

The Week that was

January 17th, 2025

Global headwinds continue to pressure Indian Equities

Indian Developments

The Indian equity markets ended the week on a negative note primarily due to external economic pressures, downgrades from financial analysts, profit booking trends, sector-specific weaknesses, and FPI selling. Benchmark equity indices Nifty 50 declined by 1.00% this week. Nifty midcap 150 and Nifty Smallcap 250 too declined by 0.3% and 0.80% respectively this week. Significant selling pressure from Foreign Institutional Investors, who withdrew approximately ₹4,285 crore from Indian equities within the first few days of January 2025 alone.

A stronger US dollar and rising crude oil prices contributed to market volatility. The rupee hit a lifetime low against the dollar, which increased inflationary pressures in India and the cost of imports which significantly affected the declines in the Nifty FMCG sector.

Sectoral Developments

Sectors such as Nifty IT, FMCG, consumer durables, banking, and Realty experienced the most significant impact from the market decline this week. On index levels Nifty IT declined by 5.78%, Nifty Consumer durables declined by 2.93%, Nifty Banking declined by 0.40%.

Global Developments

Global stock markets displayed resilience with notable gains in UK and China, despite earlier corrections and ongoing economic uncertainties. The positive performance was bolstered by strong earnings reports and improved economic indicators. This week highlighted the complexities of global market dynamics as investors navigated through both optimism stemming from corporate earnings and caution due to macroeconomic factors influencing different regions. In the U.S., Dow Jones, S&P 500 and Nasdaq, all, decreased by 0.2%, 0.16% and 0.70% respectively, during the week. The Hang Seng index, FTSE 100 Index and Shanghai recorded gains of 0.14%, 0.99%, 0.18% respectively Whereas Korean Index declined by 0.16%. NIKKEI also declined 0.31%.

Other Markets:

- Brent crude prices increased to around \$ 79.89 per barrel.
- The rupee depreciated to above Rs 86 levels against the US dollar.
- The Gold spot price stood at Rs 78,947 per 10 grams.
- The 10 Year Benchmark G-Sec yield closed at 6.78% this week.

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.

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

Data for week ended on January 17th, 2025

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