

The Week that was

January 24th, 2025

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Indian Developments

The Indian domestic stock market experienced a mix of volatility and ended on a negative note, reflecting broader global trends and sector-specific performances. Benchmark equity indices Nifty 50 declined by 0.50 % this week. Nifty midcap 150 and Nifty Smallcap 250 too declined by 2.41% and -4.18% respectively this week. Rising global bond yields and tightening liquidity conditions lead to further selling in the stock market. There has been sustained selling pressure from foreign institutional investors (FIIs), which has contributed to the declines in mid and small-cap stocks.

Rising crude oil prices, Inflationary risk, uncertainty regarding fiscal policy in the upcoming Union Budget and adverse global cues have contributed to market volatility.

Sectoral Developments

The Indian market saw a rally primarily driven by IT stocks earlier in the week. The IT sector has been buoyed by positive quarterly earnings reports from major earnings. Nifty IT offset the prior week declines and witnessed a gain of 3.5% while Nifty Energy, Oil and Gas dropped by 4.10% and 3.85% week on week respectively. Fluctuations in global crude oil prices have significantly impacted the energy sector. The Nifty Auto and Nifty Realty indices have faced continuous losses over the past two weeks, recording declines of 2.72% and 9.12%, respectively.

Global Developments

Global stock markets displayed a blend of gains and losses across different regions. The global stock market rally was primarily driven by optimism around U.S. economic policies, robust corporate earnings, an improved global growth outlook, and easing inflation concerns. In the U.S., Dow Jones, S&P 500 and Nasdaq, all, increased by 0.92%, 0.53% and 0.22% respectively, during the week. The Hang Seng index also experienced a gain of 2.07% while FTSE 100 Index and NIKKEI recorded losses of 0.33%, 0.07% respectively. Whereas the Korean Index rose by 0.85%.

Other Markets:

- Brent crude prices increased to around \$ 78.78 per barrel.
- The rupee appreciated to 86.21 levels against the US dollar.
- The Gold spot price stood at Rs 80,040 per 10 grams.
- The 10 Year Benchmark G-Sec yield closed at 6.72% this week.

Disclaimers:

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

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