FEC SPIT
FINANCE AND ECONOMICS CLUB

14TH November, 2024

BI-WEEKLY REPORT ON INDIAN FINANCIAL MARKETS

INDEX

1. Nifty 50

- **Performance Overview:**
  - **Opening Value:** 24315
  - **Closing Value:** 23532
  - **Weekly High:** 24537
  - **Weekly Low:** 23484
  - **Change (Absolute):** -783
  - **Change (%):** -3.22%

2. Sensex

- **Performance Overview:**
  - **Opening Value:** 79713
  - **Closing Value:** 77580
  - **Weekly High:** 80569
  - **Weekly Low:** 77424
  - **Change (Absolute):** -2133
  - **Change (%):** -2.67%

3. Bank Nifty

- **Performance Overview:**
  - **Opening Value:** 51764
  - **Closing Value:** 50179
  - **Weekly High:** 52493
  - **Weekly Low:** 49904
  - **Change (Absolute):** -1585
  - **Change (%):** -3.06%

Reasons for Movement:

Global Cues: Impact of Fed rate decisions, geopolitical tensions, or US market trends.

Impact of Fed rate decision

Release date	Time	Actual	Forecast	Previous
Nov 07, 2024	14:00	4.75%	4.75%	5.00%

The Fed decided to keep interest rates unchanged, maintaining the Federal Funds Rate at the current level because it cited cooling inflation but remained cautious due to uncertainties in global markets and domestic spending patterns.

The market's sentiment turned cautiously optimistic as inflation data released during this period showed a decline, aligning with the Fed's expectations.

November 6: Market rallied following upbeat corporate earnings from key tech firms.

November 10: Investor sentiment dampened by concerns over global growth, partially influenced by weak economic data from Europe and China.

Geopolitical Tension

From November 1–15, 2024, geopolitical tensions significantly impacted markets. The Middle East conflict (November 2) drove crude oil prices above $90/barrel, easing to $87 by November 6 after supply assurances. US-China trade friction escalated (November 3), with tech stocks like NVIDIA falling 2-4%, and China's retaliatory measures (November 9) hit Asia-Pacific markets. Europe's energy challenges linked to the Russia-Ukraine war (November 5) and poor Q3 GDP data (November 10) pressured global indices. Safe-haven assets like gold ($1,980 to $2,020/oz) and utilities rose, while high-risk assets underperformed, reflecting heightened investor caution amidst these uncertainties.

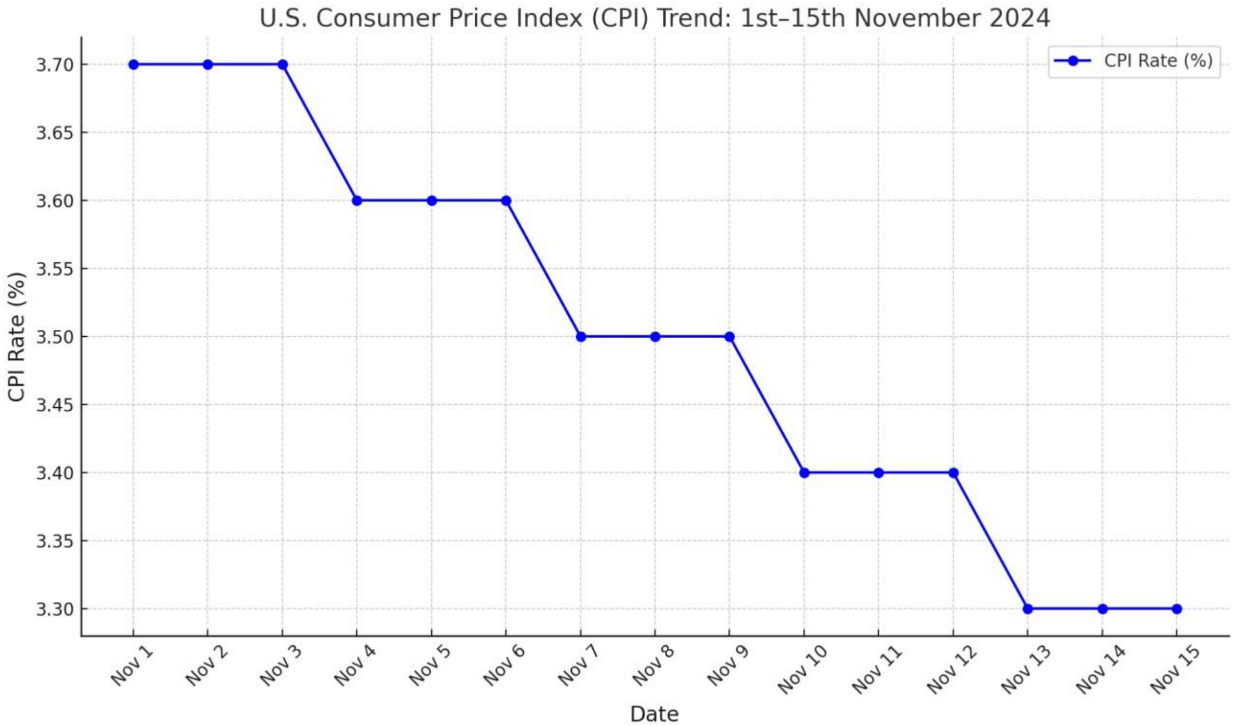
US market trends

From November 1–15, 2024, the U.S. market experienced mixed trends. The Fed's decision to hold rates steady on November 1 provided initial relief, boosting tech and growth stocks. However, geopolitical tensions, including US-China trade restrictions (November 3), weighed on semiconductor and industrial sectors. Positive corporate earnings (November 6) supported a mid-period rebound, but concerns over slowing global demand tempered gains. Defensive sectors like healthcare and utilities outperformed, while riskier assets faced pressure. The S&P 500 ended the period slightly up, reflecting cautious optimism, while the Nasdaq showed volatility driven by tech sector headwinds amidst geopolitical and macroeconomic uncertainties.

Domestic Factors:

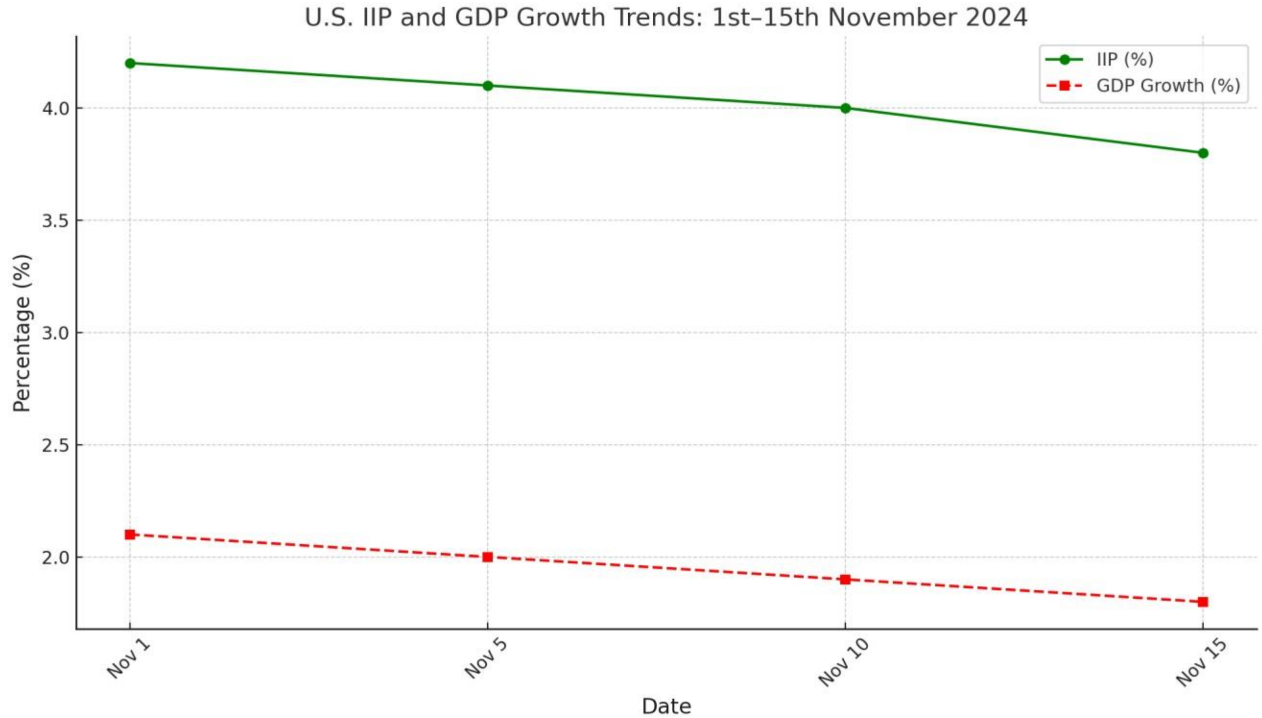
- Economic data like CPI, IIP, or GDP releases.

CPI Trend



A gradual decline in the CPI from 3.7% at the start of the period to 3.3% by November 15, indicating cooling inflation during this time.

IIP and GDP data



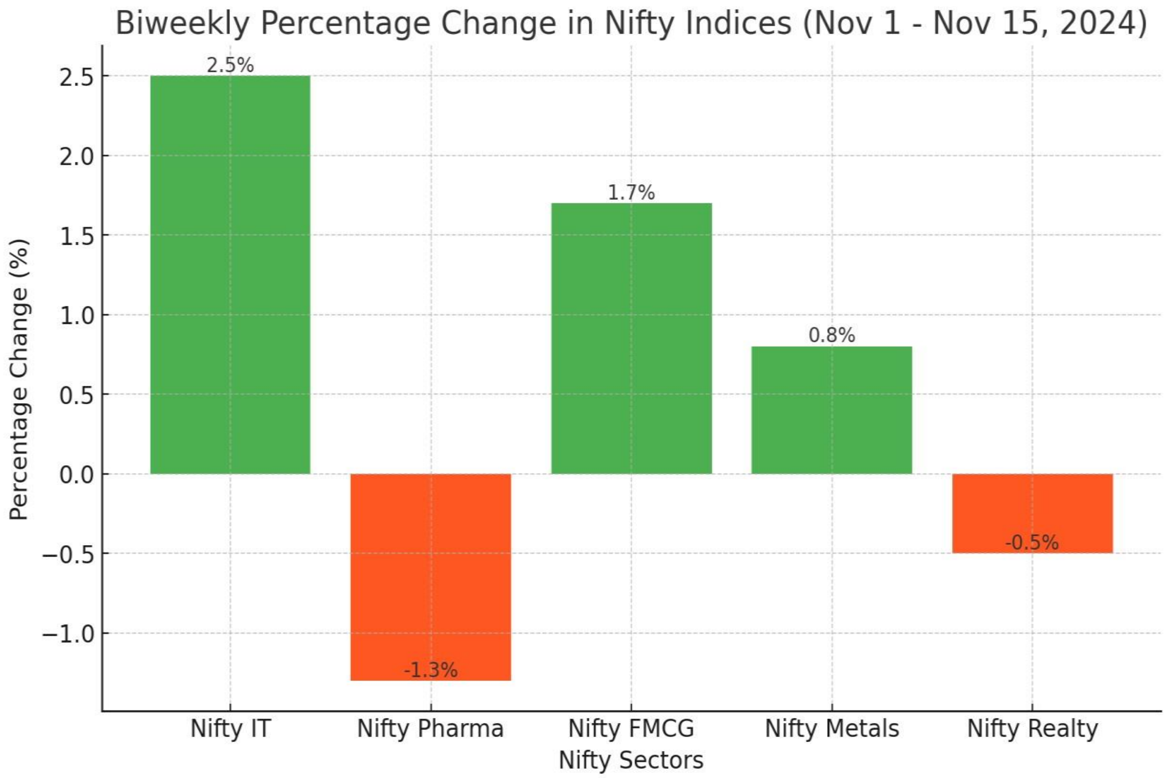
IIP: Declined gradually from 4.2% to 3.8%, reflecting slowing industrial activity.

