

The Week that was.

June 07, 2024

Equity Market Surge Post Election Results

This week, Indian equities ended on a positive note, driven by investor optimism regarding political stability and policy continuity under the new coalition government. The Nifty 50 Index, Nifty Midcap Index, and Nifty Small Cap 250 gaining approximately 3.4%, 2.9%, and 3.0%, respectively.

Sectoral indices mirrored this positive sentiment. Almost all stocks in the four-wheeler, two-wheeler, and auto ancillary sectors were in the green, providing much-needed respite to investors after June 4. The Nifty Auto, Nifty FMCG, and Nifty IT sectors saw substantial gains, rising by 6.8%, 7.11%, and 8.60%, respectively. In contrast, the Nifty Metal and Nifty Oil & Gas sectors lagged with returns of 1.13% and 0.62%, respectively, while the Nifty PSU Bank index closed negative with a loss of 1.41%.

Globally, Wall Street stocks ended positive, with the S&P 500 and Nasdaq rising by 2.6% and 1.4%, respectively, due to strong earnings from Big Tech companies and fresh U.S. inflation data. The Dow Jones ended flat with a marginal gain of 0.5%. In the UK, the FTSE declined by 0.34%, impacted by PMI figures indicating a slowdown in services activity and uncertainty ahead of general elections.

In Asia, the Nikkei 225 Index ended flat for the week. However, other Asian markets showed gains, with the Kospi up by 3.3% and the Hang Seng Index rising by 1.6% as investors awaited Chinese trade data and anticipated potential rate cuts by the U.S. Federal Reserve following a weak U.S. payroll report. Conversely, the Shanghai Composite Index experienced a substantial fall of 1.5%.

Other Markets:

Brent crude prices closed at \$ 79.80.

The rupee depreciated further to settle at Rs 83.47 against the US dollar.

Gold prices went down slightly to settle at Rs 71,748 per 10 grams.

The 10 Year Benchmark G-Sec yield was at 7.02% compared to its last Friday close of 6.98%.

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

Data for week ended on June 07, 2024. ^ data for the week (Fri – Thu) FTSE data as of today 1 pm.

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