

Market Flash

May 2, 2023

Sensex zooms 300 points, Nifty holds 18,150; Oil & Gas, PSU bank lead

Equity markets opened with firm gains on Tuesday buoyed by positive sentiment across Asian markets, following the takeover deal of a fallen US lender on Monday. Rupee opens at 81.76 against dollar vs Friday's close of 81.83 against dollar.

At 10:00 AM, the frontline S&P BSE Sensex was trading at 61,431 up by 318 points or 0.57%. Market breadth is positive and out of a total of 3,093 shares traded on the Bombay Stock Exchange, 2,162 advanced while 767 declined and 164 remained unchanged. The broader Nifty50 was at 18,166 levels up 101 points or 0.56%.

The broader markets, meanwhile, outweighed gains in the benchmarks. The BSE Mid Cap and Small Cap indices rose 0.7% each.

Sectorally, Nifty oil & gas, PSU bank and IT indices logged firm gains of 0.6-0.8%, while the auto pocket was the only laggard, down 0.2%.

GST collection in April rose by 12% annually to over Rs 1.87 trillion, touching an all-time monthly high, showed finance ministry data released on Monday. The previous monthly high Goods and Services Tax (GST) collection was in April 2022 at about Rs 1.68 trillion.

WEEKLY REVIEW – APRIL 24 – APRIL 28, 2023

The key equity barometers ended the week with robust gains after advancing in all the five sessions. After hitting a low of 17,612.50 at the start of the week, the Nifty staged a strong comeback and ended above the 18,000 level. The performance of the broader market was in-line with the equity benchmarks.

Despite concerns about potentially weaker US GDP numbers and high inflation, the stronger-than-expected earnings reported by the 'big tech' in the US lifted the overall investor sentiment. However, with US inflation remaining high, the prospect of another rate hike by the Fed continues to linger and this could induce volatility in global markets in the coming days.

In the week ended on Friday, 27 April 2023, the S&P BSE Sensex surged 1,457.38 points or 2.44% to settle at 61,112.44. The Nifty 50 index jumped 440.95 points or 2.50% to settle at 18,065. The BSE Mid Cap index advanced 2.61% to settle at 25,492.43. The BSE Small Cap index gained 2.42% to close at 28,917.07.

GLOBAL MARKETS

Asian equities rose at the open on Tuesday following a holiday weekend, as investors digested losses on Wall Street after the takeover of First Republic Bank.

After a choppy session, all three major US indices finished in the red on Monday at the start of a news-jammed week that includes a policy decision by the Federal Reserve and a report on US employment figures.

Adding to investor uncertainty were raised fears about the banking sector after another US regional lender went under.

In Australia, the S&P/ASX 200 was 0.15% lower as investors await the country's central bank decision on whether it will continue to hike rates. The Japanese Nikkei 225 was up 0.35%, while the Topix saw a marginal gain.

South Korea's Kospi rose 0.74%, while the Kosdaq climbed 0.75% after the country saw its inflation rate slow to a 14-month low of 3.7%.

The Dow Jones Industrial Average inched lower Monday in the wake of the government's seizure of First Republic over the weekend and the bank's subsequent sale to JPMorgan Chase.

The Dow dipped 46.46 points, or 0.14%, to end the session at 34,051.70. The S&P 500 ticked down 0.04% to close at 4,167.87. The Nasdaq Composite fell 0.11%, ending at 12,212.60.

RUPEE, OIL & FIIs

Indian Rupee: The rupee pared all its initial gains to settle lower by 3 paise at 81.82 (provisional) against the US currency on Friday amid a strong greenback overseas.

Crude Oil: Oil prices fell in thin early Asian trade on Tuesday as the market digests weak economic data from China and expectations of another US interest rate hike.

Brent crude fell by 2 cents to \$79.29 a barrel by 0021 GMT, while US West Texas Intermediate (WTI) crude fell 2 cents to \$75.64. Both benchmarks fell by more than \$1 last session.

FPIs & DIIs: Foreign institutional investors (FII) bought shares worth Rs 3,304.32 crore, while domestic institutional investors (DII) purchased shares worth Rs 264.27 crore on April 28, according to provisional data from National Stock Exchange.

WEEK AHEAD

The March 2023 quarterly earnings season will be in focus. The domestic stock market was shut on Monday, 1 May 2023 on account of Maharashtra Day.

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

Auto stocks will be in focus as auto companies will start announcing monthly sales numbers for April starting from 1 May 2023.

On the macro front, S&P Global Manufacturing PMI for April was declared yesterday. The S&P Global Services PMI for April will be declared on 3 May 2023.

Overseas, the Caixin Manufacturing PMI of China for April will be declared on 4 May 2023.

The US will announce the ISM Services PMI for April on 3 May 2023. The outcome of the US non-farm payrolls data for April will be announced on 5 May 2023.

In Europe, the Euro Area inflation rate for April will be declared today.

The ECB will announce its interest rate decision on 4 May 2023.

Source: Bloomberg, BSE, HSBC MF

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