

Market Flash

September 04, 2023



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Markets commence September on a firm foot; Nifty Metal Index hit record high

Indian equity markets have turned choppy after starting on the higher note tracking firm trade in Asia. Indian rupee opened marginally higher at 82.68 per dollar on Monday against Friday's close of 82.71.

Investors will track a host of triggers this week including foreign fund inflow, S&P global services purchasing manager's index (PMI) data, crude oil prices, global cues, etc.

At 9:45 AM, the frontline S&P BSE Sensex was trading at 65,476 up 90 points or 0.14%. Market breadth is positive and out of a total of 3,153 shares traded on the Bombay Stock Exchange, 2,134 advanced while 884 declined and 135 remained unchanged. The broader Nifty50 was at 19,473 levels up 37 points or 0.19%.

In the broader markets, the bulls maintained their grip with the BSE Mid Cap and Small Cap indices adding 0.58% and 0.94%, respectively.

Among sectors, the Nifty Metal Index hit record high of 6,967.80, rising over 1.5% in early trades. All other indices were trading in a green zone as well with the Nifty PSU Bank and Realty rising 0.7% each, followed by the Nifty Auto index (up 0.4%).

MONTHLY REVIEW – AUGUST 2023

The five-month consecutive rally on of India Stock Market came to an end in the month of August 2023 as the indices declined in the month amid volatility and selling by foreign institutional investors.

The benchmark indices Nifty and Sensex fell 2.5% each last month dragged by selling in banking, financials, FMCG and energy sectors.

After consistent buying for five consecutive months, the FIIs turned net sellers in the Indian equities last month. FIIs net sold Indian shares worth Rs 20,620 crore, while domestic institutional investors net purchased shares aggregating to Rs 25,017 crore, data available on exchanges showed.

WEEKLY REVIEW – AUGUST 28 – SEPTEMBER 1, 2023

The domestic equity barometers ended with robust gains on Friday, snapping a five-week losing streak lifted by metals, infrastructure, banking and financial services, technology and auto stocks. The broader market indices managed to stage strong performance for second week in a row. The Nifty settled above the 19,400 level. The benchmark indices logged gains in four out of five trading sessions during this week.

In the week ended on Friday, 1 September, 2023, the S&P BSE Sensex surged 500.65 points or 0.77% to settle at 65,387.16. The Nifty50 index added 169.50 points or 0.88% to close at 19,435.30. The BSE Mid Cap index advanced 2.34% to end at 31,435.62. The BSE Small Cap index gained 3.78% to close at 37,420.53.

While higher-than-anticipated domestic manufacturing PMI and positive GDP growth data raised investor spirits, rising monsoon deficit in the country coupled and continuous selling by foreign institutional investors kept the overall gains in check.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
Domestic				
S&P BSE Sensex	65,387.16	0.86	-1.61	7.47
Nifty 50	19,435.30	0.94	-1.51	7.35
S&P BSE 200	8,502.61	0.86	-0.54	8.29
S&P BSE 500	27,079.48	0.86	0.09	10.05
S&P BSE Midcap	31,435.62	0.75	3.58	24.18
S&P BSE Smallcap	37,420.53	0.75	6.38	29.36
S&P BSE Auto	36,075.13	1.58	0.41	24.73
S&P BSE Bankex	49,912.19	1.09	-2.76	2.06
S&P BSE Cap Goods	45,406.56	0.42	3.5	36.18
S&P BSE Consumer Durables	44,678.28	0.25	4.64	12.48
S&P BSE FMCG	18,515.25	0.27	-2.28	15.18
S&P BSE Healthcare	27,726.03	-0.6	0.29	20.37
S&P BSE IT	31,850.25	1.02	4.13	11.09
S&P BSE Metal	22,542.14	3.32	0.87	8.09
S&P BSE Oil & Gas	18,788.04	1.85	-3.11	-7.94
S&P BSE Power	4,470.70	2.73	2.4	2.04
S&P BSE Realty	4,511.25	0.96	1.25	30.88



GLOBAL MARKETS

Asia-Pacific markets were mixed to start the week as investors look to key data from Australia and China later in the week. The Reserve Bank of Australia will release its rate decision on Tuesday, while China is expected to release its trade balance for August on Thursday and its inflation rate next weekend.

In Australia, the S&P/ASX 200 started the week up 0.37%, while Japan's Nikkei 225 also climbed 0.12% and the Topix was 0.16% higher. South Korea's Kospi gained 0.21%, while the Kosdaq was down 0.18%. Futures for Hong Kong's Hang Seng index stood at 18,304, pointing to a weaker open compared with the HSI's close of 18,382.06 last Thursday. Hong Kong's markets were closed Friday as the city braced for super typhoon Saola, which made landfall over the weekend.

