

The Week that was

August 2, 2024

An Eventful Week Ends Flat for Global & Domestic Market

Indian equities reached a record high on Thursday, following the US Federal Reserve's decision to keep interest rates unchanged, with hints at a potential rate cut in September. Despite this milestone, the Indian equity market ended the week almost flat. The Nifty 50 index fell by 0.5%, while the Nifty Midcap 150 and Nifty Smallcap 250 indices ended flat with marginal gains of 0.2%.

Sectoral Performance

Most sectoral indices remained flat this week, but some faced significant losses. Notably, the Nifty Auto index fell by 2.04%, the Nifty IT index dropped by 3.04%, and the Nifty Realty index declined by 3.76%. On the positive side, the Nifty Media, Nifty Pharma, and Nifty Healthcare indices gained 1.19%, 1.39%, and 0.98%, respectively.

US Market Overview

The US market also showed a flat trend last week, influenced by the ISM Manufacturing PMI falling to 46.8 in July from 48.5 the previous month. Additionally, US Initial Jobless Claims rose, raising concerns around the health of the economy. Consequently, the S&P 500, Dow Jones, and Nasdaq ended with marginal losses of 0.2%, 0.6%, and 0.9%, respectively.

Global Market Movements

The FTSE index remained mostly flat with a slight loss of 0.03%, driven by declines in the financial sector after the Bank of England cut interest rates while maintaining a cautious approach to further cuts. In Asia, the Nikkei 225 saw a significant drop of 4.67%, affected by a stronger yen weighing on exporter-led shares. The Kospi index also fell by 2.04%.

The Hang Seng Index declined by 0.45% on Thursday following China's unexpected manufacturing contraction and weak home sales data, while the Shanghai Composite posted a gain of 0.5%.

Overall, the global markets experienced mixed reactions due to various economic factors and central bank decisions, reflecting the current volatility and investor sentiment in different regions.

Other Markets:

- Brent crude prices fell sharply and was at \$ 479.30
- The rupee was marginally upper at Rs 83.77 against the US dollar.
- Gold prices rose to settle at Rs 70,196 per 10 grams.
- The 10 Year Benchmark G-Sec yield was at 6.90%.

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

Data for week ended on August 2, 2024. ^ data for the week (Fri – Thu) FTSE data as of today 1 pm.

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