

# Markets likely to get flat-to-positive start on Wednesday

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Indian markets ended higher Tuesday led by strong gains in metals, banks and auto stocks. Today, the markets are likely to get flat-to-positive start amid mixed global cues. Some support will come with report that as the registration for the next phase of Covid-19 vaccinations for all above 18 years of age opens, the health ministry shared data to counter claims that vaccines in several states, including Maharashtra, were out of stock. The data showed that 150 million doses had been given to the states so far, of which 10 million were still available with them. Traders may take note of the commerce ministry's statement that the country's exports of organic food products rose by 51 percent year-on-year to \$1 billion (Rs 7,078 crore) in 2020-21. However, traders will be concerned as a day after reported a slight dip in the number of fresh Covid infections and fatalities, India on Wednesday recorded a massive surge of 362,902 cases and 3,285 deaths, Worldometer showed. **There will be some cautiousness as Brickwork Ratings revised downwards the country's FY22 GDP growth projection to 9 percent from an earlier estimate of 11 percent. Brickwork Ratings in a report said the deadly second wave of COVID-19 has brought an abrupt halt to the country's nascent economic recovery from the pandemic. Also, a private report stating that business activity has fallen by a fourth of the pre-COVID levels due to lockdowns imposed by states to contain the spread of the second wave of COVID-19.** Meanwhile, Markets regulator Sebi came out with new framework to strengthen policies on provisional rating by credit rating agencies (CRAs) for debt instruments. Under the framework, all provisional ratings (long term or short term) for debt instruments need to be prefixed as provisional before the rating symbol in all communications-- rating letter, press release and rating rationale. MSMEs industry stocks will be in limelight amid report that stung by the second wave of the Covid-19 pandemic, small businesses have urged Finance Minister Nirmala Sitharaman to review classification norms for bad loans and rationalise import duty on key raw materials such as iron and steel. There will be some reaction in telecom stocks as domestic credit rating agency Crisil's research wing pointed out that there is a close contest between the top two telcos, when one goes by active subscriber base with Jio's share at 33.7 per cent and Airtel's at 33.6 per cent. Non-banking financial companies (NBFCs) will be in focus as they are seeking a revival of the debt restructuring scheme amid the resurgence of Covid-19 and with states imposing lockdowns. There will be some important earnings announcements too to keep the markets buzzing.

The US markets ended mostly in red on Tuesday as investors focused on wave of earnings reports from Microsoft, Alphabet and other corporate heavyweights. Asian markets are trading mixed on Wednesday as already high valuations discouraged investors from buying equities ahead of a closely-watched U.S. Federal Reserve meeting.

Back home, extending previous session's bullish run, Indian equity benchmarks ended the Tuesday's trade near intraday highs with frontline gauges settling above their crucial 48,900 (Sensex) and 14,650 (Nifty) levels. Markets started the session on positive note as slightly fall in daily coronavirus cases kept traders optimistic throughout the day. India reported a slight dip in the number of fresh Covid infections and fatalities on Tuesday with 319,435 cases and 2,764 deaths, Worldometer showed. Traders also took some support with report that the commerce ministry said it has started a COVID-19 helpdesk to help resolve issues of exporters and importers pertaining to international trade such as customs clearance delays and banking matters. Traders overlooked report that global forecasting firm Oxford Economics revised downwards its India GDP growth forecast for 2021 to 10.2 percent from 11.8 percent previously, citing the country's escalating health burden, faltering vaccination rate and lack of a convincing government strategy to contain the pandemic. Meanwhile, Reserve Bank of India (RBI) in its April 2021 monthly Bulletin has said that as India battles the ferocious rise of new infections, a strong policy response is building. Economic activity in India is holding up against COVID -19's renewed onslaught. Apart from contact-intensive sectors, activity indicators largely remained resilient in March and grew beyond pre-pandemic levels. Traders continue to buy fundamentally strong stocks throughout the day and markets breached crucial psychological levels one after other. Traders took some support with report that bank credit grew by 5.33 per cent to Rs 108.89 lakh crore, and deposits rose 10.94 per cent to Rs 152.15 lakh crore in the fortnight ended April 9, 2021. In the fortnight ended April 10, 2020, bank advances stood at Rs 103.38 lakh crore and deposits were Rs 137.15 lakh crore. Additional support also came as Biden administration seems to have adopted a mission mode approach and removed all bureaucratic hurdles to help India in its fight against deadly COVID-19 pandemic that has spread like wildfire across the country. Traders took note of report that the commerce ministry said it has started a COVID-19 helpdesk to help resolve issues of exporters and importers pertaining to international trade such as customs clearance delays and banking matters. Finally, the BSE Sensex surged 557.63 points or 1.15% to 48,944.14, while the CNX Nifty was up by 168.05 points or 1.16% to 14,653.05.