

The Week that was

November 14, 2024

Weekly Performance Summary: Indian & Global Equity Markets

Indian Equity Outlook

The Indian equity markets continued the decline with ongoing concerns over softening second-quarter earnings and other domestic headwinds. The NIFTY 50, India's primary stock index, declined by 2.7%, closing at 23,532, a drop from the previous week's 24,199. The NIFTY MIDCAP 150 sharply declined by 5.1%, while the NIFTY SMALLCAP 250 index declined by 6.2%. FII continued its net selling in the Indian equity markets, with November-24 on month to date basis witnessing an outflow of \$2.5bn. On a positive note, monthly SIP inflows remained robust and marked the highest inflow of above ~25,300 crores in Oct-2024.

Sectoral Outlook

Among sectoral indices, NIFTY IT index emerged as the only performer, rising by 1.5%, buoyed by expectations of strong external demand driven by weak INR and Trump's actions on corporate taxes. Whereas all other sectoral indexes witnessed decline. Sharp declines were witnessed in Nifty PSU Bank index declining by ~7%, followed by Nifty Metal index down by ~6% and Nifty Oil and Gas index down by 5.6%. Domestic markets have witnessed a broad-based decline in all sectors. Weak sentiments across earnings, FII outflows and uncertainties regarding global and domestic growth have added to the market weakness.

Global Outlook

Globally, we saw U.S. markets to have continued the rally this week as well with Dow Jones and S&P 500 both gaining ~0.5% and 1% respectively during the week. The bullish sentiments were visible across Tech companies with expectations of potential shifts in economic policy by Trump. Surprisingly strong inflation data didn't dampen any bullish sentiment for the US markets.

However, in Europe and UK. The Euro Stock 50 index and the UK's FTSE index declined by ~1% each, weighed down by economic uncertainty. Asian indices too ended up in red across markets. China's Hang Seng index declined sharply by 7.2% and Shanghai Shenzhen CSI 300 index declined by 2.5% during the week. Following China, markets in Japan, The Nikkei index also gave away the gains, declining by 2.1%

Overall, the past week's domestic equity performance indicates a combination of local and global factors influencing markets, with broad based decline seen in domestic sectors led by FPI outflows, concerns on domestic growth and policy uncertainties.

Other Markets:

- Brent crude price inched lower and settled at ~ 72.4 \$/bl..
- The rupee depreciated further and closed at Rs 84.41 against the US dollar.
- Gold slightly declined to settle at Rs 73,553 per 10 grams.
- The 10 Year Benchmark G-Sec yield was at 6.85%.

Disclaimers:

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

Data for week ended on October 31, 2024. ^ data for the week (Fri – Thu) FTSE data as of today 1 pm.

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