

Weekly Market Snippets

Week: 12th -17th December 2022

Weekly Nifty50 Chart



Weekly Bank Nifty Chart



How market behaved past week?

- Indian benchmark indices ended week on a negative bias owing to rate hikes across USA, India and European banks. Nifty50 closed -1.23% lower by 227 points at 18,282.30 while SENSEX lost 844 points to end -1.35% lower at 61,337.81 points.
- During first three days market was awaiting policy meeting results and then fell very sharply on Thursday and Friday.
- In view of broader market, Nifty Midcap 50 fell 0.96% by 86 points to end week at 8,831.40, whereas Nifty Small cap 50 ended flat for a week at 4,459.10 .
- Indian Volatility Index (India VIX) inched higher by 5.02% to 14.07 levels. This indicates markets to remain volatile over next trading sessions.
- Sectorally: This week we saw Media indices unperformed after losing -2.22% this week, whereas Nifty India consumption indices ended -2.13, Nifty MNC ended -1.95% followed by Nifty FMCG and Realty ending at -1.82% & -1.73% respectively.
- In the Week ended on December 17 2022, FII were net sellers as they sold shares amounting to ₹ -2825.77 Crores and DII were net buyers with net buying of ₹ 3538.91 Crores.

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Which News affected the market?

- India's CPI inflation eased to 11 months low in November ending at 5.88%, WPI inflation ended at 21 month low of 5.85% in November whereas IIP (measurement of overall factory outputs) contracts by -4% to 129.60 in October month.
- Russia offered help in leasing and building large capacity ships to India to overcome G7's oil price cap.
- Indo-China borders are on high alerts amid Tawang Clash where 300 Chinese soldiers attacked Indian army in Arunachal Pradesh.
- Banks Written off bad loans worth ₹10,09,511 Crores in last 5 financial years.
- USA inflation lowered to 7.1% YoY, while US FED raised primary credit by 50 Bps from 4% to 4.5% with anticipation for further rate hikes in 2023 in order to curb inflation. US Fed's Governor stance was hawkish in terms of aggressiveness to rate hikes.
- UK inflation falls from 40 year high in November to 10.7% against 11.10% in October month. Owing to high inflation, Bank of England hiked its bank rate by 50 Bps to 3.5%. BOE hints for more rate hikes to curb inflationary pressures.
- Banks around the world have concerns around emerging recession and financial instability owing to wage pressures, supply chain bottlenecks, higher consumer food and fuel prices, Demand –supply imbalance and broad price pressures.
- Indian exports flat at \$31.99 billion in November: trade deficits at \$23.89 billion.
- Tata Communication has transferred its non-IOT related business into Tata Communication Collaboration Services (TCCS).

Rupee and Oil

- As on Dec 16, 01.30 pm, Indian Rupee ended at 82.8184 against Dollar (\$), while Indian rupee trading against British Pound and Euro at 101.1903 and 88.2629 respectively.
- Brent crude hovering around \$79.04 after sliding 3% on Friday, as contracts are set for rollovers and central around the world are finding ways to curb high inflation levels
- As on Dec 16, 5.20 pm: Gold and silver are trading marginally lower to 53,758 per 10 grams and 65,686 per 1 Kg respectively. Fall in precious metals were on account of interest rate hikes and higher inflation.

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Week Ahead

- We would witness market to move in range of 17,879 – 18,637 in next week. Also, we need to closely lookout for Dollar movement, ongoing Ukraine-Russian war, Indian market valuation risk and global indices.
- Santa rally may fizzle out as FII tend to book profit amid Christmas holiday season and higher valuations.
- Domestic consumption story to play out strongly and along with banking stocks amid higher credit growth.
- Nifty to hit 20,000 in 2023 driven by FII flows – “BOFA Securities”.
- Tata Motors to witness higher fund inflows amid Nifty 50 inclusion; Dr. Reddy’s lab out from Index

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Source: NSE, BSE, RBI, MCX, ISL Research

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