

Market data as on Dec 6, 2024

Script	Close	% Chng
NASDAQ Composite Index	19,859.77	0.81%
DOW JONES INDU AVERAGE NDX	44,642.52	-0.28%
S&P 500 INDEX	6,090.27	0.25%
Brent Oil	71.12	-0.97
WTI Oil	67.20	-1.10
US T 10Y	4.155%	-2.30 bps
US T 02Y	4.106%	-4.00 bps
10Y-02Y	0.049%	
Dollar Index	105.970	0.23%

- During the last week, U.S. market witnessed mixed performance. Nasdaq was up 3.34%, S&P 500 was up 0.96% and DJI was down 0.6%. Nasdaq rallied by tech giants due to expectation of continue demand for AI and cloud services, improved forward guidance of tech giants boosted investor sentiments. Investors shifted from defensive stocks like industrials & utilities to growth focus stocks resulted DJI muted performance for the week.

Fed officials' speeches

- Tom Barkin: Economy is progressing in reducing inflation but core inflation still above the target rate of 2%. Barkin emphasized that further policy rate change will be dependent on economic data.
- Michelle Bowman: She reiterated concerns about inflation and the need for sustained efforts to bring it back to the Fed's 2% target. Bowman also discussed labor market dynamics, emphasizing the importance of maintaining a balance between inflation control and economic growth.

Other data released-

- The S&P Global US Manufacturing PMI was printed higher to 49.7 in November 2024 vs consensus of 48.8, and compared to 48.5 in October, indicating to a near stabilization in the manufacturing sector.
- JOLTs job openings data indicated that the number of job openings increased by 372,000 to 7.74 million in October 2024 from a downwardly revised 7.37 million in September and above market expectations of 7.48 million.
- It also showed fewer hires were made during the month while the quits rate, a sign of confidence among workers, rose to 2.1% from 1.9% in September. It is indicating that labour demand is softening but not collapsing.
- Nonfarm payroll data released higher than expectation 227,000 as against 200,000 expected and 36,000 earlier in October.

- Considering these whole data during the week, manufacturing activities are inching towards expansionary mode and unemployment rate remained steady at 4.2%, indicating tight control labor market. The expectation also increased to 83%, of cutting interest rates by 25 bps in December Fed meeting.

US Market News

- Donald Trump has issued a strong warning to BRICS nations, threatening a 100 percent tariff if they advance plans to undercut the US dollar in international trade.
- Wells Fargo equity strategist Christopher Harvey and his team issued a 2025 year-end target of 7,007 on Tuesday of S&P 500.
- Tesla stock fell more than 2% Tuesday, Dec. 3, after the news that McCormick rejected Elon Musk's \$56 bn pay package again.
- Trump nominated cryptocurrency advocate Paul Atkins as SEC Chairperson.
- China has decided to impose sanctions on 13 US military firms from Thursday, in response to the sale of US arms to Taiwan.
- Airbus announced plans to cut up to 2,500 jobs in Defence and Space.

Crude-

- A tentative ceasefire agreement between Israel and Hezbollah reduced the geopolitical risk premium. This truce followed weeks of heightened tensions, which had previously supported oil prices.
- Despite the ceasefire, volatility remains, as Middle East geopolitics are unpredictable. For instance, Israeli strikes on Lebanon occurred despite the agreement.
- The OPEC+ meeting held on December 5, 2024, focused on shaping its production policy amid challenging market conditions. Key discussions revolved around balancing oil output with global demand, which has been sluggish, and addressing internal disagreements among member nations like Saudi Arabia and the UAE.
- OPEC+ has extended its current production cuts, amounting to approximately 5.86 million barrels per day, until the end of March 2025. This decision was made to stabilize oil prices amid weak global demand and increasing supply from non-OPEC producers

- Decline in China's manufacturing activities, reflects weaker industrial demand, especially in energy-intensive sectors, which impacts crude oil consumption.
- Potential stimulus measures from Beijing could boost industrial output and crude consumption in early 2025.

Global News

- China's December 2024 manufacturing data revealed a contraction in factory activity, with the official PMI falling to 49.0, marking its third consecutive month below the expansion threshold.
-
- Putin emphasized the significant \$20 billion investment by Rosneft in India as a testament to the country's favourable investment climate.
- France is surrounded with political uncertainty, Bernier's budget failed to impress parliament members and they asked him to resign. Macron is expected to focus on stabilizing the political crisis and appointing a new prime minister.
- Iron ore prices are projected to face downward pressure until 2026 due to weak demand from China's sluggish property market.
- Israel's minister Nir Barkat is planning a visit to India in January to strengthen trade relations, focusing on collaboration with Indian IT and startups. Barkat highlighted opportunities for Indian skilled and unskilled labor in Israel.
- Saudi Arabia is investing heavily around 2.5 trillion in its mining sector to diversify its economy away from oil and capitalize on the growing demand for critical minerals.
- The Eurozone experienced a sharp decline in business activity in Nov, with both manufacturing and services sectors contracting. This downturn raises concerns about the economic outlook for the region.

India

Market data as on Dec 6

Script	Close	% Chng
NIFTY 50	24,677.80	-0.12%
NIFTY BANK	53,509.50	-0.18%
BSE 500 INDEX	36,681.01	0.17%
BSE Midcap	47,670.00	0.36%
BSE Small Cap	57,050.00	0.60%
Nifty Micro 250	26,000.00	0.63%
Gold	76,619.00	0.19%
USD/INR	84.6500	-1.30 paisa
IN Gsec 10Y	6.740%	6.00 bps
IN Gsec 02Y	6.640%	1.60 bps

- Indian markets were also continued to be volatile being an effect of FOMC meeting and RBI interest rate decision.
- Month till date, FII remained net buyer of around 12,000 cr. And DII only bought 1800 cr. In cash market.

- In November, the services sector in India showed resilience despite inflationary pressures, with the PMI nearly stable at 58.4. Employment in the sector grew at the fastest pace since 2005, reflecting strong business confidence and international demand.
- In November, Car sales in India increased by 6% year-on-year, driven by heavy discounts. Inventory levels remain high due to previous muted months, but demand post-festive season remains robust.
- Affluent Indians are significantly driving the sales of luxury brands. Indian sales reached ₹1,400 crore for luxury brands as of March 2024, with the luxury market expected to grow to \$30 billion by 2030.
- The RBI Monetary Policy Committee (MPC) on Friday, decided to keep the repo rate (key lending rate) unchanged at 6.5% for the 11th consecutive meeting and announced a 50 basis points reduction in the Cash Reserve Ratio (CRR), bringing it down to 4%. This will infuse liquidity of around 1.16 lakh crore into the system.
- Political unrest in Bangladesh has disrupted Indian exports, causing delays in payments for cotton and textiles. Engineering goods, gems, jewellery, and oil meal exports have declined.