



# INSIGHT OUT

## WEEKLY MARKET OVERVIEW

FOR THE WEEK ENDING ON NOVEMBER 09, 2018

### SLOW BUT STEADY START TO NOVEMBER

Stock markets in India traded sideways in a week truncated by two holidays. After a fairly negative October, the month of November has so far traded on a relatively sedate note. Key benchmark indices hovered in a small range near the flat line through the week, alternately swinging between the positive and negative zones.

### Macro-Economic Updates

On the macro front, October data pointed to a stronger improvement in India's service sector, with an accelerated upturn in new work underpinning quicker rises in activity and jobs. Cost inflationary pressures eased, resulting in a softer increase in selling prices. While business sentiment continued to stay positive, it was hampered by political uncertainty. The Nikkei India Services Business Activity Index stood at 52.2 in October 2018, staying in expansion territory for the fifth straight month. Moreover, rising from 50.9 in September, the latest figure pointed to the quickest rate of growth since July.

### Global Updates

In the United States, mid-term election results shed much needed light on the current state of political environment in the country. While the Democrats seized control of House of Representatives, even though Republicans maintained their control over Senate. This coincided with President Trump's two years of the election victory and put the sentiment of the people to test. It has also been a period marked by broad-based growth phase for the US economy wherein central bank had quickened its pace of interest rate normalization. With the mid-terms done, polity risk now seems out of the way. Market participants are now likely to focus their attention back to monetary policy and corporate earnings. While the Q3 earnings season has been strong, Fed's November meeting signals for a Dec rate hike. US stocks closed mostly lower yesterday, 8 November 2018 as the Federal Reserve kept interest rates unchanged in a unanimous decision and signalled that it would continue to tighten monetary policy at a gradual pace. As per market expectations, the Fed kept its benchmark target for rates unchanged in a 2% to 2.25% range.

### Institutional Activity

Trading activity has been slow to pick up this month, in part due to holidays in lieu of festivals. Foreign institutional investors have net sold Indian equities worth INR 653.25 crore since the beginning of the month. Domestic institutional investors, on the other hand, have net bought Indian equities worth INR 376.85 crore, in the same time period.

Source:  
[www.nseindia.com](http://www.nseindia.com)  
[Bloomberg.com](http://Bloomberg.com)

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