GDP Growth: Showed a steady decline from 2.1% to 1.8%, indicating weaker economic expansion during this period.

Sectoral Trends: Gains in IT, Pharma, or FMCG sectors; losses in Metals or Realty.

Sectors:

- Technology: Benefited from a stable rate outlook, boosting risk appetite.
- Metals : Fall in metal prices is seen
- Energy: Declined slightly due to falling crude oil prices amid lower global demand projections.



Economic Policies: RBI policy announcements impacting market liquidity.

In November, the RBI maintained a policy of "calibrated withdrawal of accommodation," reflecting a focus on managing inflation while preserving liquidity for economic growth. The repo rate has been held steady recently, indicating the RBI's cautious stance as it navigates global financial uncertainties and domestic inflation pressures .These measures influence the interest rates and liquidity available for borrowing, affecting sectors like real estate, manufacturing, and capital markets. The RBI's balanced approach supports banking sector resilience and aims to reduce inflation expectations gradually, a strategy that directly impacts investor confidence in equity and bond markets. The RBI has indicated ongoing efforts to normalize surplus liquidity. This includes mechanisms like variable rate reverse repo (VRRR) operations to absorb excess liquidity in the banking system, thereby helping control inflation while ensuring that credit remains accessible.

Corporate Announcements: Dividends, stock splits, or sector-specific news affecting Sensex constituents.

Stock Splits: Some companies, like Persistent Systems, announced or completed stock splits, which can impact stock liquidity and attract new investors due to the

reduced share price
.

Dividends: Companies such as Sanofi India declared dividends earlier in the year, and ongoing dividend distributions from various companies can influence investor attraction and sector strength during this period

Sector-specific News:

Pharmaceuticals: The pharmaceutical sector has seen steady interest, partly due to ongoing healthcare demand and evolving policies.

IT Sector: IT companies often experience fluctuations due to contract announcements and shifts in global demand, affecting Nifty IT. Persistent Systems' actions, like stock splits, have particularly garnered interest in the IT sector

Credit Growth: Improved loan growth data boosted banking stocks.

In November 2024, India's credit growth data revealed strong loan demand, significantly benefiting banking stocks. According to recent data from ICRA, there was an increase in both the bank credit growth and assets under management (AUM) for Non-Banking Financial Companies (NBFCs), with robust retail segment demand and credit uptake from sectors such as housing finance. These developments indicate stable lending activity and support for the banking sector, contributing to the rise in banking stocks. However, experts caution that factors like tight liquidity and challenges in deposit mobilization could moderate growth in the coming fiscal year

RBI Announcements: Policy decisions like repo rate hikes/cuts affecting the banking sector.

In 2024, RBI's policy announcements, particularly regarding the repo rate, had significant effects on the banking sector. The repo rate, which has been held at 6.5% since early 2023, is a key tool used by the RBI to influence inflation and economic growth. This stability helps banks by providing a predictable lending environment, influencing both liquidity and lending rates in the banking sector. For instance, banks can adjust their interest rates in alignment with RBI's policy, affecting their profitability and overall market stability.

The RBI's focus has been on managing inflation while supporting growth, as inflation continues to be influenced by high food prices and other economic factors. This approach aims to balance economic growth without sparking excessive inflation, thereby maintaining a favorable environment for lending and investment by banks. Additionally, the RBI has conducted two-way liquidity adjustment operations (LAF) to keep market rates close to the repo rate, which impacts inter-bank lending and, consequently, banking sector dynamics.

Corporate Earnings: Quarterly results from HDFC Bank, ICICI Bank, and SBI driving sentiment.

HDFC Bank reported a significant 33% increase in net profit, reaching ₹16,372 crore compared to ₹12,259 crore in the same quarter last year. The growth was fueled by a 111% rise in retail loans and a substantial increase in deposits, which rose by 27.7% year-over-year, totaling ₹28.47 lakh crore. The bank's gross non-performing assets (NPAs) remained relatively stable at 1.26%, reflecting solid asset quality.

ICICI Bank also showed strong performance, with a 24% rise in net profit to ₹11,960 crore. The bank benefited from a 14% year-on-year increase in domestic advances, boosted by growth in retail loans. ICICI's total deposits saw an 18% increase, with a CASA ratio indicating healthy liquidity and customer confidence.

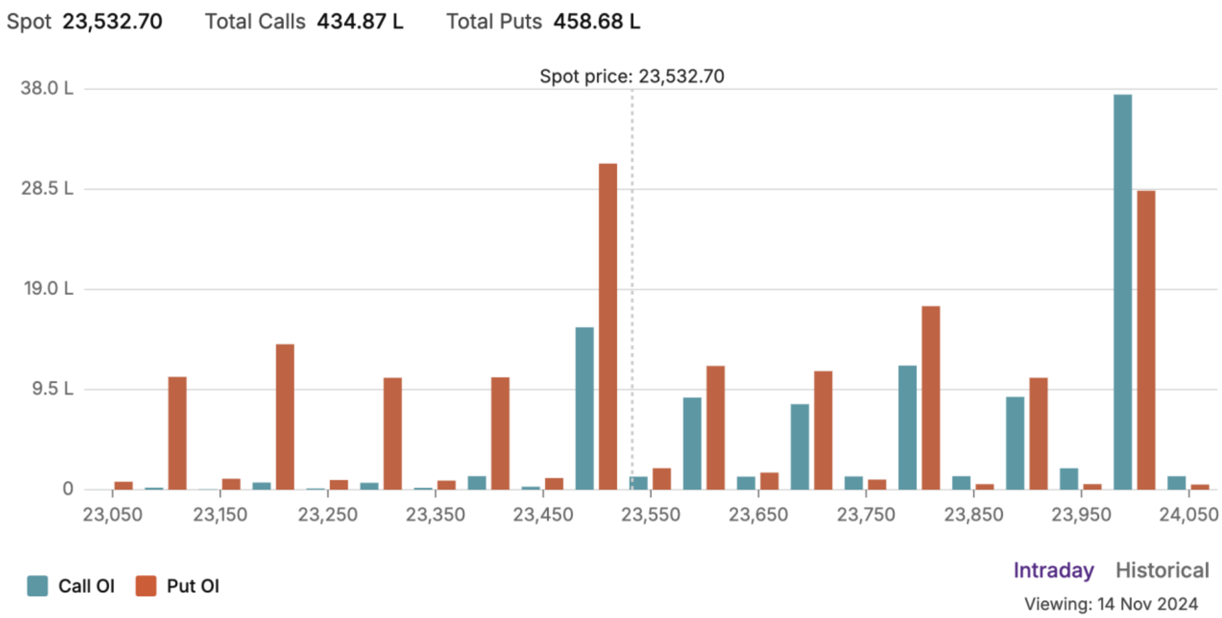
State Bank of India (SBI) reported a 20% increase in net profit for the nine-month period ending December 2023, highlighting the bank's sustained growth. This quarter, SBI's domestic advances grew 14.47% year-over-year, driven by substantial growth in corporate and SME advances. The bank's credit cost and asset quality also remained favorable

Derivatives Data

1] NIFTY 50

Open Interest (OI) Analysis:

1. High Put OI at **23,500**:
   Indicates a strong support level near **23,500.** Significant Put writing reflects traders' confidence in holding the price above this level, particularly in options trading.
2. High Call OI at **24,000**:
   Acts as a resistance level, suggesting the price may face selling pressure if it approaches **24,000.** This is relevant for both options and futures trading, as traders position themselves accordingly.
3. Spot Price at **23,532.70**:
   The current spot price is very close to the high Put OI strike (23,500), reinforcing the support level at this zone for options strategies.



Change in Open Interest:

1. Increase in Call OI at **23,550**:
   Indicates resistance is being built just above the current spot price. Futures and options traders might be expecting limited upside in the short term.

2. Increase in Put OI at **23,500** and **23,550**:
   Suggests continued belief in support near these levels, with bullish positions being built, particularly by options sellers.
3. Reduction in OI at lower strikes (**23,250** and below):
   Indicates unwinding of bearish positions, showing reduced likelihood of the price moving much lower, which is significant for both futures and options traders.

Trading Strategy:

For Futures Traders:

- **Bullish Traders**: Look for buying opportunities around 23,500 with tight stop losses below 23,450. Profit targets could be 23,750 or 24,000.
- **Bearish Traders**: Consider selling near 23,550 or 24,000 with a stop loss above 24,050. Downside targets could be 23,500 or 23,250.

For Options Traders:

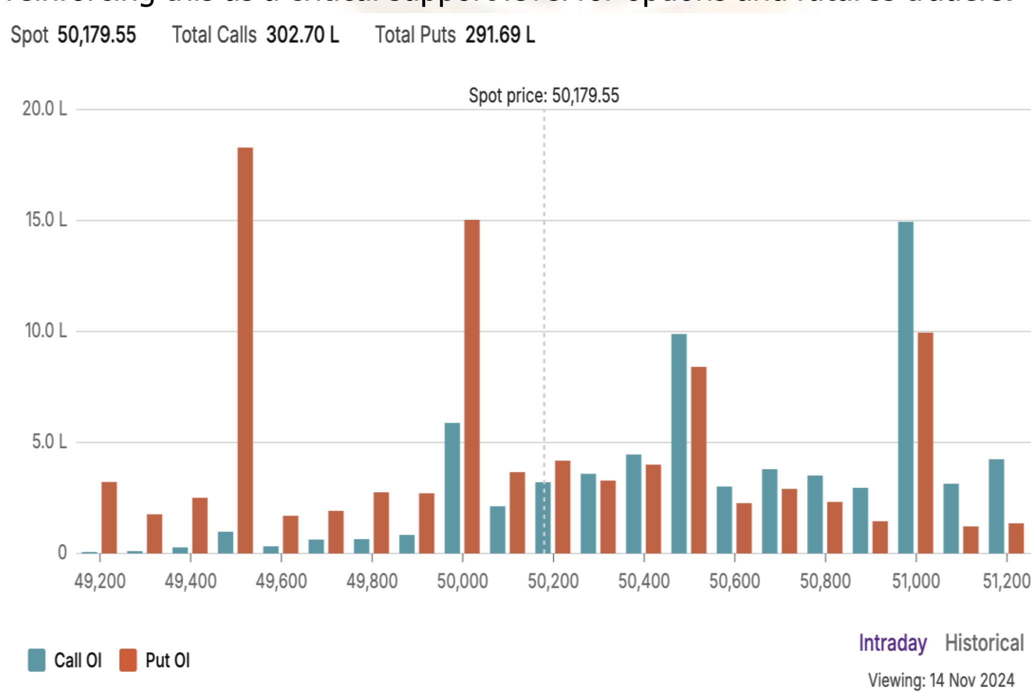
- At strong support levels (e.g., 23,500), consider selling Put options to benefit from expected price stability or upward movement.

