

Weekly Market updates - 3rd March 2017

Key market data

Equity benchmark Indices	3-Mar	% change for week	% change for YTD
S&P BSE Sensex	28,832	-0.2%	8.3%
Nifty 50	8,898	-0.5%	8.7%
S&P BSE Midcap	13,409	-0.9%	11.5%
S&P BSE Smallcap	13,620	0.2%	13.1%

Source: NSE & BSE Website

Equity Sectoral Indices	3-Mar	% change for week	% change for YTD
S&P BSE FMCG	8,784	-0.6%	8.0%
S&P BSE Metals	12,139	2.2%	20.1%
S&P BSE Auto	21,558	-0.9%	6.4%
S&P BSE IT	10,506	1.2%	3.2%
S&P BSE Power	2,156	-2.2%	8.5%
S&P BSE CD	13,776	0.3%	22.6%
S&P BSE Bankex	23,376	-1.9%	12.7%
S&P BSE CG	15,307	-0.2%	12.0%
S&P BSE Oil & Gas	13,377	-1.8%	10.1%
S&P BSE Reality Index	1,492	1.1%	18.1%
S&P BSE Healthcare	15,339	0.0%	4.1%
S&P BSE Telecom	1,282	-1.9%	14.3%
S&P BSE Energy	3,359	0.8%	11.9%

Source: BSE Website

Key FX Market rates	3-Mar	% change for week	% change for YTD
USD/INR	66.78	0.2%	-1.7%
GBP/INR	81.79	-2.2%	-2.3%
EUR/INR	70.48	-0.1%	-1.3%
HKD/INR	8.60	0.1%	-1.7%
JPY/INR	0.58	-1.5%	0.5%
AUD/INR	50.48	-1.7%	3.2%
SGD/INR	47.18	-0.5%	0.7%

Source: XE

Key Commodity Benchmarks	3-Mar	% change for week	% change for YTD
Gold/10GM	29,126	-0.4%	6.4%
Silver/KG	42,169	-1.2%	6.9%
Crude Oil/BBL	3,511	-2.2%	-4.1%
Natural Gas/MMBTU	187	7.8%	-27.8%
Aluminium/KG	128	1.4%	9.5%
Copper/KG	396	-1.9%	6.0%

Source: MCX

Global equity benchmark indices	3-Mar	% change for week	% change for YTD
US : DJIA	21,006	0.9%	6.3%
US: NASDAQ	5,871	2.4%	9.1%
UK: FTSE 100	7,374	1.6%	3.2%
France: CAC 40	4,995	3.5%	2.7%
Germany: XetraDax	12,027	3.1%	4.8%
Japan: Nikkei 225	19,469	0.5%	1.9%
Singapore: Straits Times	3,122	0.7%	8.4%
Hong Kong: Hang Seng	23,553	-0.1%	7.1%
China: Shanghai Comp	3,219	0.7%	3.7%

Comments

Indian Market

Indian indices closed the week on a flattish note down (0.2%). The GDP data released during the week, surprised experts and market participants as GDP grew by 7 %. The benchmark indices snapped five-week long gaining spree and closed in red. The investors preferred to book profits ahead of the US Federal Reserve's policy meet. On the sectoral indices front, metal and IT stocks led the gainers this week. On the other hand, stocks from oil and gas and power sector witnessed selling pressure.

The rupee turned shaky after a brief overnight recovery and ended lower by 11 paise at 66.81 against the US dollar on fresh demand for the American currency from banks and importers on Friday.

The manufacturing PMI recovered from 49.6 in December 2016, to 50.4 in January 2017 and continued moving upwards marginally to 50.7 in February. The Manufacturing PMI is an indicator of manufacturing activity. A reading above 50 indicates expansion, while any score below the mark denotes contraction. The indicator suggests an upturn in the manufacturing activity in February, charting a steady rise since January. The main factors contributing to the marginal PMI increase in February were a strong export demand and a rise in output and orderbook. However higher commodity prices and inflation is likely to cause demand to go down and impact economic recovery.

According to a leading financial daily, National Association of Software and Services Companies (NASSCOM), the domestic IT services and BPO industry body expects the IT industry to grow at 8-10% next financial year owing to newer trends such as increasing automation, artificial intelligence, analytics, and digital disruption.

The maximum rate of tax under the new Goods and Service Tax (GST) regime may go up to 40% after the GST council proposed raising the peak rate in the Bill to 20%, from the current 14%. The proposed change comes with a view to prevent the need for approaching Parliament for any change in rates in future. The government is looking at GST rollout from July 1. GST to enable transparency in the tax regime.

Global Market

Global markets ended on a mixed note in the week gone by. While markets in the developed economies ended in green, the indices in emerging economies fell. The dollar fell, while stocks erased losses after Janet Yellen said the Federal Reserve has not fallen behind with its monetary policy even as she signalled rates were "likely" to rise at its March meeting if employment and other economic data hold up.

S&P 500 index added 0.7 percent in the week. The Stoxx Europe 600 slipped 0.1 percent, paring its weekly gain to 1.4 percent. South Korea's Kospi Index fell 1.1 percent, the most since November, as Korean newspapers reported that China ordered travel agencies to stop selling travel packages into the country.

The Bloomberg Dollar Spot Index slipped 0.7 percent after a five-day rally. The measure advanced 0.5 percent in the week. The euro strengthened 1 percent to \$1.0613. The pound slipped 0.1 percent, falling for a sixth day, its longest losing streak since December 2015.

Treasuries extended losses to fifth day, as 10-year yields rose one basis points to 2.48 percent. The yield ended Feb. 24 at 2.31 percent. German bund retreated as demand for safety abated on receding political risk in France. Gold lower for a fourth straight session, capping the biggest weekly drop since November. West Texas Intermediate crude added 1.1 percent to \$53.16 a barrel.

Key market events to watchout during the week

All market participant eyes are set on upcoming US Federal Reserve's policy meet and state election which will impact the market in short run.