



HSBC Mutual Fund

Market Flash

December 30, 2024





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Sensex below 78,600 mark tracking global cues; Oil & Gas dips

Benchmark Indian equity indices BSE Sensex and Nifty50 were trading lower on Monday, amid weak global cues.

At 10:10 AM, the frontline S&P BSE Sensex was trading at 78,590 down 108 points or 0.14%. Market breadth is almost flat with negative bias and out of a total of 3,610 shares traded on the Bombay Stock Exchange, 1,674 advanced while 1,765 declined and 171 remained unchanged. The broader Nifty50 was at 23,784 levels down 30 points or 0.12%.

Across sectors, most major sectoral indices, barring Healthcare (up 0.29%), and Pharma (up 0.19%), were lower, Media, Oil and Auto indices dragging the most. They were down 0.53%, 0.53%, and 0.46%, respectively.

The Consumer Durables, IT and financial sector indices were also under pressure.

In the broader markets, the Nifty Small Cap 100 was lower by 0.44% and the Nifty Midcap 100 was behind by 0.32%.

In the previous trading session, the benchmark equity indices ended the week's last trading session in positive territory. The Sensex added 226 points or 0.29% to settle at 78,699.07, while the Nifty50 settled in the green at 23,813.40 with gains of 63 points or 0.27%.

Sectoral indices ended on a mixed note, while Nifty Pharma outrunning others; it rose 1.30 per cent, followed by Nifty Auto, up 0.97%, and Nifty Healthcare, up 0.80%.

Meanwhile, Nifty Metal, Nifty PSU Bank, Nifty Realty and Nifty Oil and Gas among others closed in the negative territory.

WEEKLY REVIEW – DECEMBER 23 – DECEMBER 27, 2024

The market witnessed modest gains during the holiday-shortened week. The absence of major market-moving events, with most key events either concluded or scheduled for January, most likely kept investor participation muted. However, broader market relatively underperformed the frontline indices.

In the week ended on Friday, 27 December 2024, the BSE Sensex rose 657.48 points or 0.84% to settle at 78,699.07. The Nifty50 index added 225.90 points or 0.96% to settle at 23,813.40. The BSE Mid Cap index gained 0.21% to close at 46,325.58. The BSE Small Cap index shed 0.18% to end at 55,048.12.

| Indices | Last close | One-day change in % | One month change in % | % YTD change in % |
|---------------------------|------------|---------------------|-----------------------|-------------------|
| Domestic | | | | |
| S&P BSE Sensex | 78,699.07 | 0.29 | -1.91 | 8.94 |
| Nifty 50 | 23,813.40 | 0.27 | -1.9 | 9.58 |
| S&P BSE 200 | 10,976.19 | 0.03 | -1.49 | 13.87 |
| S&P BSE 500 | 35,291.42 | 0.07 | -1.23 | 14.88 |
| S&P BSE Midcap | 46,325.58 | -0.08 | 0.8 | 25.75 |
| S&P BSE Smallcap | 55,048.12 | 0.28 | 0.89 | 29 |
| S&P BSE Auto | 52,219.55 | 0.86 | -1.74 | 23.66 |
| S&P BSE Bankex | 58,217.01 | 0.08 | -2.28 | 7.06 |
| S&P BSE Cap Goods | 68,160.15 | -0.61 | -3.09 | 22.49 |
| S&P BSE Consumer Durables | 64,114.06 | -0.22 | 2.36 | 28.23 |
| S&P BSE FMCG | 20,631.84 | 0.35 | -2.7 | 0.8 |
| S&P BSE Healthcare | 44,638.11 | 0.79 | 3.79 | 41.49 |
| S&P BSE IT | 43,609.64 | 0.22 | -0.07 | 21.1 |
| S&P BSE Metal | 29,199.42 | -1.19 | -4.19 | 8.18 |
| S&P BSE Oil & Gas | 25,863.26 | -0.94 | -2.55 | 12.35 |
| S&P BSE Power | 6,987.48 | -0.82 | -6.23 | 20.09 |
| S&P BSE Realty | 8,352.30 | -0.4 | 4.41 | 35 |

GLOBAL MARKETS

Asian shares edged lower on Monday as high Treasury yields challenged lofty Wall Street equity valuations while underpinning the US dollar near multi-month peaks.

Volumes were light with the New Year holiday looming and a rather bare data diary this week. China has the PMI factory surveys out on Tuesday, while the US ISM survey for December is due on Friday.

MSCI's broadest index of Asia-Pacific shares outside Japan dipped 0.2% but is still 16% higher for the year. Japan's Nikkei eased 0.2% but is sitting on gains of 20% for 2024.

South Korea's main index has not been so fortunate, having run into a storm of political uncertainty in recent weeks, and is saddled with losses of more than 9% for the year. It was last off 0.35%.

S&P 500 futures and Nasdaq futures were both off 0.1%. Wall Street suffered a broad-based sell off on Friday with no obvious trigger, though volumes were just two-thirds of the daily average.

The S&P 500 is still up 25% for the year and the Nasdaq 31%, which is stretching valuations when compared to the risk-free return of Treasuries. Investors are counting on earnings per share growth of just over 10% in 2025, versus a 12.47% expected rise in 2024, according to LSEG data.



Yet yields on 10-year Treasuries are near eight-month highs at 4.631% and ending the year around 75 basis points above where they started it, even though the Fed delivered 100 basis points of cuts to cash rates.

RUPEE, OIL & FIIs

Indian Rupee: The Indian rupee fell to an all-time low on Friday, as maturing non-deliverable forwards and currency futures boosted dollar demand, while the sharp fall led to panic dollar buying by importers.