- Near resistance levels (e.g., 24,000), consider selling Call options to take advantage of expected selling pressure and limited upside.
- Alternatively, use strategies like Bull Put Spreads for bullish setups or Bear Call Spreads for bearish setups to manage risk effectively.

2] Bank Nifty

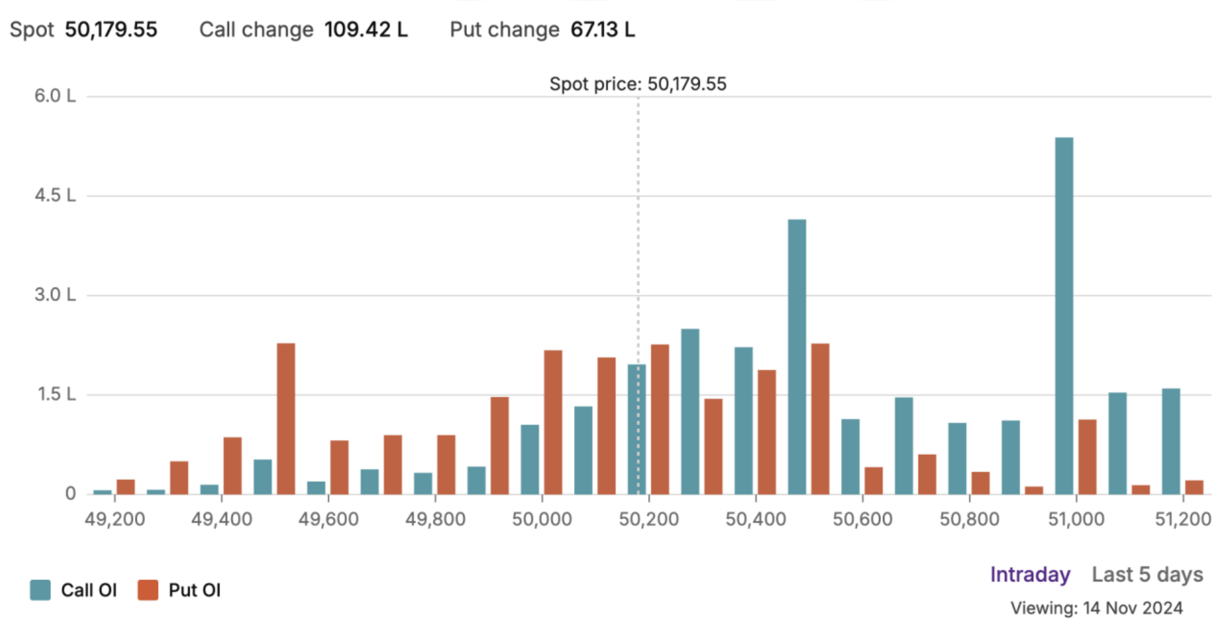
Open Interest (OI) Analysis:

1. High Call OI at **51,000**:
   This indicates a significant resistance level. The buildup of Call OI at this strike reflects bearish sentiment, as options traders expect the price to face selling pressure near **51,000**.
2. High Put OI at **50,000**:
   Acts as immediate support, with substantial Put writing showing confidence among traders that the price is unlikely to fall below this level. This is relevant for options trading strategies.
3. Spot Price at **50,179.55**:
   The current spot price is positioned just above the high Put OI strike (50,000), reinforcing this as a critical support level for options and futures traders.



Change in Open Interest:

1. Increase in Call OI at **51,000**:
   Indicates fresh resistance being built. Futures and options traders might anticipate limited upside beyond this level in the short term.
2. Increase in Put OI at **50,000**:
   Demonstrates continued bullish positioning, particularly by options sellers expecting the price to stay above **50,000**.
3. Reduction in OI at lower strikes (**49,500** and below):
   Suggests unwinding of bearish positions, signaling reduced expectations of significant downside, which is notable for both futures and options strategies.



Trading Strategy:

For Futures Traders:

- **Bullish Strategy:**
  - Buy near 50,000, with a stop loss below 49,800.
  - Target profit levels: 50,800–51,000.
- **Bearish Strategy:**
  - Sell near 51,000, with a stop loss above 51,200.
  - Target profit levels: 50,400–50,000.

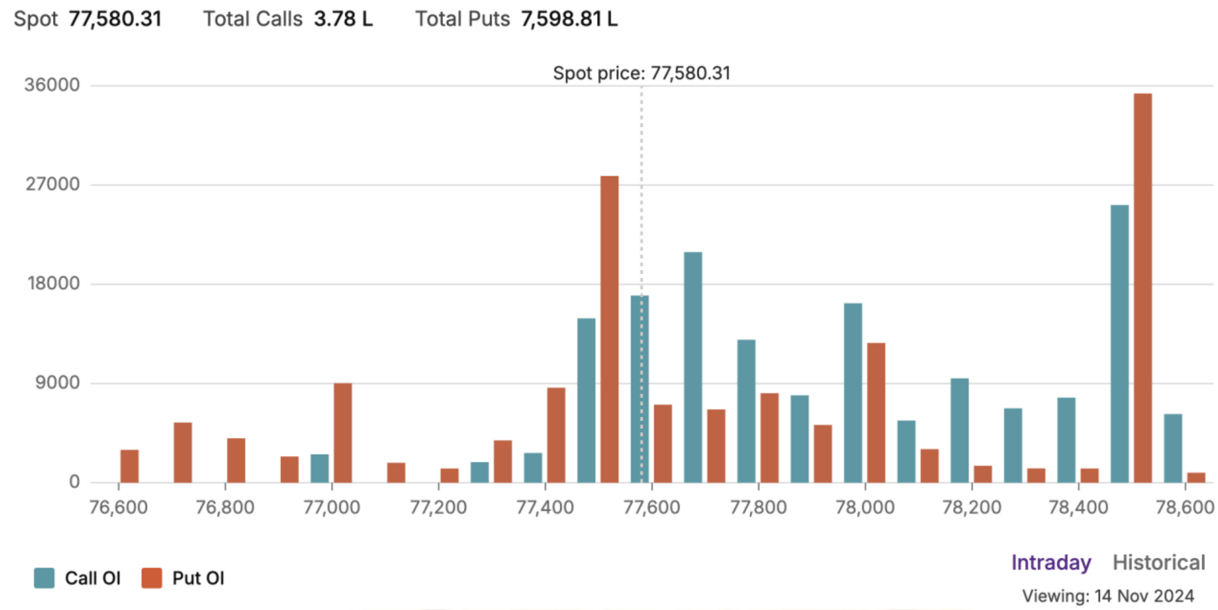
For Options Traders:

- At strong support levels (e.g., 50,000):
  - Sell Put options to capitalize on the bullish sentiment and expected price stability.
- **Near resistance levels (e.g., 51,000):**
  - Sell Call options to benefit from expected selling pressure and limited upside.
- **Spread Strategies:**
  - For bullish outlook: Use a Bull Put Spread by selling a Put at 50,000 and buying a lower Put (e.g., 49,800) to limit risk.
  - For bearish outlook: Use a Bear Call Spread by selling a Call at 51,000 and buying a higher Call (e.g., 51,200).

3] Sensex

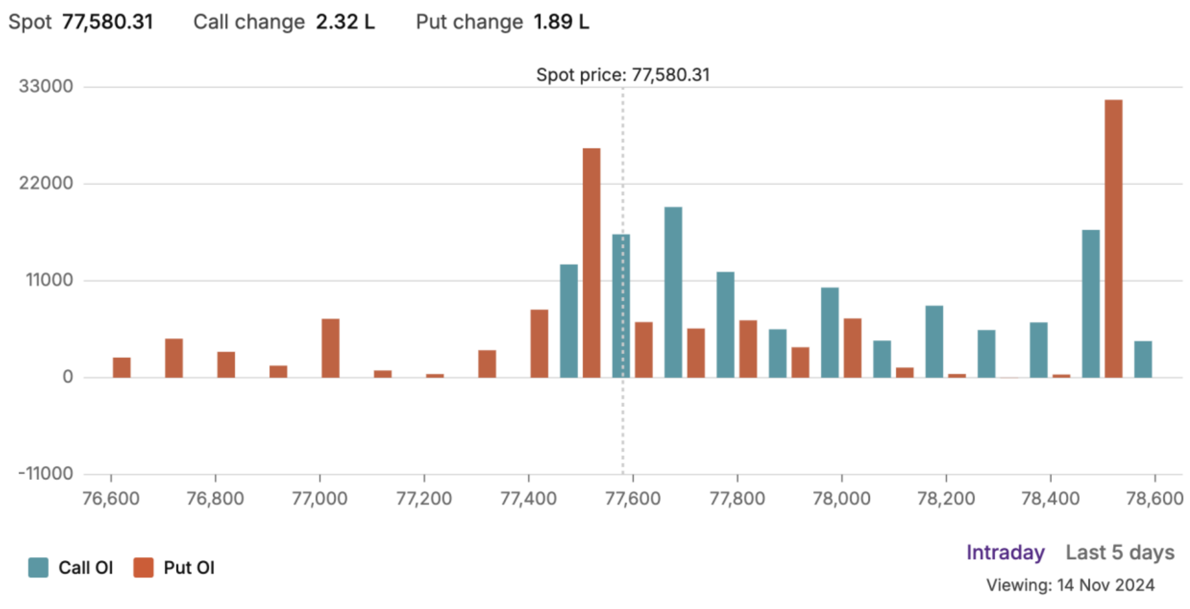
Open Interest (OI) Analysis

1. Spot Price: **77,580.31**
   - The current spot price is near the strike price of **77,600**, where significant activity is evident.
2. High Call OI at **78,600**:
   - This strike shows a substantial buildup of Call OI, indicating strong resistance. Traders expect the price to face selling pressure if it approaches this level.
3. High Put OI at **77,000**:
   - A clear sign of immediate support, with significant Put writing suggesting confidence in price stability above this level.
4. OI Skew (Puts > Calls):
   - Total Puts (7,598.81 L) exceed Calls (3.78 L), reflecting an overall bullish sentiment as traders focus on maintaining support levels rather than hedging aggressively with Calls.



Change in Open Interest

1. Call OI Increase at **77,600** & **78,600**:
    - Fresh Call OI at these levels indicates resistance buildup. Sellers are creating a barrier against upward movement beyond **77,600–78,600.**
2. Put OI Increase at **77,000** & **77,600**:
    - New Put OI at these strikes reflects confidence in the price staying above these levels, reinforcing their role as support zones.
3. OI Reduction at Lower Strikes:
    - Unwinding of Put OI below **77,000** suggests reduced bearish sentiment, with traders shifting focus to defending higher levels.



Trading Strategy

For Futures Traders:

- **Bullish Strategy:**
    - Buy near 77,000: Use this strong support zone for entry, with a stop loss below 76,800.
    - Target profit levels: 77,600–77,800.
- **Bearish Strategy:**
    - Sell near 78,600: Leverage this strong resistance for entry, with a stop loss above 78,800.
    - Target profit levels: 77,800–77,600.