The Dow Jones Industrial Average rose on Friday as traders weighed the latest US jobs report to conclude a winning week. The 30-stock Dow ticked up 115.80 points, or 0.33%, to close at 34,837.71 The S&P 500 added roughly 0.18% to finish the session at 4,515.77, and the Nasdaq Composite inched down 0.02% to end the day at 14,031.81.

European stock markets closed mixed on Friday after a key US jobs report showed higher-than-expected new nonfarm payrolls, along with a rise in unemployment. The regional Stoxx 600 index closed flat, with sectors spread across positive and negative territory.

RUPEE, OIL & FIIs

Indian Rupee: The Indian Rupee ended last week at 82.7150, marking a weekly loss of 0.1%. The dollar index climbed on Friday despite a key U.S. jobs report cemented bets that the Federal Reserve's rate hiking cycle is nearing an end.

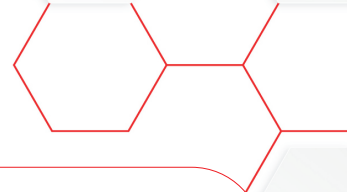
Crude Oil: Oil prices ticked up in Asian morning trade on Monday, as market sentiment was buoyed by positive China and U.S. economic data, as well as expectations of ongoing crude supply cuts from major producers.

Brent crude was up 17 cents, or 0.2%, at \$88.72 a barrel. US West Texas Intermediate crude (WTI) rose 25 cents, roughly 0.3%, to \$85.80.

FPIs & DIIs: Foreign institutional investors (FII) bought shares worth Rs 487.94 crore, while domestic institutional investors (DII) purchased Rs 2,294.93 crore worth of stocks on September 1, provisional data from the National Stock Exchange (NSE) showed.

Foreign inflows had moderated to a four-month low of Rs 122.52 billion (\$1.48 billion) in August. FIIs emerged as net sellers in August on the back of a stronger dollar and high US bond yields. The domestic institutional investors (DIIs) emerged as net buyers in August and extended their buying spree in the first session of September as well.

As per the NSE data, FIIs cumulatively bought Rs 15,219.61 crore of Indian equities, while they sold Rs 14,731.67 crore - resulting in an inflow of Rs 487.94 crore. Meanwhile, DIIs infused Rs 10,888.79 crore and offloaded Rs 8,593.86 crore, registering an outflow of Rs 2,294.93 crore.



International				
DJIA*	34,721.91	-0.48	-2.36	4.75
Nasdaq Composite*	14,034.97	0.11	-2.17	34.09
Nikkei 225 (Japan)	32,710.62	0.28	-2.29	25.35
Straits Times (Singapore)	Closed	NA	NA	0
Hang Seng (Hong Kong)	Closed	NA	NA	0
Kospi Composite (Seoul)	2,563.71	0.29	-3.88	14.64
FTSE 100 (London)	7,439.13	-0.46	-3.38	-0.17
Cac 40 (France)*	7,316.70	-0.65	-2.42	13.02
Xetra Dax (Germany)*	15,947.08	0.35	-3.04	14.53
S&P 500 (US)*	4,507.66	-0.16	-1.77	17.4
Shanghai (china)	3,133.25	0.43	-4.79	1.42
MICEX (Russia)*	3,217.82	-0.32	4.01	49.38
Bovespa (Brazil)*	115,741.81	-1.53	-5.09	5.47
JCI (Indonesia)	6,977.65	0.35	4.74	1.85
SET (Thailand)	1,561.51	-0.28	0.35	-6.42

***Data as of Aug 31**

FII equity investments, Rs cr

	Buy	Sell	Net	MTD
31-Aug	47,525.00	46,266.00	1,259.00	14,295.00
23-Aug	0	0	0	
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	
Last Close	10,365.00	10,355.00	10	
6 Months average	173,522.55	146,682.71	26,839.85	

MF equity investments, Rs cr

	Buy	Sell	Net	MTD
31-Aug	5,219.00	4,778.00	441	14,489.00*
23-Aug	0	0	0	
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	
Last Close	5,219.00	4,778.00	441	
6 Months average	81,026.27	75,784.39	5,241.88	

-MF Data as of Aug 23

WEEK AHEAD

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 government has convened a special session of Parliament for five days between 18-22 September 2023. India, the current president of the G20, will be hosting global leaders for the G20 Summit scheduled between September 9 and 10 in New Delhi. The G20 is an intergovernmental forum of the world's major developed and developing economies.

On the macro front, the S&P Global Services PMI for August will be declared tomorrow.

Overseas, China will declare the Balance of Trade data for August 2023 on 7 September 2023.

In the US, the release of inflation and weekly jobless data is in focus. Investors are eagerly awaiting the Non Farm Payrolls and Unemployment Rate data for August due on 1 September 2023 as it will provide insights into the Federal Reserve's monetary policy outlook.

The US ISM Services PMI data for August will be announced on 6 September 2023.

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

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