



HSBC Mutual Fund

Market Flash

January 29, 2024





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Sensex surges 700 points, Nifty holds 21,600; Bank Nifty leads

Benchmark indices quoted with strong gains in intra-day deal on Monday, tracking strength in Asian peers. In the week ahead, equity markets shall react to US Fed meet outcome and the Interim Budget 2024.

At 10:40 AM, the frontline S&P BSE Sensex was trading at 71,403 up 703 points or 0.99%. Market breadth is positive and out of a total of 3,863 shares traded on the Bombay Stock Exchange, 2,290 advanced while 1,389 declined and 184 remained unchanged. The broader Nifty50 was at 21,601 levels up 249 points or 1.16%.

Apart from Nifty IT and Realty indices, all other sectors traded in the sea of green. Bank Nifty and Oil & Gas sectors led most of the gains as they were up over a percent on January 29 opening deals.

In the broader market, the BSE Mid Cap and Small Cap indices advanced up to 0.7% each.

The rupee depreciated 4 paise to 83.15 against the US dollar in the morning session on Monday, amid elevated crude oil prices and dollar demand from importers.

WEEKLY REVIEW – JANUARY 22 – JANUARY 25, 2024

Domestic equity benchmarks ended lower in the truncated trading week, extending downfall for second week in a row. The broader market outperformed the barometers. In the four trading sessions, the key indices advanced in two sessions while declined in the remaining two.

Markets experienced increased volatility last week, leading to a second consecutive week of losses, primarily due to weakness in the banking sector.

In the week ended on Thursday, 25 January 2024, the S&P BSE Sensex jumped 330.12 points or 0.47% to settle at 70,700.67. The Nifty 50 index slipped 113.80 points or 0.54% to close at 21,352.60. The BSE Mid Cap index advanced 1.34% to end at 37,746.29. The BSE Small Cap index added 2.27% to close at 44,363.74.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
Domestic				
S&P BSE Sensex	70,700.67	-0.51	-0.57	-2.13
Nifty 50	21,352.60	-0.47	0.01	-1.74
S&P BSE 200	9,584.77	-0.36	1.39	-0.56
S&P BSE 500	30,669.27	-0.28	1.81	-0.17
S&P BSE Midcap	37,746.29	-0.36	5.19	2.46
S&P BSE Smallcap	44,363.74	0.54	5.62	3.96
S&P BSE Auto	42,616.32	0.18	5.28	0.92
S&P BSE Bankex	50,744.82	-0.58	-5.24	-6.68
S&P BSE Cap Goods	56,903.79	0.43	4.71	2.26
S&P BSE Consumer Durables	50,253.22	-0.44	2.04	0.51
S&P BSE FMCG	19,928.99	-1.01	0.46	-2.63
S&P BSE Healthcare	32,977.70	-0.89	7.25	4.53
S&P BSE IT	37,199.97	-1.23	2.76	3.3
S&P BSE Metal	26,107.80	0.43	0.66	-3.27
S&P BSE Oil & Gas	24,668.33	-0.52	9.71	7.15
S&P BSE Power	6,130.33	1.76	7.68	5.36
S&P BSE Realty	6,507.50	0.69	7.94	5.18

GLOBAL MARKETS

Chinese equities led a rally in Asian stocks to start the week, after regulators took new steps over the weekend to support the market.

The S&P 500 ended a five-session streak of record highs on Friday, with Intel, opening a new tab slumping after a bleak revenue forecast, while US economic data showed inflation moderating.

Even as the S&P 500 and Nasdaq ended the session lower, all three major indexes recorded their third straight weekly gain. The S&P 500 declined 0.07% to end the session at 4,890.97 points. The Nasdaq declined 0.36% to 15,455.36 points, while the Dow Jones Industrial Average rose 0.16% to 38,109.43 points.

The dollar and US Treasury yields hovered in the middle of recent ranges ahead of a highly anticipated Federal Reserve policy meeting later in the week.

Hong Kong's Hang Seng jumped 1.4%, and a sub-index of mainland property shares surged 3.6%.