For Options Traders:

1. At Strong Support Levels (e.g., 77,000):
    - Sell puts at 77,000 to capitalize on stability.
    - Consider a Bull Put Spread by buying a lower Put (e.g., 76,800) to hedge against risk.
2. At Resistance Levels (e.g., 78,600):

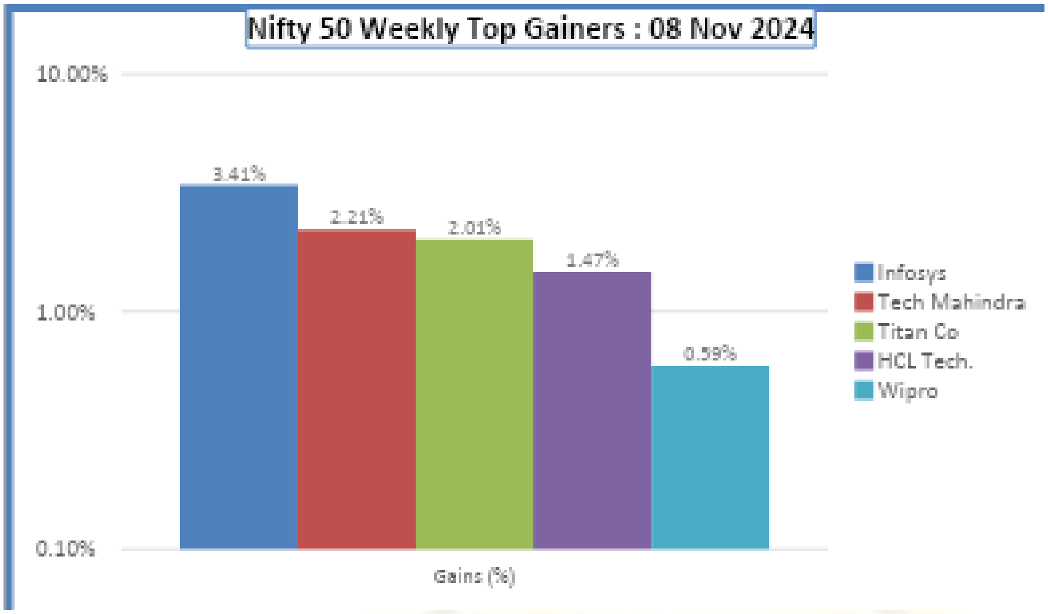
    - Sell Calls at 78,600 to profit from limited upside.
    - Use a Bear Call Spread by buying a higher Call (e.g., 78,800).
3. Neutral Strategy:
    - If expecting range-bound movement: Use an Iron Condor by selling a Put at 77,000, buying a lower Put (e.g., 76,800), selling a Call at 78,600, and buying a higher Call (e.g., 78,800).

TOP GAINERS/LOSERS

The top gainers in the Nifty 50 for the week ending 08 November 2024 were led by **Infosys**, which saw a 3.41% increase in its stock price, reaching Rs 1,864.55. **Tech Mahindra** followed with a gain of 2.21%, closing at Rs 1,687.50. **Titan Co** also performed well, rising by 2.01% to Rs 3,183.70. **HCL Technologies** saw a more modest gain of 1.47%, with its stock price reaching Rs 1,858.95. Wipro rounded out the list with a 0.59% increase, closing at Rs 566.70.

Nifty 50 Weekly Top Gainers : 08 Nov 2024

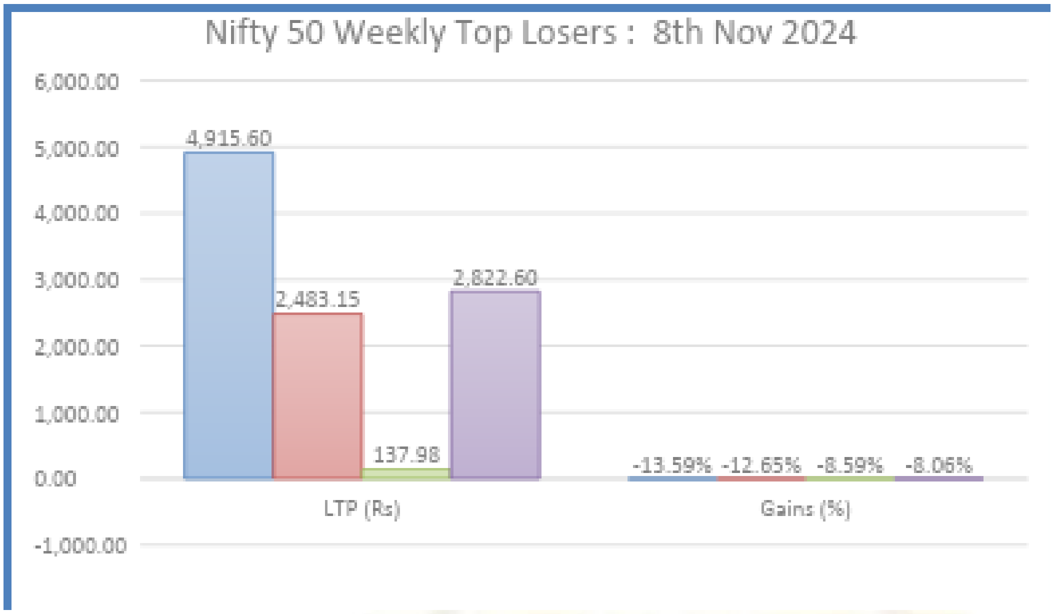
Stock Name	LTP (Rs)	Gains (%)
Infosys	1,864.55	3.41%
Tech Mahindra	1,687.50	2.21%
Titan Co	3,183.70	2.01%
HCL Tech.	1,858.95	1.47%
Wipro	566.7	0.59%



The top losers in the Nifty 50 for the week ending 08 November 2024 were led by **Britannia Industries**, which saw a significant drop of 13.59%, with its stock price falling to Rs 4,915.60. **Asian Paints** followed closely with a decline of 12.65%, closing at Rs 2,483.15. **Tata Steel** experienced an 8.59% loss, with its stock price dipping to Rs 137.98. **Shriram Finance** also saw a notable decrease of 8.06%, ending the week at Rs 2,822.60.

Nifty 50 Weekly Top Losers : 08 Nov 2024

Stock Name	LTP (Rs)	Gains (%)
Britannia Inds	4,915.60	-13.59%
Asian Paints	2,483.15	-12.65%
Tata Steel	137.98	-8.59%
Shriram Finance	2,822.60	-8.06%



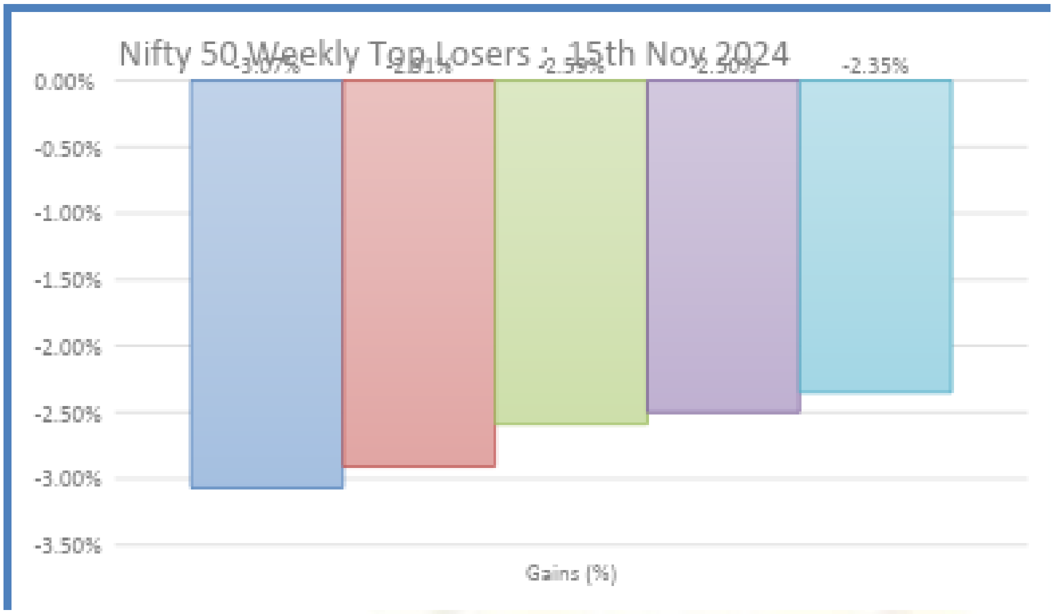
Nifty 50 Top Gainers : 15 Nov 2024

Stock Name	LTP (Rs)	Gains (%)
Eicher Motors Ltd.	4,883.70	6.43%
Hero MotoCorp Ltd.	4,604.00	1.87%
HDFC Life Insurance Company Ltd.	694	1.31%
Reliance Industries Ltd.	1,267.60	1.24%
Kotak Mahindra Bank Ltd.	1,707.90	1.19%

The top gainers in the Nifty 50 for the week ending 15 November 2024 were led by **Eicher Motors**, which surged 6.43%, closing at Rs 4,883.70. **Hero MotoCorp** followed with a gain of 1.87%, reaching Rs 4,604.00. **HDFC Life Insurance** saw a 1.31% increase, closing at Rs 694. **Reliance Industries** rose by 1.24%, with its stock price ending at Rs 1,267.60. **Kotak Mahindra Bank** rounded out the top gainers, rising 1.19%, with a closing price of Rs 1,707.90.

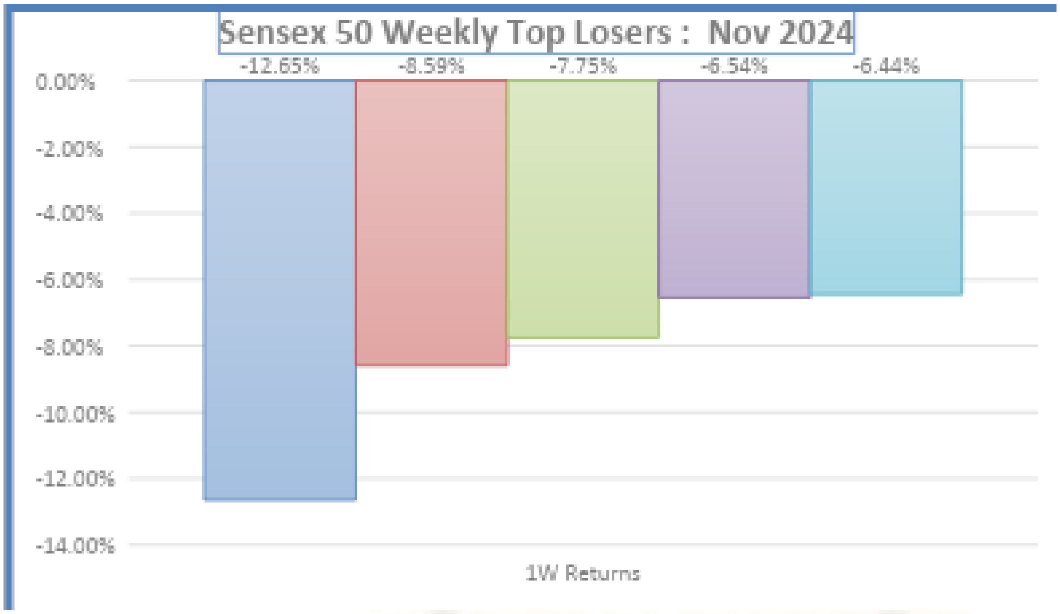
Nifty 50 Top Losers : 15 Nov 2024		
Stock Name	**LTP (Rs)**	**Gains (%)**
Hindustan Unilever Ltd.	2,389.20	-3.07%
Tata Consumer Products Ltd.	925.00	-2.91%
Britannia Industries Ltd.	4915.6	-2.59%
Bharat Petroleum Corporation Ltd.	298.20	-2.50%
Nestle India Ltd.	2,182.80	-2.35%

The top losers in the Nifty 50 for the week ending 15 November 2024 were led by **Hindustan Unilever**, which saw a decline of 3.07%, with its stock price falling to Rs 2,389.20. **Tata Consumer Products** followed with a 2.91% drop, closing at Rs 925.00. **Britannia Industries** experienced a 2.59% loss, ending the week at Rs 4,915.60. **Bharat Petroleum** dropped by 2.50%, with its stock price closing at Rs 298.20. **Nestlé India** rounded out the top losers with a 2.35% decrease, closing at Rs 2,182.80.



