

The Week that was

July 5, 2024

Weekly Market Review: Mixed Performance Across Global Indices

Indian Markets: Robust Gains in Mid and Small Caps

The Indian stock market experienced a week of mixed performances, with notable gains in the broader indices. The Nifty 50 index advanced by 1.3%, driven by strong investor sentiment and positive macroeconomic indicators. However, the real highlight was the performance of mid and small-cap stocks. The Nifty Midcap 150 surged by 2.50%, and the Nifty Small Cap 250 outperformed with a remarkable gain of 3.51%. This trend reflects growing investor confidence in the potential of smaller companies to deliver higher returns amid economic recovery.

Among the sectoral indices, the top performers were Nifty IT, Nifty Pharma, and Nifty Health Care, with gains of 4.3%, 3.6%, and 3.1% respectively. The robust performance of these sectors can be attributed to several factors:

Nifty Pharma and Health Care: The ongoing focus on health care and pharmaceutical advancements, particularly in the wake of the pandemic, has driven sustained interest and investment in these sectors.

Conversely, the banking sector underperformed. Nifty Bank and Nifty PSU Bank fell by 0.6% and 0.12%, respectively, primarily due to concerns over rising non-performing assets (NPAs) and tighter regulatory scrutiny. Nifty Consumer Durables also saw a marginal decline of 0.31%, as inflationary pressures and subdued consumer demand impacted the sector.

In the United States, the stock markets saw modest gains. The NASDAQ rose by 2.5%, and the S&P 500 increased by 1.4%, buoyed by positive economic data and investor optimism around continued economic recovery. However, the Dow Jones remained relatively flat with a minor gain of 0.5%, reflecting mixed sentiments among investors regarding future growth prospects and potential interest rate hikes by the Federal Reserve.

The FTSE 100 index in the United Kingdom remained flat, registering a slight increase of 0.94%. This stability comes amid ongoing concerns about the global economic outlook and geopolitical tensions, which have kept investors cautious.

Asian markets exhibited a mixed performance. Japan's Nikkei index surged by 3.3%, driven by a weaker yen and strong corporate earnings reports. South Korea's Kospi also posted a gain of 2.3%, supported by robust export data and positive earnings results. In contrast, China's Shanghai Composite Index fell by 0.6%, reflecting concerns over regulatory crackdowns and slowing economic growth. Hong Kong's Hang Seng index remained largely flat, with a slight gain of 0.46%, amid ongoing uncertainties in the Chinese market.

Other Markets:

Brent crude prices rose at \$ 87.35.

The rupee appreciated to settle at Rs 83.50 against the US dollar.

Gold prices inched up to settle at Rs 72,348 per 10 grams.

The 10 Year Benchmark G-Sec yield was at 6.99% compared to its last Friday close of 6.97%.

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

Data for week ended on July 5, 2024. ^ data for the week (Fri – Thu) FTSE data as of today 1 pm.

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