

The Week that was

October 18, 2024

Indian Equity Market: Sectoral Divergence Marks Performance

The Indian equity market experienced a week of mixed outcomes, with major indices reflecting both gains and losses. The NIFTY 50 index, a key indicator of the Indian stock market, saw a slight decline of 0.4%, falling from 24,964.25 to 24,854.05. This drop suggests cautious sentiment among investors, likely driven by concerns over global economic conditions and inflationary pressures. In the broader market, the NIFTY MIDCAP 150 dropped by 1.02%, signaling underperformance among mid-sized companies. In contrast, the NIFTY SMALLCAP 250 posted a marginal gain of 0.13%, indicating some resilience in the small-cap segment.

Among sectoral indices, the banking and financial services sector showed strength. The NIFTY BANK index surged by 1.8%, led by positive earnings and optimism surrounding policy reforms that could benefit banks. The NIFTY FINANCIAL SERVICES index also rose by 1.38%, driven by continued growth in major financial institutions. Private banks performed well, with the NIFTY PRIVATE BANK index increasing by 1.33%.

On the other hand, the NIFTY AUTO index saw a significant decline of 4.88%. The automotive sector has faced pressure from weak demand and rising input costs, contributing to its steep fall. Similarly, NIFTY METAL dropped by 1.8%, reflecting concerns over global commodity prices and reduced demand. NIFTY MEDIA declined by 1.69%, mirroring a downturn in the media and entertainment sector.

Global Market Trends: Gains in US and UK, Declines in Asia

Global markets showed divergent trends, with US and UK indices posting gains while Asian markets struggled.

In the US, all major indices saw positive movements. The S&P 500 rose by 0.5%, the Dow Jones increased by 0.9%, and the NASDAQ edged up by 0.2%. These gains can be attributed to strong corporate earnings and the Federal Reserve's decision to maintain current interest rates, which has improved investor confidence. The tech sector in particular saw renewed interest, helping to push indices higher.

In the UK, the FTSE index recorded a gain of 1.3%. This increase was driven by positive performances in the energy and consumer sectors, coupled with steady macroeconomic indicators, including stable inflation and employment rates.

Conversely, Asian markets witnessed declines. Japan's Nikkei 225 dropped by 1.58%, driven by investor concerns over the country's economic slowdown and the broader impact of global inflationary pressures. Hong Kong's Hang Seng index fell by 2.11%, largely due to China's sluggish economic recovery and geopolitical tensions. South Korea's Kospi saw a slight decline of 0.12%, as investors remained cautious amid global uncertainties. However, China's Shanghai Composite Index managed to rise by 1.36%, supported by government policies aimed at stimulating economic growth.

Other Markets:

- Brent crude prices fell to settle at \$ 73.97
- The rupee closed at Rs 84.06 against the US dollar.
- Gold slightly rose to settle at Rs 77,070 per 10 grams.
- The 10 Year Benchmark G-Sec yield was at 6.79%.

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

Data for week ended on October 18, 2024. ^ data for the week (Fri – Thu) FTSE data as of today 1 pm.

The Week that was

October 18, 2024

Disclaimers:

The views and investment tips expressed by experts are their own and are meant for informational purposes only and should not be construed as investment advice. Investors should check with their financial advisors before taking any investment decisions.

The word 'more' does not imply more returns or assurance of scheme performance. It refers to the additional value provided by the joint venture, as compared to Baroda AMC and BNP Paribas AMC individually.

In the preparation of the material contained in this document, Baroda BNP Paribas Asset Management India Ltd. ("AMC") (formerly BNP Paribas Asset Management India Private Limited) has used information that is publicly available, including information developed in-house. The AMC, however, does not warrant the accuracy, reasonableness and/or completeness of any information. This document may contain statements/opinions/ recommendations, which contain words, or phrases such as "expect", "believe" and similar expressions or variations of such expressions that are "forward looking statements". Actual results may differ materially from those suggested by the forward looking statements due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, which have an impact on our investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, etc. The AMC (including its affiliates), Baroda BNP Paribas Mutual Fund ("Mutual Fund"), its sponsor / trustee and any of its officers, directors, personnel and employees, shall not be liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this document in any manner. The recipient alone shall be fully responsible / liable for any decision taken based on this document. All figures and other data given in this document are dated and may or may not be relevant at a future date. Prospective investors are therefore advised to consult their own legal, tax and financial advisors to determine possible tax, legal and other financial implication or consequences of subscribing to the units of the schemes of Baroda BNP Paribas Mutual Fund.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.