Sensex 50 Weekly Top Gainers : Nov 2024		
Company Name	Current Price (Rs)	1W Returns
Infosys	**1,865**	3.41%
Tech Mahindra	**1,688**	2.21%
Titan Company	**3,184**	2.01%
HCL Tech	**1,859**	1.47%

The top gainers in the **Sensex 50** for the week ending November 2024 were led by **Infosys**, which gained 3.41%, with its stock price rising to Rs 1,865. **Tech Mahindra** followed with a 2.21% increase, reaching Rs 1,688. **Titan Company** saw a 2.01% rise, closing at Rs 3,184. **HCL Technologies** rounded out the top gainers with a 1.47% gain, bringing its stock price to Rs 1,859.



Sensex 50 Weekly Top Losers : Nov 2024		
Company Name	Current Price (Rs)	1W Returns
Asian Paints	**2,483**	-12.65%
Tata Steel	**137.98**	-8.59%
NTPC	**372.5**	-7.75%
Adani Ports SEZ	**1,265**	-6.54%
SBI	**804.25**	-6.44%

The top losers in the **Sensex 50** for the first half of November 2024 were led by **Asian Paints**, which saw a significant decline of 12.65%, with its stock price falling to Rs 2,483. **Tata Steel** followed with a loss of 8.59%, closing at Rs 137.98. **NTPC** experienced a 7.75% drop, with its stock price ending at Rs 372.50. **Adani Ports SEZ** declined by 6.54%, closing at Rs 1,265, and **SBI** rounded out the top losers with a 6.44% decrease, bringing its stock price to Rs 804.25.

Commodity Market

1. Gold

- **Performance Overview:**
  1. **Opening Price:** 2738
  2. **Closing Price:** 2562
  3. **Weekly High:** 2750
  4. **Weekly Low:** 2537
  5. **Change (Absolute):** -176
  6. **Change (%):** -6.43%

2. Silver

- **Performance Overview:**
  1. **Opening Price:** 32.43
  2. **Closing Price:** 30.24
  3. **Weekly High:** 32.91
  4. **Weekly Low:** 29.66
  5. **Change (Absolute):** -2.2
  6. **Change (%):** -6.75%

3. Crude Oil

- **Performance Overview:**
  1. **Opening Price:** 5950
  2. **Closing Price:** 5669
  3. **Weekly High:** 6138
  4. **Weekly Low:** 5656
  5. **Change (Absolute):** -281
  6. **Change (%):** -4.72%

Reasons for Movement

Gold

US Dollar Movement:

Gold prices typically have an inverse relationship with the strength of the US Dollar. A stronger USD led to downward pressure on gold, while a weaker USD provided upward support.

Gold prices move inversely with the US dollar during this period. As the Federal Reserve signaled continued dovish policies, including anticipated rate cuts, the dollar weakened, boosting gold's appeal to international investors. A weaker dollar made gold cheaper for holders of other currencies, driving demand. The U.S. Dollar Index dropped marginally in the first two weeks of November, reflecting this trend. The expectation of future rate cuts and ongoing geopolitical uncertainties added further downward pressure on the dollar, providing consistent support for gold prices during this timeframe

Inflation Concerns:

Rising inflation expectations, particularly in the US, pushed investors to seek safe-haven assets like gold, leading to a rise in prices.

Persistent inflation concerns significantly influenced gold prices during early November 2024. High energy costs and inflationary fiscal policies in the U.S. sustained the metal's role as an inflation hedge. Market participants closely monitored inflation data, which exceeded forecasts, reaffirming gold's value as a store of wealth. Additionally, expectations of slower economic growth fueled concerns about stagflation, further lifting gold demand. Central banks continued purchasing gold to diversify reserves and mitigate inflation risks, underpinning the metal's upward trajectory during this period

Global Geopolitical Tensions:

Escalating tensions in [mention region, e.g., Middle East, Ukraine] provided support for gold as a hedge against uncertainty.

Intensifying geopolitical risks bolstered gold prices, emphasizing its role as a safe-haven asset. The Middle East conflict, particularly between Israel and Hezbollah, escalated with broader implications, driving significant investor interest in gold. Meanwhile, unresolved tensions in Ukraine and heightened concerns about economic fallout sustained the flight to safety. These developments collectively pushed gold to record highs, exceeding $2,700 per ounce. Geopolitical uncertainty remained a key driver, prompting increased central bank gold purchases to hedge against potential economic and market instability

Central Bank Policies:

The US Federal Reserve's monetary policy actions, including interest rate hikes or pauses, had a direct impact on gold prices as investors adjusted their expectations on yields

Gold's rally was bolstered by central bank actions. The Federal Reserve's dovish signals, including a probable rate cut in November, reduced the opportunity cost of holding non-yielding assets like gold. Similarly, the European Central Bank's monetary easing policies added further support. Global central banks intensified gold purchases, diversifying reserves amidst geopolitical and economic uncertainty. With lower interest rates on the horizon, central banks anticipated sustained demand for gold as a hedge, reinforcing its price trajectory during the first half of November

Silver

Industrial Demand:

Silver, being widely used in industrial applications like electronics and solar panels, saw price movements driven by expectations for global industrial growth or contraction.

Silver was significantly influenced by its role in industrial applications, especially solar panels and electronics. Early November saw moderate demand as market expectations pointed to robust global industrial activity, particularly in renewable energy investments. By mid-November, data indicating slowing growth in some sectors dampened enthusiasm, tempering price gains. Nonetheless, China's continued focus on green energy projects maintained steady industrial silver demand, supporting prices near $23.90 per ounce by mid-month.

Gold Correlation:

Silver generally follows gold's trend, and as gold prices moved due to geopolitical and economic factors, silver mirrored that trend

Silver often moves in tandem with gold due to their dual roles as safe-haven assets. Between November 1-15, 2024, silver mirrored gold's behavior, reacting to shifts in the U.S. dollar and interest rate expectations. When gold prices surged mid-period on speculation of a slower Federal Reserve tightening cycle, silver followed suit, advancing from early lows near $22.00 to stabilize above $23.90. This correlation highlighted investor sentiment linking both metals amid broader economic uncertainties..

US Economic Data:

Economic data like jobs reports or inflation figures influenced both industrial demand and investor sentiment towards silver. A strong economic outlook dampened silver's appeal, while signs of economic slowdowns drove interest in silver as a safe-haven asset.

U.S. economic data significantly influenced silver prices. A softer-than-expected Consumer Price Index (CPI) report early in November signaled easing inflationary pressures, which strengthened expectations for a dovish Federal Reserve stance. Rising unemployment claims during this period added to speculation of a cooling labor market, reinforcing the possibility of reduced interest rates. Additionally, weaker producer price data highlighted diminishing inflation in the supply chain, boosting investor sentiment for silver. These factors weakened the U.S. dollar, enhancing silver's appeal as a hedge and driving its price recovery from early-month lows

Crude oil

OPEC+ Decisions:

OPEC+ production decisions, including potential cuts or increases in oil output, greatly influenced crude prices. Concerns over reduced supply from key producers like Saudi Arabia or Russia helped push prices higher.

OPEC+ played a pivotal role in influencing crude oil prices through its production policies. Saudi Arabia and Russia maintained voluntary supply cuts, which kept the market tightly balanced and provided a floor for prices. However, as global demand dynamics shifted, speculation about OPEC+ considering a gradual increase in output emerged, tempering the bullish sentiment. These developments reflected OPEC+'s strategic approach to stabilizing the market amid ongoing uncertainties. Crude prices remained supported at around $80 per barrel during the period due to fears of undersupply from major producers.

Geopolitical Events:

Conflicts and tensions in key oil-producing regions (e.g., the Middle East) led to concerns over potential supply disruptions, which supported oil prices.

Crude oil prices during early November were shaped by easing geopolitical tensions. De-escalation in the Middle East, particularly a restrained response by Israel in the ongoing conflict, reduced the geopolitical risk premium on oil. This led to a stabilization in prices after a period of volatility. Nonetheless, the Ukraine conflict continued to pose challenges to European energy supplies, influencing global crude dynamics. These geopolitical developments created a mixed environment, balancing fears of supply disruptions with optimism about reduced immediate risks

US Energy Inventory Reports:

Weekly US inventory reports showing rising or falling crude oil stockpiles influenced expectations about supply and demand. A drawdown in inventories signaled tighter supply and supported higher prices.

U.S. Energy Information Administration (EIA) inventory data played a critical role in oil price movements during this period. A surprise build in U.S. crude stockpiles reported on November 8 suggested weaker-than-expected domestic demand, which added bearish pressure to the market. Meanwhile, robust production levels, particularly in shale oil, countered earlier concerns about tight supply. These inventory fluctuations reflected a market cautiously reacting to mixed signals on U.S. energy consumption trends, keeping prices largely range-bound

Global Economic Growth:

Crude oil prices were also impacted by broader economic growth indicators. Slower economic growth, particularly in China or the US, led to concerns about weaker oil demand, putting downward pressure on prices. Conversely, robust growth data led to higher demand expectations.

