

Monday Market Flash

February 13, 2023

Sensex falls 350 points, Nifty below 17,750; IT shares drag

Domestic markets have turned dismal amid volatility after making a flat start in Monday's trading session, ahead of the key macro-economic data. Indian rupee opened 17 paise lower at 82.67 per dollar on Monday versus Friday's close of 82.50.

At 10:12 AM, the frontline S&P BSE Sensex was trading at 60,348 down 334 points or 0.58%. Market breadth is positive and out of a total of 2,965 shares traded on the Bombay Stock Exchange, 1,442 advanced while 1,351 declined and 172 remained unchanged. The broader Nifty50 was at 17,748 levels down 112 points or 0.63%.

Broader markets, too, edged lower as Nifty Midcap 100 and Nifty Smallcap 100 indices declining up to 0.3%. Volatility index, India VIX, meanwhile, jumped 3%.

Sectorally, Nifty Metal and Nifty Auto indices were off to a positive start, whereas Nifty IT index was the worst hit as it lowered up to 2%.

WEEKLY REVIEW – FEBRUARY 6 – FEBRUARY 10, 2023

The Sensex ended with minimal losses while the Nifty finished with small gains in the week marked with high volatility. However, the BSE Midcap and BSE Smallcap indices logged strong gains during the week. RBI monetary policy committee raised the repo rate by 25 bps and remained concerned about core inflation.

On the sectoral front, BSE Metal and BSE Power indices witnessed sharp correction, whereas BSE Healthcare, BSE IT, BSE Capital Goods, and BSE Realty reported gains this week.

In the week ended on Friday, 10 February 2023, the S&P BSE Sensex fell 159.18 points or 0.26% to settle at 60,682.70. The Nifty50 index rose 2.45 points or 0.01% to settle at 17,856.50. The BSE Midcap index rose 1.78% to settle at 24,890.44. The BSE Smallcap index rose 1.42% to settle at 28,263.05.

GLOBAL MARKETS

Asian shares are weak today as investors hunkered down for US inflation and retail sales data that could jolt the outlook for interest rates globally, while tempering or accelerating the recent spike in bond yields.

MSCI's broadest index of Asia-Pacific shares outside Japan eased 0.1%, after losing 2.2% last week. Japan's Nikkei fell 0.5%, and South Korea's Kospi shed 0.3%.

The Nasdaq ended lower on Friday as megacap growth stocks came under pressure after Treasury yields pointed to higher interest rates and shares of ride-hailing firm Lyft plunged following a downbeat profit forecast.

The Dow Jones Industrial Average ended up 169.52 points, or 0.5%, to 33,869.4, the S&P 500 gained 8.98 points, or 0.22%, to 4,090.48 and the Nasdaq Composite dropped 71.46 points, or 0.61%, to 11,718.12.

RUPEE, OIL & FIIs

Indian Rupee: The Indian rupee ended little changed against the dollar on Friday, but posted its worst trading week in two months on worries over Federal Reserve's rate hike trajectory. The rupee finished at

82.4975 per dollar, having strengthened up to 82.35 during the session, as compared to Thursday's close of 82.51.

Crude Oil: Oil prices eased on Monday after rising 2 percent in the previous session as investors shrugged off the impact of Russian output cuts, instead focusing on short-term demand concerns stemming from refinery maintenance in Asia and the United States.

Brent crude futures fell 69 cents, or 0.8%, to \$85.70 a barrel after a 2.2% gain on Friday. US West Texas Intermediate crude was at \$79.04 a barrel, down 68 cents, or 0.9%, after rising 2.1% in the previous session.

FPIs & DIIs: Foreign portfolio investors (FPIs) have net bought shares worth Rs 1458 crore on Friday, provisional data showed. DIIs on the other hand, net sold shares to the tune of Rs 291 crore.

WEEK AHEAD

The movement of rupee against the dollar and crude oil prices will dictate trend on the bourses in the near term. Investment by foreign portfolio investors (FPIs) and domestic institutional investors (DIIs) will be monitored. The December 2022 quarterly results are currently underway.

On the domestic economic data front, Wholesale price index (WPI) inflation for January is due tomorrow. Inflation rate for January will also be declared tomorrow.

The Society of Indian Automobile Manufacturers (SIAM) will also come out with the total passenger vehicle sales data tomorrow. Market participants will also be looking for the Balance of Payment data on February 15. The foreign exchange reserves data is going to be released on February 17.

Overseas, US will announce Retail Sales data for January on 15 February, 2023.

US will announce inflation rate for January on 14 February 2023.

Source: Bloomberg, BSE

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