

Market Flash

July 03, 2023

Markets at new all-time high; Sensex breaches 65,100 mark

Benchmark indices opened with firm gains today and scaled new all-time highs for the third straight day tracking strength in global equities.

The Indian rupee opened 4 paise higher against the US dollar on Monday. The local unit opened at 82/\$ as compared to the previous close of 82.04. India VIX, which is a measure of the fear in the markets, fell 0.80% to settle at 10.80 levels.

At 9:40 AM, the frontline S&P BSE Sensex was trading at 65,131 up 413 points or 0.64%. Market breadth is positive and out of a total of 3,078 shares traded on the Bombay Stock Exchange, 2,176 advanced while 760 declined and 142 remained unchanged. The broader Nifty50 was at 19,303 levels up 115 points or 0.60%.

The broader markets held relative strength. The BSE Mid Cap and Small Cap indices rose to almost 1%. Barring Realty, all sectors are leading in green zone with Banks and Auto gaining 1% each.

SGX Nifty is now Gift Nifty; GIFT Nifty begins trade

Early cues for Indian markets will now be tracked via the GIFT Nifty futures, derivative of the Nifty50 that have begun their trading from today on the NSE IFSC in GIFT city, Gujarat.

Under this, about \$7.5 billion worth of contracts traded on the Singapore exchange have shifted base to India, as per reports.

GST collections at Rs 1.61 lakh crore in June, up 11.7% from last year

The government collected Rs 1.61 lakh crore as Goods and Services Tax (GST) in June, the Ministry of Finance said on July 1. This is the third-highest monthly mop-up ever since the new indirect tax regime was introduced exactly six years ago.

At Rs 1.61 lakh crore, the GST collected in June is 11.7 percent higher on a year-on-year basis and 2.8% higher than what was collected in May.

RBI's huge dividend helps limit Centre's April-May fiscal deficit to Rs 2.1 lakh crore

The Indian government's fiscal deficit increased to Rs 2.10 lakh crore in April-May, according to data released by the Controller General of Accounts on June 30.

At Rs 2.10 lakh crore, the fiscal deficit for the first two months of the current financial year accounts for 11.8% of the full-year target of Rs 17.87 lakh crore.

The fiscal deficit in the first two months of 2022-23 was 12.3% of the target.

WEEKLY REVIEW – JUNE 26 – JUNE 30, 2023

The domestic equity benchmarks ended with strong gains, rising for second week in a row. Indices logged gains in three out of four trading sessions during this week. The Nifty settled near the 19,200 level. Reports highlighting lower NPA levels among domestic banks fueled anticipation of increased credit demand and disbursements in the forthcoming months. The monsoon is also seen covering lost ground, which will boost agricultural output and rural demand. Strong foreign institutional investor (FII) inflows also supported the market's bullish momentum. The narrowing current account deficit also positively impacted investor sentiments.

The optimism among investors overshadowed concerns over slowing growth in China, political turmoil in Russia and the recent rates hikes by the ECB and the BoE along with the US Fed hinting at two more rate hikes this year.

During the week, the Nifty and the Sensex hit all-time highs of 19,201.70 and 64,768.58, respectively.

In the week ended on Friday, 30 June 2023, the S&P BSE Sensex zoomed 1,739.19 points or 2.76% to settle at 64,718.56. The Nifty 50 index jumped 523.55 points or 2.80% to close at 19,189.05. The BSE Mid Cap index rose 2.86% to settle at 28,776.20. The BSE Small Cap index advanced 1.91% to close at 32,602.14.

Indices	Last close	One-day change in %	One month change in %	% YTD change in %
Domestic				
S&P BSE Sensex	64,718.56	1.26	2.78	6.37
Nifty 50	19,189.05	1.14	2.98	5.99
S&P BSE 200	8,273.51	0.97	3.5	5.37
S&P BSE 500	26,078.65	0.92	3.86	5.99
S&P BSE Midcap	28,776.20	0.67	6.76	13.67
S&P BSE Smallcap	32,602.14	0.51	7.53	12.71
S&P BSE Auto	34,919.74	1.82	6.76	20.73
S&P BSE Bankex	50,500.57	0.79	0.12	3.26
S&P BSE Cap Goods	40,725.76	1.73	9.79	22.14
S&P BSE Consumer Durables	42,861.12	0.46	5.67	7.9
S&P BSE FMCG	18,690.49	0.51	2.47	16.27
S&P BSE Healthcare	25,814.46	0.7	9.71	12.07
S&P BSE IT	29,876.53	2.34	2.16	4.2
S&P BSE Metal	20,561.27	0.28	3.99	-1.41
S&P BSE Oil & Gas	18,209.80	0.69	0.27	-10.78
S&P BSE Power	4,010.86	0.23	4.33	-8.45
S&P BSE Realty	4,161.18	0.5	9.35	20.72

GLOBAL MARKETS

Asia-Pacific markets rose as investors digest a slew of manufacturing activity reports from the region.