Global economic growth provided mixed signals, impacting crude oil demand forecasts. In China, weaker-than-expected industrial output and a sluggish property sector raised concerns about demand from the world's largest oil importer. Conversely, modest economic expansion in the U.S. and Europe supported global energy demand, preventing a significant price decline. These conflicting trends left crude oil prices stable but vulnerable to future economic data, with traders closely monitoring indicators for clarity on demand prospects

FII DII CASH FLOW

	FII Rs Crores			DII Rs Crores		
Date	**Gross Purchase**	**Gross Sales**	**Net Purchase / Sales**	**Gross Purchase**	**Gross Sales**	**Net Purchase / Sales**
Month till date	60,601.58	75,298.63	-14,697.05	61,889.64	53,027.94	8,861.70
14-Nov-24	13,003.06	14,852.93	-1,849.87	10,200.35	7,718.54	2,481.81

13-Nov-24	15,178.17	17,680.75	-2,502.58	14,095.16	7,949.92	6,145.24
12-Nov-24	12,542.73	15,567.04	-3,024.31	10,330.28	8,475.82	1,854.46
11-Nov-24	9,430.85	11,737.73	-2,306.88	9,848.87	7,822.24	2,026.63
8-Nov-24	11,246.96	9,498.52	1,748.44	9,336.94	12,740.98	-3,404.04
7-Nov-24	11,736.07	16,624.84	-4,888.77	11,374.43	9,587.73	1,786.70
6-Nov-24	11,911.90	16,357.49	-4,445.59	16,061.64	11,172.31	4,889.33
5-Nov-24	11,851.47	14,420.88	-2,569.41	12,616.72	9,585.76	3,030.96
4-Nov-24	13,786.39	18,116.18	-4,329.79	12,449.82	9,513.74	2,936.08
1-Nov-24	68.79	280.72	-211.93	50.09	427.42	-377.33

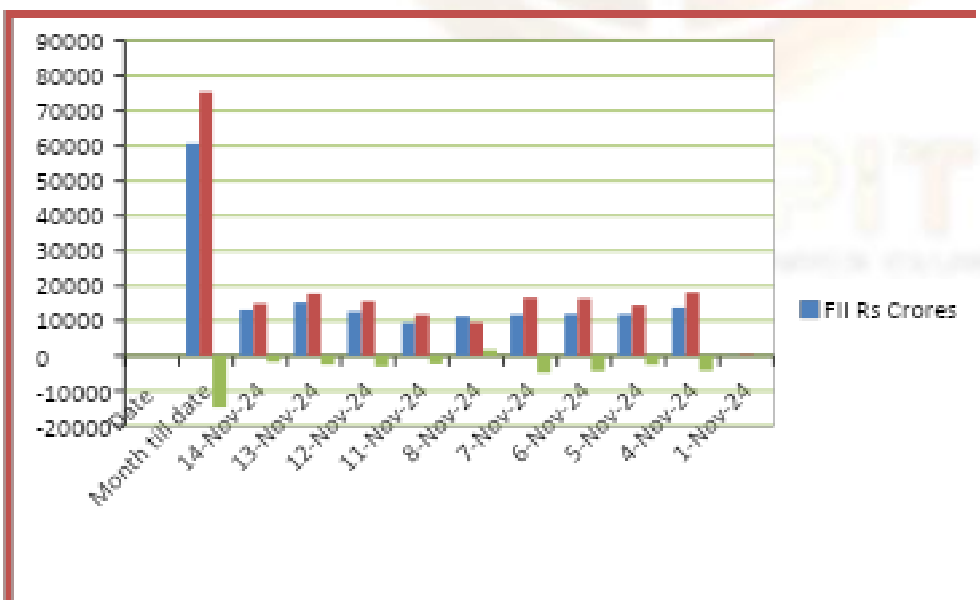
FII TRADING ACTIVITY DURING Nov '24

Gross Purchases: Rs 60,601.58 crores

Gross Sales: Rs 75,298.63 crores

Net Purchase/Sales: Rs -14,697.05 crores (net outflow)

FIIs had a **net outflow** of Rs 14,697.05 crores for the month till mid-November, indicating they were more focused on **selling** than buying during this period.



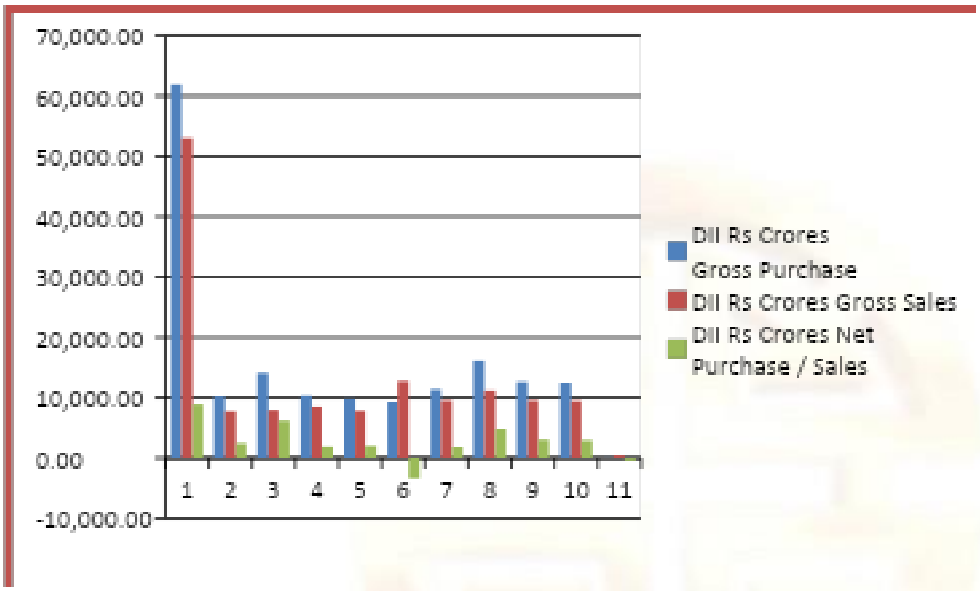
DII TRADING ACTIVITY DURING Nov '24

Gross Purchases: Rs 61,889.64 crores

Gross Sales: Rs 53,027.94 crores

Net Purchase/Sales: Rs 8,861.70 crores (net inflow)

In contrast, DIIs were **net buyers**, with a total **net inflow** of Rs 8,861.70 crores. Despite the outflows from FIIs, DIIs supported the market through sustained buying activity.



- **FII Behavior**: Consistently bearish, with several days showing significant **net outflows**. This indicates a risk-off sentiment and possibly profit-taking in the market.

- **DII Behavior**: Steadily buying stocks, with significant inflows, showing confidence in the domestic market, even as FIIs pulled back.

The trading activity in November 2024 reveals that **FIIs were largely on the selling side**, leading to **net outflows** of Rs 14,697.05 crores. Meanwhile, **DIIs were net buyers**, contributing Rs 8,861.70 crores in inflows, providing crucial support to the market. This divergence between FII and DII activity suggests a **conflict in market sentiment**, with FIIs more cautious and DIIs continuing to back the market despite the foreign selling pressure.

STOCK NEWS

1] Tata seals deal with Pegatron for iphone manufacturing.

Tata Electronics has finalized a deal to acquire a majority stake in Pegatron's iPhone manufacturing plant in Chennai, Tamil Nadu, forming a joint venture between the two companies. Under the terms of the deal, Tata will hold a 60% stake and manage day-to-day operations, while Pegatron will retain a 40% share and provide technical support. This partnership strengthens Tata's position as an Apple supplier, expanding its presence in iPhone manufacturing in India.

The deal, announced internally at the Pegatron plant on Friday, is part of Apple's broader strategy to diversify its supply chain away from China due to ongoing geopolitical tensions. Tata is already a significant player in India's iPhone production, having acquired a Wistron plant in Karnataka last year and building a new plant in Hosur, Tamil Nadu. The Chennai Pegatron plant, which has around 10,000 employees and produces 5 million iPhones annually, will become Tata's third iPhone factory in the country.

Analysts project that India could account for 20-25% of total iPhone shipments in 2024, up from 12-14% the previous year.

2] Idea (Vi) Faces Financial Challenges Amid Delay in Debt Funding

Vodafone Idea (Vi) is facing significant financial difficulties due to a delay in its Rs 25,000 crore debt-funding plan, which has raised concerns about the company's ability to achieve a financial turnaround. The delay is compounded by its struggle to address its outstanding AGR (Adjusted Gross Revenue) dues. After the Supreme Court rejected its petition to recalculate its AGR dues, Vi faces a massive liability of Rs 70,320 crore. The company also faces additional government liabilities of Rs 29,000 crore due by March 2026 and Rs 43,000 crore by 2027.

The delay in securing debt funding, initially expected by late November, has put Vi's plans to execute a Rs 50,000–55,000 crore capital expenditure plan in jeopardy. This plan is crucial for expanding its 4G network and rolling out 5G services. Vi's management is actively seeking government intervention to convert part of its dues into equity and to alleviate financial pressures, including removing the requirement for bank guarantees on spectrum acquired before 2022.

Despite these struggles, Vi's major shareholders, including the government, Aditya Birla Group, and Vodafone Group, remain key players in its financial recovery efforts.

3] Indian Economy in 'Sweet Spot' with Strong Growth Outlook, Says Moody's

Moody's has forecast a 7.2% GDP growth for India in 2024, citing a combination of solid growth and moderating inflation. The rating agency stated that India's economy is currently in a "sweet spot," driven by strong household consumption, robust investment, and a resurgence in manufacturing activity. High-frequency economic indicators such as expanding manufacturing and services PMIs, robust credit growth, and positive consumer sentiment suggest sustained momentum into the third quarter of 2024.

Moody's also pointed to the positive impact of rising capacity utilization, business optimism, and government infrastructure spending, all of which are expected to support private investment. Household consumption, particularly boosted by increased festive season spending and improved rural demand is also expected to continue driving growth.

While inflation has spiked due to rising vegetable prices, Moody's expects inflation to moderate towards the Reserve Bank of India's target in the coming months, aided by an improved agricultural outlook. However, geopolitical tensions and extreme weather events remain risks to inflation and could influence the central bank's monetary policy stance, which is likely to stay relatively tight in 2024.

4] Honasa Consumer Faces Challenges with Mamaearth's Slowdown

Honasa Consumer, the parent company of the popular skincare brand Mamaearth, is facing a slowdown in its flagship brand's growth. Despite being the company's primary revenue driver (accounting for 65% of total revenue), Mamaearth has fallen short of growth expectations, leading to the company's first quarterly loss in five quarters—Rs 19 crore for the July-September period of 2024, compared to a Rs 29 crore profit in the same period last year.

Key issues affecting Mamaearth's performance include inventory problems, as the company revamped its offline business model by transitioning from supplying super stockists to dealing directly with distributors. This shift led to unsold products and an estimated loss of Rs 70 crore in the quarter. Additionally, rapidly changing consumer preferences, driven by social media and influencers, and rising competition from new online brands and quick commerce companies like Blinkit and Zepto, have also put pressure on the brand.

To address these challenges, Honasa Consumer has enlisted Bain & Co. for strategic guidance, launching Project Neev to focus on reworking its distribution and supply chain, investing in R&D, innovation, and marketing, and refining its product portfolio. While Mamaearth is undergoing restructuring, the company is also banking on its other brands, such as The Derma Co and Aqualogica, which are showing positive growth.

5] Zepto's Aggressive Expansion and Rising Cash Burn

Zepto, the quick-commerce platform known for its rapid grocery deliveries, is experiencing a dramatic increase in its cash burn, which has now crossed Rs 250 crore ($30 million) per month. This marks a sharp rise from Rs 35-40 crore a month in May. The company is aggressively investing in expanding its network of dark stores, digital marketing, and talent acquisition, with some employees being offered hikes of up to 60% to join from competitors. Despite the high burn rate, Zepto has successfully raised a Rs 2,500 crore funding round, doubling its original target. Investors include high-profile names like Raamdeo Agrawal, Ranjan Pai, and family offices of major brands like Bisleri and Cello. With this fresh capital, Zepto’s cash reserves have ballooned to $1.4 billion, strengthening its position in the highly competitive quick-commerce space.

