

Global trends, WPI inflation & Q4 earnings key factors to drive markets this week: Analysts

NEW DELHI: Domestic stock markets would be driven by inflation numbers, global trends, and the last batch of Q4 earnings this week, analysts said. Markets will also react to industrial production data and consumer inflation numbers that were released after market hours on Friday.

“Participants will react to macroeconomic data viz. IIP and CPI first, which were released post-market hours on Friday. WPI inflation data is also scheduled on May 15. Apart from economic releases, global cues, especially the performance of the US indices and the trend of foreign flows will also be in



focus for cues,” said Ajit Mishra, VP - Technical Research, Religare Broking Ltd.

Retail inflation declined to an 18-month low of 4.7 per cent in April mainly due to falling prices of vegetables, oils and fats, and came closer to Reserve Bank’s target of 4 per cent, showed government data released Friday.

India’s industrial production growth slipped to a five-month low of 1.1 per cent in March from 5.8 per cent in February 2023, mainly due to poor performance of power and manufacturing sectors, according to official data released on Friday.

As the earnings season is in full swing, big names like Bharti Airtel, State Bank of India, ITC, IOC, JSW Steel and GAIL will announce their numbers during the week along with several others, Mishra added.

The Congress returned to power on its own in Karnataka after 10 years, knocking the BJP off its only southern perch on Saturday as voters decisively

backed the grand old party desperately seeking electoral revival ahead of the 2024 Lok Sabha polls.

“The recently-concluded Karnataka election has resulted in Congress emerging as the clear winner. While this may have a sentimental negative impact on the market, it is important to note that much of this outcome has already been factored in by investors.

“Therefore, it is unlikely that we will witness a significant reaction from the market in response to this development,” Santosh Meena, Head of Research, Swastika Investment Ltd, said. P11

Analysts: WPI inflation, global trends to drive domestic stock markets

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voters decisively backed the grand old party desperately seeking electoral revival ahead of the 2024 Lok Sabha polls. "The recently-concluded Karnataka election has resulted in Congress emerging as the clear winner. While this may have a sentimental negative impact on the market, it is important to note that much of this outcome has already been factored in by investors.

"Therefore, it is unlikely that we will witness a significant reaction from the market in response to this development," Santosh Meena, Head of Research, Swastika Investmart Ltd, said. Last week, the BSE benchmark climbed 973.61 points or 1.59 per cent.

"The overall market sentiment remains positive, however, it is important to note that the prices are currently trading near a crucial resistance level. Given this, there is a possibility of profit-booking or a correctional fall in the near future," said Arvinder Singh Nanda, Senior Vice President, Master Capital Services Ltd.

"While global cues are relatively muted, market participants will be keeping a watchful eye on the direction of US markets, bond yields, and the dollar index, which could potentially impact Indian equities," Santosh Meena, Head of Research, Swastika Investmart Ltd, said.