China's Caixin manufacturing purchasing managers index will be released later in the day. Economists polled by Reuters expect to see a slight expansion despite official government readings recording a third straight month of contraction.

Mainland China markets were higher: The Shanghai Composite gained 0.4% in its first hour of trade and the Shenzhen Component edged up 0.7%. Hong Kong's Hang Seng index rose 1.1% and the Hang Seng Tech index climbed nearly 2%.

Private surveys for factory activity in Japan, South Korea, Taiwan and India will be released today as well as for some countries in the ASEAN region.

Wall Street's three major indexes advanced solidly on Friday, with the tech-heavy Nasdaq boasting its biggest first-half gain in 40 years as inflation showed signs of cooling while Apple closed with a \$3 trillion market valuation for the first time.

The Dow Jones Industrial Average rose 285.18 points, or 0.84%, to 34,407.6, the S&P 500 gained 53.94 points, or 1.23%, to 4,450.38 and the Nasdaq Composite added 196.59 points, or 1.45%, to 13,787.92.

International				
DJIA*	34,122.42	0.8	3.11	2.94
Nasdaq Composite*	13,591.33	0	4.74	29.86
Nikkei 225 (Japan)	33,189.04	-0.14	5.94	27.19
Straits Times (Singapore)	3,205.91	-0.04	0.58	-1.4
Hang Seng (Hong Kong)	18,916.43	-0.09	1.72	-4.37
Kospi Composite (Seoul)	2,564.28	0.56	-0.82	14.66
FTSE 100 (London)	7,471.69	-0.38	-2.04	0.27
Cac 40 (France)*	7,312.73	0.36	0.12	12.96
Xetra Dax (Germany)*	15,946.72	-0.01	-0.04	14.53
S&P 500 (US)*	4,396.44	0.45	4.54	14.51
Shanghai (china)	3,202.06	0.62	-0.69	3.65
MICEX (Russia)*	2,797.37	0.03	2.93	29.86
Bovespa (Brazil)*	118,382.65	1.46	7.3	7.88
JCI (Indonesia)	Closed	NA	NA	0
SET (Thailand)	1,503.10	1.59	-1.98	-9.92

*Data as of Jun 29

FII equity investments, Rs cr

	Buy	Sell	Net	MTD
28-Jun	24,852.00	10,048.00	14,804.00	43,311.00
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	
23-Feb	161,397.43	166,676.47	-5,279.04	
23-Jan	162,479.53	192,429.37	-29,949.84	
22-Dec	146,357.97	147,711.68	-1,353.71	
Last Close	10,097.00	8,266.00	1,831.00	
6 Months average	171,113.26	165,229.58	5,883.68	

MF equity investments, Rs cr

	Buy	Sell	Net	MTD
28-Jun	5,592.00	4,927.00	665	8,941.00*
23-May	100303.37	97856.86	2446.51	
23-Apr	75553.66	80684.71	-5131.05	
23-Mar	105430.73	84666.43	20764.3	
23-Feb	101628.76	88804.09	12824.67	
23-Jan	110573.17	88731.37	21841.8	
22-Dec	101205.58	86513.25	14692.33	
Last Close	4,036.00	3,494.00	542	
6 Months average	99,115.88	87,876.12	11,239.76	

*MF Data as of Jun 26

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.

Auto stocks will be in focus as auto companies started announcing monthly sales numbers for June from 1 July 2023.

Prime Minister Narendra Modi will reportedly chair a meeting of the Union Council of Ministers today amid talk of a possible Union Cabinet reshuffle ahead of the 2024 Lok Sabha elections.

Overseas, China will announce the Caixin Manufacturing PMI for June today. China will announce the Caixin Services PMI for June on 5 July 2023.

The US ISM Manufacturing PMI data for June will be announced today. The US ISM Services PMI data for June will be announced on 6 July 2023.

The US Non-Farm Payrolls data and unemployment rate for June will be announced on 7 July 2023.

Source: Bloomberg, BSE, HSBC MF, CRISIL

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