6] India's foreign exchange (forex) reserves

India's foreign exchange (forex) reserves have continued their downward trend, dropping for the sixth consecutive week to a near three-month low of $675.65 billion as of November 8, 2024. The reserves decreased by $6.5 billion during the reporting week, bringing the total decline to $29.2 billion from the record-high $704.89 billion reached in late September 2024.

Key Metrics:

Foreign Currency Assets (FCA): These make up the largest part of India's forex reserves and decreased by $4.467 billion, settling at $585.383 billion.

Gold Reserves: Fell by $1.936 billion, dropping to $67.814 billion.

Special Drawing Rights (SDRs): Reduced by $60 million to $18.159 billion.

Reserve Position with the IMF: Declined by $14 million, reaching $4.298 billion.

Causes for the Decline:

The decline in foreign currency assets can be attributed to a combination of factors, including the RBI's interventions in the forex market and the fluctuations in the value of non-US currency assets, such as the euro, pound, and yen, which affect the overall valuation of the reserves. Additionally, the Indian rupee has faced pressure, weakening to its all-time low of 84.38 against the US dollar earlier in the week, largely due to a surge in US dollar strength and rising US bond yields following Donald Trump's election victory.

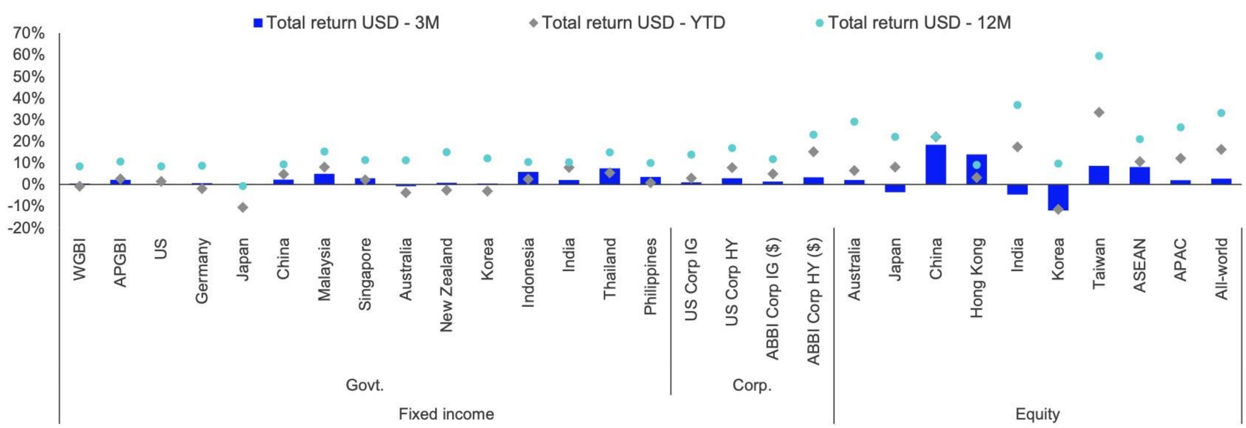
The Role of RBI's Intervention:

To mitigate the impact of excessive volatility, the Reserve Bank of India (RBI) has been intervening in the forex market. This has included measures to prevent the rupee from depreciating further and to curb unnecessary market fluctuations. As a result of RBI's interventions, the rupee settled at 84.3950 after hitting a record low, signaling a controlled response to the mountaing pressure from global financial dynamics.

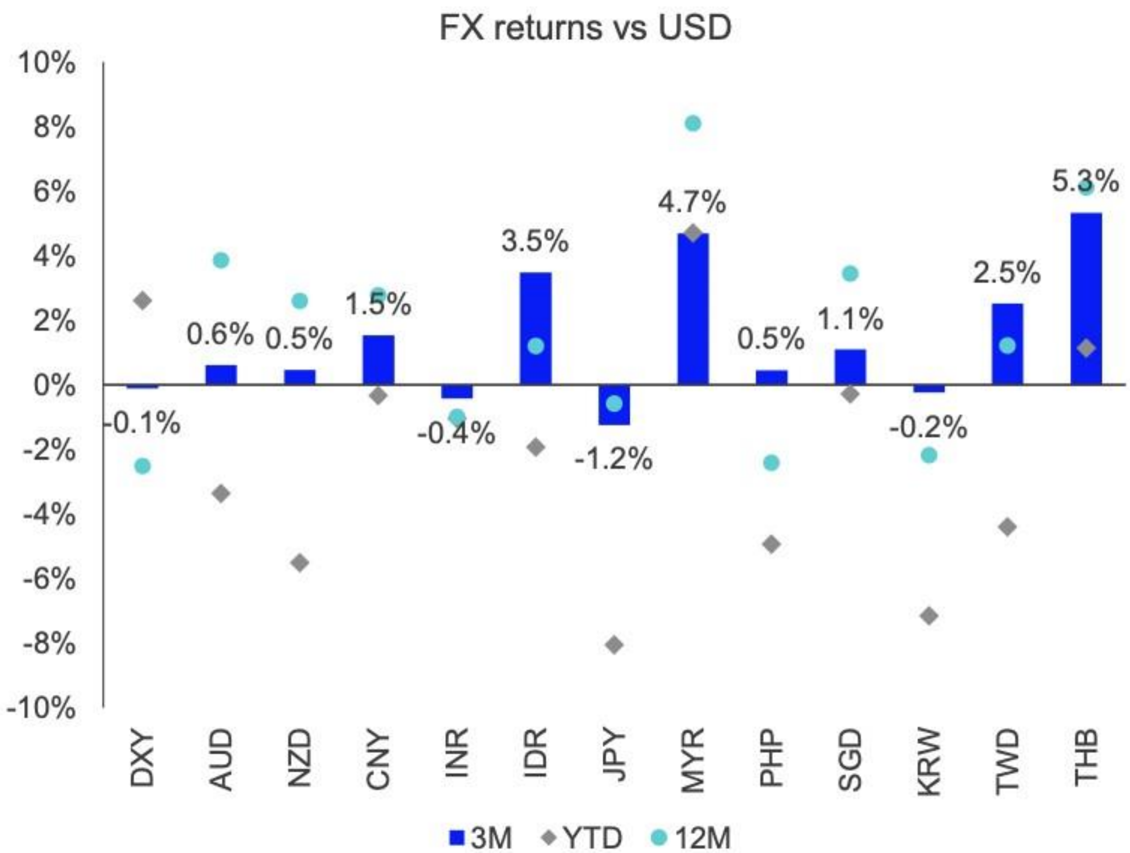
Despite this recent drop in reserves, the data underscores that the RBI continues to play a key role in managing the country's forex stability amidst volatile external conditions.

Global Financial Events

The global financial environment through November 14, 2024, has been shaped by diverse market dynamics, geopolitical events, and economic shifts. Equity markets showcased varying performances across regions, with the FTSE Asia Pacific index rising by 1.9% over the past three months. This growth was driven by Thailand's stellar performance (+17.9%), supported by unexpected rate cuts and state-funded equity support, and China's temporary rally due to government stimulus measures. Conversely, Japan and Korea underperformed, their declines tied to the global equity sell-off in August.

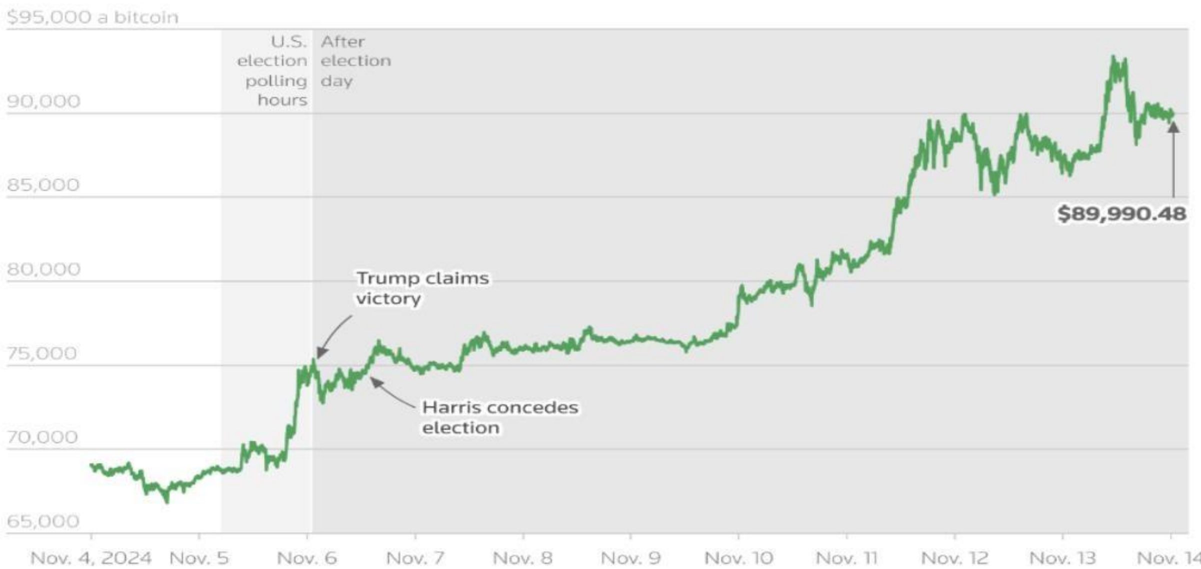


In foreign exchange markets, the U.S. dollar demonstrated resilience after an initial dip in August, rebounding in October due to strong economic data and a robust labor market. Key regional currencies showed weakness: the Japanese yen depreciated by 1.2% against the dollar due to delayed rate hike expectations and foreign equity outflows, while the South Korean won faced downward pressure from trade imbalances and capital flight.



The global oil market reflected a deceleration in demand growth, which is expected to rise by just 920,000 barrels per day in 2024 compared to 2 million barrels per day in 2023. While Libya increased production to offset declines in Kazakhstan and Iran, OPEC+ deferred reversing its voluntary production cuts until 2025. Brent crude prices averaged $75.38 per barrel in October, peaking at $80.90 briefly amid geopolitical tensions.

The cryptocurrency market experienced a surge, reaching a valuation of over $3 trillion. Bitcoin hit a record high of $93,480, driven by optimism following President Trump's pro-crypto stance and anticipated favorable regulatory changes. This sharp rise starkly contrasted the cautious speculative sentiment in traditional bond and equity markets.



Regionally, Asia-Pacific markets saw mixed outcomes. China's economy faced weak credit growth and low property investment, but equities were buoyed by government stimulus. Meanwhile, Japan grappled with slowing inflation and wage growth, and Australia pursued rate policies aimed at curbing inflation risks.

Europe experienced modest declines, with equity markets hitting three-month lows amid concerns over political uncertainty and U.S. trade policy implications. Despite these challenges, economic stabilization efforts provided some optimism for the future.

