

The Week that was

July 12, 2024

Weekly Market Review: Mixed Bag as Investors React to Economic Signals

Indian Markets: Flat Week Amid Profit Booking

Indian equity markets closed the week on a flat note as initial gains, buoyed by positive global cues, were offset by profit booking ahead of key June quarter results. The Nifty 50 index ended the week nearly unchanged at 0.7%, reflecting strong investor sentiment and favorable macroeconomic indicators. However, the performance of mid and small-cap stocks was subdued, with the Nifty Midcap 150 and Nifty Small Cap 250 recording losses of 0.24% and 0.19%, respectively.

Among sectoral indices, Nifty FMCG, Nifty IT, and Nifty Oil & Gas emerged as top performers, posting gains of 3.6%, 3.5%, and 2.6% respectively. The robust performance of these sectors can be attributed to several factors including strong earnings reports and favorable market conditions. Conversely, Nifty Metal, Nifty PSU Bank, and Nifty Realty faced challenges, ending the week with losses of 2.63%, 2.09%, and 2.32%, respectively.

US Markets: Mixed Signals Amid Economic Data

In the United States, stock markets presented a mixed picture. The NASDAQ saw a decline of 0.3% as investors moved away from tech stocks. The Dow Jones, however, rose marginally by 1.0%, spurred by cooling CPI inflation data that raised hopes for potential rate cuts. The S&P 500 remained relatively flat, posting a slight gain of 0.3%.

European and Asian Markets: Varied Performance

The FTSE 100 index in the United Kingdom recorded a modest gain of 0.24%, driven by strong performance in utility shares. In Asia, the Strait Times Index and Nikkei Index both ended higher, with the Nikkei gaining 1.0%, tracking overnight gains on Wall Street.

The Hang Seng Index saw a significant boost, rising by 2.8% after China's securities regulator introduced measures to limit short selling and computer-driven trading to bolster market confidence. On the other hand, the Kospi and Shanghai Composite Index ended the week with marginal losses of 0.2% and 0.7%, respectively.

Conclusion: Global Market Movements Reflect Investor Caution

This week's market movements highlight a cautious yet optimistic investor sentiment, influenced by various economic indicators and regulatory measures across the globe. As we move forward, the market will closely watch upcoming economic data and corporate earnings to gauge future trends.

Other Markets:

- Brent crude prices fell by \$ 85.89
- The rupee appreciated to settle at Rs 83.52 against the US dollar.
- Gold prices inched up to settle at Rs 72,753 per 10 grams.
- The 10 Year Benchmark G-Sec yield was at 6.99%.

Source: www.nseindices.com; google finance, MCX Gold Prices; www.rbi.org.in; Morningstar and tradingeconomics.com

Data for week ended on July 12, 2024. ^ data for the week (Fri – Thu) FTSE data as of today 1 pm.

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