

The Week that was

September 6, 2024

Concerns Over Possible US Economic Slowdown Weighed on Markets

Indian Stock Market Performance

The Indian stock market ended the week on a weaker note. The Nifty 50 index dropped by 1.5%, while the Nifty Midcap 150 Index saw a decline of 1.1%. In contrast, the Nifty Smallcap 250 Index posted a slight gain of 0.8%, providing some optimism in an otherwise challenging week.

Sectoral indices largely reflected this trend of underperformance. The best-performing sectors were Nifty Financial, Nifty FMCG, and Nifty Consumer Durables, which managed marginal gains of 0.2%, 0.1%, and 0.5% respectively. However, sectors like Nifty Metals, Nifty PSU Bank, and Nifty Oil & Gas saw significant declines, dropping by 2.6%, 4.7%, and 3.2%, respectively.

US Stock Market Plummets

In the United States, all major stock indices closed the week in negative territory. The NASDAQ took the biggest hit, falling by 3.3%, largely due to the sharp decline in technology stocks. The S&P 500 and Dow Jones also faced setbacks, falling by 2% each.

European and Asian Markets Follow Suit

In Europe, the FTSE Index ended the week lower, dragged down by declines in personal goods and homebuilder stocks. The index posted a 1.6% fall by the end of the week.

Asian markets also experienced a challenging week. Japan's Nikkei index recorded a sharp decline of 5.8%, influenced by a drop in Nvidia's stock which heightened concerns about a sharp economic downturn. Hong Kong's Hang Seng index also faced pressure, falling by 3%, as a surge in the Japanese Yen and concerns around US manufacturing data rattled investor sentiment. South Korea's KOSPI and China's Shanghai Composite Index both ended the week lower, with declines of 4.8% and 2.7%, respectively.

Conclusion

This week's global market downturn reflects growing concerns about the US economic outlook, which has triggered widespread caution across markets. With key jobs data yet to come, market sentiment remains cautious, as investors await more clarity on future interest rate decisions by the Federal Reserve.

Other Markets:

- Brent crude prices fell to \$ 72.75
- The rupee rose marginally at Rs 83.96 against the US dollar.
- Gold rose to settle at Rs 71,625 per 10 grams.
- The 10 Year Benchmark G-Sec yield was at 6.97%.

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

Data for week ended on September 6, 2024. ^ data for the week (Fri – Thu) FTSE data as of today 1 pm.

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