Bond Rates

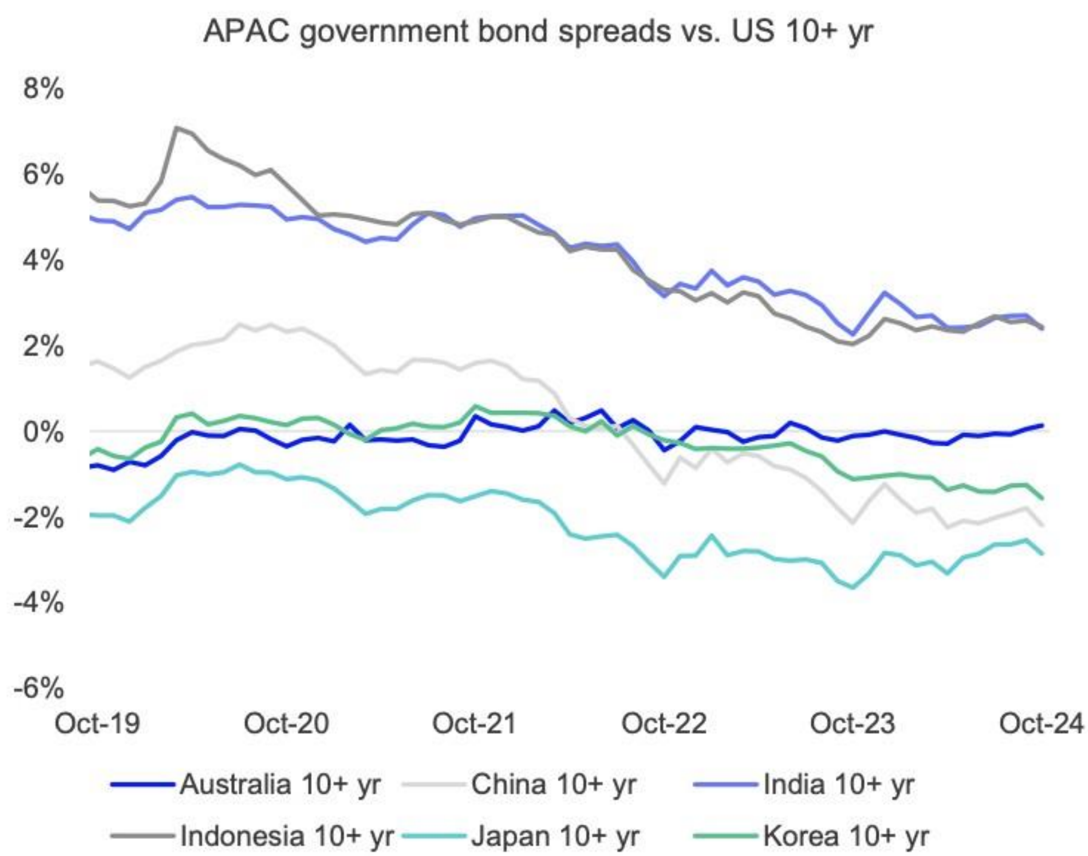
The bond market has reflected a complex interplay of economic data, monetary policies, and investor sentiment. Over the last three months, the FTSE Asia Pacific Government Bond Index (APGBI) outperformed the global World Government Bond Index, returning 2.2% compared to WGBI's 0.4%. Thailand, Indonesia, and Malaysia were the top-performing markets, benefiting from easing monetary policies. In contrast, Australia and Japan saw negative returns due to rising yields and currency depreciation.

Spreads between global government bonds and U.S. Treasuries narrowed, with stronger U.S. economic data pushing Treasury yields higher. Longer-term 10-year Treasury bonds hovered between 4.7% and 4.8%, while short-term 2-year Treasuries yielded above 5%, indicating an inverted yield curve often associated with recessionary signals. Savings bonds, particularly I Bonds, saw their composite rate drop to 3.11%, reflecting moderated inflation pressures.

U.S. monetary policy remained a focal point for the bond market, with the Federal Reserve's cautious stance influencing investor expectations. As inflation showed signs of stabilization, bond market activity shifted toward anticipating the Fed's next moves. This cautious sentiment extended to speculative activity, which remained historically low.

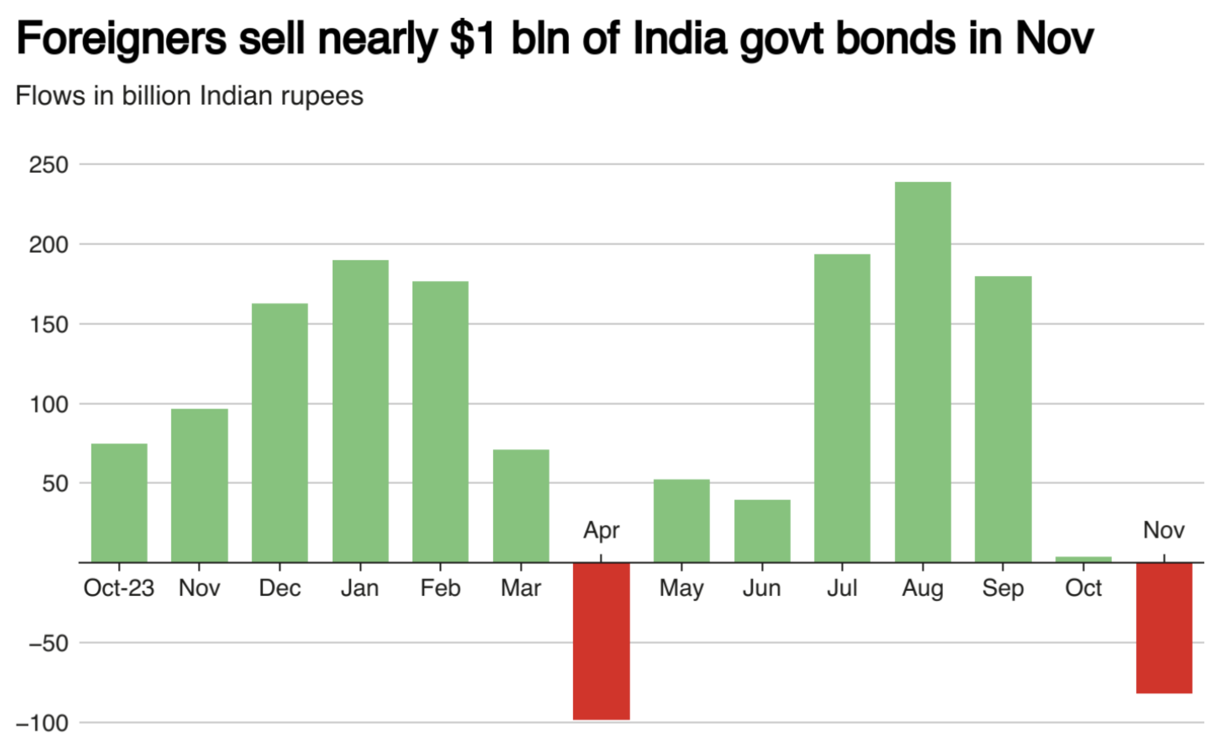
In the United Kingdom, the Monetary Policy Committee reduced the Bank Rate to 4.75%, acknowledging progress in controlling inflation. However, challenges persisted, with core inflationary pressures and wage dynamics still above historical norms. These factors kept central banks globally balancing restrictive policies against economic growth needs.

In Asia, government bond spreads in India and Indonesia remained higher relative to U.S. Treasuries, offering attractive yields. Conversely, China and Korea experienced narrowing spreads due to subdued inflation. The Reserve Bank of New Zealand cut rates in anticipation of slowing inflation, while the Reserve Bank of Australia maintained a cautious stance to guard against potential inflationary risks.



In conclusion, the bond market as of November 14, 2024, reflected a cautious optimism shaped by moderated inflation, evolving monetary policies, and region-specific factors. Despite challenges such as geopolitical risks and inflationary pressures, bonds continued to offer critical insights into the broader economic landscape.

Foreign investors have sold 82.1 billion rupees ($973 million) of Indian government bonds included in the JPMorgan index in November. This selling spree is driven by rising U.S. bond yields and a strengthening dollar, which make U.S. assets more attractive relative to emerging markets. Traders expect this trend to continue until the volatility in global markets settles. Nitin Agarwal from ANZ India noted that while India's inclusion in global bond indexes is expected to draw future inflows, investors may remain cautious and underweight Indian bonds until U.S. yields and the dollar stabilize. So far in 2024, foreigners have bought 1.18 trillion rupees of Indian bonds, largely spurred by the JPMorgan index inclusion in June, and with further inclusions in Bloomberg and FTSE indexes scheduled for 2025.



The U.S. 10-year yield is around 4.50%, having risen by 20 basis points since Donald Trump's recent election win, diminishing expectations of significant U.S. interest rate cuts. This has caused the spread between Indian and U.S. 10-year bond yields to reach an 18-year low as Indian yields have remained relatively stable. According to Edward Ng from Nikko Asset Management, the India-U.S. yield spread is expected to stay low, with U.S. rates repriced higher post-election while Indian yields are less volatile. The recent 3% increase in the dollar index post-election has also added pressure on emerging markets, as a stronger dollar often drives investors to rotate funds from riskier assets in emerging markets to safer U.S. assets, potentially resulting in continued debt outflows from India.

Highlights:
Global Financial Events

1. **Equity Markets**:
    - **FTSE Asia Pacific Index** gained 1.9% over three months.
    - **Top Performers**: Thailand (+17.9%), driven by unexpected rate cuts.
    - **Underperformers**: Japan and Korea, affected by U.S. equity sell-offs.
2. **Foreign Exchange Trends**:
    - The U.S. dollar rebounded in October due to strong economic data.
    - **Japanese Yen**: Depreciated by 1.2% due to delayed rate hikes and outflows.
    - **South Korean Won**: Declined due to narrowing trade balances.
3. **Global Oil Market**:
    - Oil demand growth slowed to +920,000 barrels/day in 2024.
    - Libya's production offset declines from Kazakhstan and Iran.
    - **Brent crude prices** averaged $75.38/bbl in October, peaking at $80.90.
4. **Cryptocurrency Market**:
    - Global crypto market valuation exceeded $3 trillion.
    - **Bitcoin** reached a record high of $93,480 following pro-crypto regulatory optimism.
5. **Regional Insights**:
    - China saw mixed performance with weak credit growth but equity gains due to stimulus.
    - Europe faced equity market declines, with STOXX indices hitting three-month lows.

Bond Rates

1. **Global Bond Performance**:
    - **FTSE Asia Pacific Government Bond Index** returned 2.2%, outperforming the global World Government Bond Index (+0.4%).
    - Top performers: Thailand (+7.4%), Indonesia (+5.8%), and Malaysia (+4.9%).
2. **U.S. Treasury Yields**:
    - 10-year yields ranged between 4.7%–4.8%.
    - Short-term 2-year yields exceeded 5%, signaling an inverted yield curve.

3. **Savings Bonds**:
    ○ U.S. I Bonds composite rate dropped to 3.11% due to reduced inflation.
4. **Regional Bond Trends**:
    ○ **India and Indonesia**: Offered higher yields than U.S. Treasuries.
    ○ **China and Korea**: Narrowing spreads to five-year lows amid subdued inflation.
5. **Policy Adjustments**:
    ○ The U.K. The Monetary Policy Committee reduced the Bank Rate to 4.75%.
    ○ Reserve Bank of New Zealand cut rates; Australia maintained caution against inflation risks.
6. **Market Sentiment**:
    ○ Speculative bond market activity remained cautious due to inflation and economic data uncertainties.
7. **Foreign Investors sold $1bn worth of Indian Government bonds**:
    - Foreign investors sold $973 million of Indian government bonds in November amid rising U.S. yields and a stronger dollar, signaling continued outflows until global market volatility stabilizes.

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