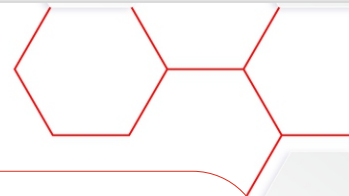
The rupee weakened to an all-time low of 85.8075 against the U.S. dollar.

The currency settled at 85.5325, down 0.3% on the day, its worst single-day fall since June 4, when the surprise outcome of India's general elections hit markets. The rupee fell nearly 0.3% on the week, its eight consecutive weekly fall.

Crude Oil: Oil has had a tougher year as concerns about demand, particularly from China, kept a lid on prices and forced OPEC+ to repeatedly extend a deal to limit supplies.

Brent fell 37 cents to \$73.80 a barrel, while US crude lost 17 cents to \$70.43 per barrel.

FPIs & DIIs: FIIs sold shares worth Rs 1,323.29 crore on December 27. Contrastingly, DIIs bought equities worth Rs 2,544.64 crore.



| International | | | | |
|---------------------------|-------------|-------|-------|--------|
| DJIA* | 43,325.80 | 0.07 | -3.42 | 14.95 |
| Nasdaq Composite* | 20,020.36 | -0.05 | 4.41 | 33.37 |
| Nikkei 225 (Japan) | 40,281.16 | 1.8 | 5.63 | 20.37 |
| Straits Times (Singapore) | 3,771.63 | 0.27 | 1.71 | 16.4 |
| Hang Seng (Hong Kong) | 20,090.46 | -0.04 | 2.49 | 17.85 |
| Kospi Composite (Seoul) | 2,404.77 | -1.02 | -3.93 | -9.43 |
| FTSE 100 (London) | Closed | NA | NA | 0 |
| Cac 40 (France)* | Closed | NA | NA | 0 |
| Xetra Dax (Germany)* | Closed | NA | NA | 0 |
| S&P 500 (US)* | 6,037.59 | -0.04 | 0.27 | 26.58 |
| Shanghai (china) | 3,400.14 | 0.06 | 2.73 | 14.29 |
| MICEX (Russia)* | 2,758.59 | -0.29 | 10.7 | -10.99 |
| Bovespa (Brazil)* | 1,21,077.50 | 0.26 | -6.81 | -9.77 |
| JCI (Indonesia) | 7,036.57 | -0.41 | -2.89 | -3.25 |
| SET (Thailand) | 1,401.46 | 0.26 | -2.28 | -1.27 |

***Data as of Dec 26**

FII equity investments, Rs cr

| | Buy | Sell | Net | MTD |
|------------------|-------------|-------------|------------|-----------|
| 26-Dec | 6,527.00 | 8,119.00 | -1,592.00 | 17,665.00 |
| Nov-24 | 3,59,106.71 | 3,81,708.83 | -22,602.12 | |
| Oct-24 | 3,05,527.65 | 3,93,117.76 | -87,590.11 | |
| Sep-24 | 4,34,967.39 | 3,85,174.55 | 49,792.84 | |
| Aug-24 | 4,28,978.05 | 4,17,300.14 | 11,677.91 | |
| Jul-24 | 3,79,883.21 | 3,51,925.50 | 27,957.71 | |
| Jun-24 | 4,05,897.99 | 3,79,945.58 | 25,952.41 | |
| Last Close | 5,817.00 | 7,621.00 | -1,804.00 | |
| 6 Months average | 3,85,726.83 | 3,84,862.06 | 864.77 | |

MF equity investments, Rs cr

| | Buy | Sell | Net | MTD |
|------------------|-------------|-------------|-----------|------------|
| 26-Dec | 3,370.00 | 2,652.00 | 718 | 14,467.00* |
| Nov-24 | 184871.96 | 149239.4 | 35632.56 | |
| Oct-24 | 277561.71 | 188648.97 | 88912.74 | |
| Sep-24 | 264247.38 | 231785.35 | 32462.03 | |
| Aug-24 | 235189.23 | 204389.25 | 30799.98 | |
| Jul-24 | 225680.35 | 200587.72 | 25092.63 | |
| Jun-24 | 266982.79 | 246123.97 | 20858.82 | |
| Last Close | 3,370.00 | 2,652.00 | 718 | |
| 6 Months average | 2,42,422.24 | 2,03,462.44 | 38,959.79 | |

-MF data as of Dec 20

WEEK AHEAD

The Indian equity market's trajectory next week will be influenced by both domestic and global factors. Key areas of focus will include foreign institutional investor (FII) and domestic institutional investor (DII) flows, rupee movement, and crude oil prices.

On the data front, the auto companies listed on the domestic bourses will announce their respective sales figures for the month of December 2024 on Wednesday (January 1).

On the macro front, India's current account figures will be made public on Tuesday (December 31).

GLOBAL CUES

On Tuesday (December 31), China's official NBS Manufacturing PMI will be announced on Tuesday.

In China, the China's official NBS Manufacturing PMI will be announced on Tuesday (December 31).

The Caixin China General Manufacturing PMI will be release on Thursday (January 02).

In the United States, pending home sales figures will be announced today.

On Wednesday (January 01), detail pertaining to the US crude oil inventories will be released by the American Petroleum Institute (API).

The jobless claims numbers for the US will be unveiled on Thursday (January 02).

Lastly, the ISM Manufacturing PMI for the US will be released on Friday (January 03).

Source: Bloomberg, BSE, HSBC MF, CRISIL, Capital Market

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