69	7.44
S&P BSE Auto	44,328.49	0.37	6.58	4.97
S&P BSE Bankex	51,975.08	-0.52	-3.25	-4.42
S&P BSE Cap Goods	56,072.20	0.03	2.11	0.77
S&P BSE Consumer Durables	50,050.43	0.38	-0.46	0.1
S&P BSE FMCG	19,898.63	-0.18	-3.22	-2.78
S&P BSE Healthcare	33,785.65	0.23	4.77	7.09
S&P BSE IT	38,045.10	2.17	6.29	5.65
S&P BSE Metal	27,275.50	2.95	0.29	1.06
S&P BSE Oil & Gas	27,005.37	4.22	16.03	17.31
S&P BSE Power	6,474.86	1.81	11.29	11.28
S&P BSE Realty	6,752.28	0.85	9.84	9.14

GLOBAL MARKETS

Asian shares fell on Monday and the dollar climbed after a robust U.S. jobs report dashed any expectations of a near-term interest rate cut from the Federal Reserve, while stocks in China stocks remained on the back foot on weak sentiment.

MSCI's broadest index of Asia-Pacific shares outside Japan slid 1% at the start of the week. The index is down 4.5% so far in the year. Japan's Nikkei rose 0.5%.

The focus in Asia has been on slumping Chinese stocks as investor sentiment remains rock-bottom.

China's blue-chip index eased 0.12%, having touched a fresh five-year low last week. Hong Kong's Hang Seng Index fell 0.5% in early trading.

Data on Friday showed US job growth accelerated in January and wages increased by the most in nearly two years, signs of persistent strength in the labour market that could push the Fed to start its easing cycle a bit later in the year than markets anticipated.

The US central bank can be "prudent" in deciding when to cut interest rates, with a strong economy allowing central bankers time to build confidence inflation will continue falling, Fed Chairman Jerome Powell told the CBS news show "60 Minutes".

US markets ended up on Friday with strong gains amid a back-t-back rally in the technology stocks. While Dow 30 closed at 38,654.40, up by 134.58 points or 0.35% the S&P 500 surged by 52.42 points or 1.07% to finish at 4,958.61. Meanwhile, Nasdaq Composite settled at 15,629, higher by 267.31 points or 1.74%.

RUPEE, OIL & FIIs

Indian Rupee: The Indian rupee slightly higher on Friday as dollar demand from state-run banks and importers eroded early gains on a fall in US bond yields and positive sentiment following the presentation of India's Budget.

The rupee closed at 82.9175 against the dollar, compared to its previous close of 82.9650. For the week, the currency rose 0.2%.

Crude Oil: Oil prices were tentative following fresh strikes in Tehran-aligned factions in Iraq, Syria and Yemen over the last two days by the United States, with rising tension in the Middle East keeping risk appetite in check.

US crude rose 0.21% to \$72.43 a barrel and Brent was at \$77.58, up 0.32% to start the week as escalating geopolitical tension and its repercussions on oil supply boosted prices.

FPIs: On Friday, foreign institutional investors were net buyers and purchased Indian equities worth Rs 70.69 crore. Meanwhile, domestic institutional investors (DIIs) were net sellers at Rs 2,463.16 crore.

Foreign portfolio investors have bought domestic equities worth Rs 2,053 crore in the two sessions in February after remaining net sellers in January where they sold shares worth Rs 25,744 crore.

International

DJIA*	38,519.84	0.97	2.2	2.2
Nasdaq Composite*	15,361.64	1.3	2.33	2.33
Nikkei 225 (Japan)	36,158.02	0.41	8.05	8.05
Straits Times (Singapore)	3,179.77	1.17	-1.55	-1.87
Hang Seng (Hong Kong)	15,533.56	-0.21	-7.48	-8.88
Kospi Composite (Seoul)	2,615.31	2.87	-2.04	-1.51
FTSE 100 (London)	7,622.16	-0.11	-1.44	-1.44
Cac 40 (France)*	7,588.75	-0.89	0.6	0.6
Xetra Dax (Germany)*	16,859.04	-0.26	0.64	0.64
S&P 500 (US)*	4,906.19	1.25	2.86	2.86
Shanghai (China)	2,730.15	-1.46	-7.84	-8.23
MICEX (Russia)*	3,229.18	-0.02	4.2	4.2
Bovespa (Brazil)*	128,481.02	0.57	-4.25	-4.25
JCI (Indonesia)	7,238.79	0.52	-1.16	-0.47
SET (Thailand)	1,384.08	1.18	-3.44	-2.24

*Data as of Feb 1

FII equity investments, Rs cr

	Buy	Sell	Net	MTD
1-Feb	19,034.00	18,721.00	313	313
24-Jan	334,371.62	360,482.66	-26,111.04	
23-Dec	310,626.00	252,127.73	58,498.27	
23-Nov	259,204.53	240,026.67	19,177.86	
23-Oct	194,916.98	217,029.93	-22,112.95	
23-Sep	239,207.19	258,101.01	-18,893.82	
23-Aug	274,277.35	259,982.33	14,295.02	
Last Close	25,952.76	24,212.61	1,740.15	
6 Months average	268,767.28	264,625.06	4,142.22	

MF equity investments, Rs cr

	Buy	Sell	Net	MTD
1-Feb	10,234.00	9,543.00	691	20,214.00*
24-Jan	199365.67	179152.09	20213.58	
23-Dec	184663.33	161059.58	23603.75	
23-Nov	106323.62	88998.6	17325.02	
23-Oct	109154.74	89242.61	19912.13	
23-Sep	119295.59	99548.54	19747.05	
23-Aug	136454.48	110953.63	25500.85	
Last Close	10,234.00	9,543.00	691	
6 Months average	142,542.91	121,492.51	21,050.40	

WEEK AHEAD

The Reserve Bank Governor-headed six-member Monetary Policy Committee (MPC) meeting is scheduled from 6 February 2024 to 8 February 2024. The December 2023 quarterly results season will continue to remain in focus.

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.

Overseas, China will announce the inflation rate data for January on 8 February 2024.

The US ISM Services PMI for January will be declared today.

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

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