

The Week that was

August 16, 2024

Global Markets Surge, Domestic Markets Witness Ripple Effects

The domestic equity markets concluded the trading week on a positive note, buoyed by an improved global cues. The large-cap Nifty 50 index and the mid-cap Nifty Midcap 150 Index both registered modest gains of 0.7%, while the small-cap Nifty Small Cap 250 Index remained relatively flat, advancing by a modest 0.2%.

Sectoral Performance

Sectoral performance exhibited a mixed trend. As investor sentiment surrounding the U.S. economy improved, optimism also permeated the information technology sector. Consequently, the Nifty IT index emerged as the top performer, surging by 4.7%. The Nifty Consumer Durables and Nifty Realty indices followed suit, recording gains of 3.6% and 2.6%, respectively. In contrast, the Nifty PSU Banks, Nifty Media, and Nifty Metal indices underperformed, declining by 2.2%, 2.0%, and 0.5%, respectively.

UK and US Market Overview

The resurgence in U.S. consumer spending and a decline in unemployment claims have alleviated concerns about a potential economic downturn in the world's largest economy, catalyzing a rally among American equity benchmarks. Consequently, the S&P 500[^], Dow Jones Industrial Average[^], and NASDAQ[^] Composite indices recorded robust gains of 3.7%, 2.6%, and 5.0%, respectively.

Across the Atlantic, the United Kingdom's economy expanded by a solid 0.6% in the second quarter of 2024, bolstering positive investor sentiment. This economic momentum translated into a 2.1% weekly increase in the FTSE 100 Index[^], a barometer of the nation's leading publicly traded companies.

Asian Equity Markets Movements

The ripple effects of the U.S. equity market resurgence were also evident in Asian trading sessions. Japan's Nikkei 225 index surged by an impressive 8.8% as the Bank of Japan governor signaled a reluctance to raise interest rates in the near term. South Korea's KOSPI and Hong Kong's Hang Seng indices also witnessed positive gains of 2.2% and 1.9%, respectively, while China's Shanghai Composite Index ended the week with a modest 0.5% increase.

Other Markets:

- Brent crude prices fell to \$ 78.80
- The rupee declined marginally at Rs 83.96 against the US dollar.
- Gold prices rose to settle at Rs 70,030 per 10 grams.
- The 10 Year Benchmark G-Sec yield was at 6.87%.

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

Data for week ended on August 16, 2024. [^] data for the week (Fri – Thu) FTSE data as of today 1 pm.

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