Regional stocks had already started the day on a firm footing, but extended gains after the Hong Kong

open, with Japan's Nikkei gaining 0.8% and South Korea's Kospi advancing 1.2%, while Australia's stock benchmark added 0.4%.

Mainland China blue chips, however, were little changed after seesawing in early trade.

RUPEE, OIL & FIIs

Indian Rupee: The rupee rose 1 paisa in a range-bound trade to close at 83.11 against the US dollar on Thursday, as the support from weak American currency overseas was negated by rising crude oil prices.

Crude Oil: Oil prices jumped 1% on Monday on fuel supply concerns after a missile struck a Trafigura-operated fuel tanker in the Red Sea and as Russian refined products exports are set to fall as several refineries are under repair after drone attacks.

Brent crude futures climbed 83 cents to \$84.38 a barrel by 2341 GMT after hitting a session-high of \$84.80. US West Texas Intermediate crude rose 78 cents to \$78.79 a barrel.

FPIs: Foreign Portfolio Investors (FPIs) have dumped Indian equities worth Rs 24,700 crore so far this month, owing to surging bond yield in the US.

On the other hand, they are bullish on the debt market and infused Rs 17,120 crore in the debt market during the period under review, data with the depositories showed.

Domestic institutional investors (DIIs) turned net buyers of Indian equities to the tune of Rs 3,474.89 crore.

International

DJIA*	37,806.39	-0.26	1.12	0.31
Nasdaq Composite*	15,481.92	0.36	3.26	3.13
Nikkei 225 (Japan)	36,236.47	0.03	9.25	8.28
Straits Times (Singapore)	3,147.64	-0.18	0.23	-2.86
Hang Seng (Hong Kong)	16,211.96	1.96	-0.79	-4.9
Kospi Composite (Seoul)	2,470.34	0.03	-4.97	-6.96
FTSE 100 (London)	7,527.67	0.56	-2.21	-2.66
Cac 40 (France)*	7,455.64	0.91	-1.5	-1.16
Xetra Dax (Germany)*	16,889.92	1.58	1.1	0.83
S&P 500 (US)*	4,868.55	0.08	2.4	2.07
Shanghai (china)	2,906.11	3.03	-0.3	-2.31
MICEX (Russia)*	3,158.08	-0.14	1.91	1.9
Bovespa (Brazil)*	130,648.75	-0.15	2.94	-2.64
JCI (Indonesia)	7,178.04	-0.69	-0.82	-1.3
SET (Thailand)	1,376.09	-0.37	-2.32	-2.81

*Data as of Jan 24

FII equity investments, Rs cr

	Buy	Sell	Net	MTD
24-Jan	21,836.00	27,262.00	-5,426.00	-26,842.00
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	
23-Jul	234,667.68	200,673.78	33,993.90	
Last Close	26,681.00	29,388.00	-2,707.00	
6 Months average	252,149.96	237,990.24	14,159.71	

MF equity investments, Rs cr

	Buy	Sell	Net	MTD
24-Jan	3,041.00	3,771.00	-730	12,020.00*
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	
23-Jul	95495.32	87787.86	7707.46	
Last Close	3,041.00	3,771.00	-730	
6 Months average	125,231.18	106,265.14	18,966.04	

WEEK AHEAD

The upcoming budget session would be key event that the market would be looking in the truncated trading week ahead. Finance Minister Nirmala Sitharaman will be unveiling an interim Budget for fiscal 2024-25 on February 1 in the Lok Sabha. With the Lok Sabha poll likely to happen in April-May this year, a new government will present a full budget in June, as per reports. Stock markets will remain closed on Friday, 26 January 2024 on account of Republic Day. 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.

Auto stocks will be in focus as auto companies will start announcing monthly sales numbers for January starting from 1 February 2024.

Overseas, the China NBS Manufacturing PMI for January will be unveiled on 31 January 2024. China will announce the Caixin Manufacturing PMI for January on 1 February 2024.

The US Federal Reserve (Fed) will announce its interest rate decision after its two-day policy meeting on 31 January 2024.

The US ISM Manufacturing PMI for January will be declared on 1 February 2024. The US Non Farm Payrolls data and Unemployment Rate for January will be announced on 2 February 2024.

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

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