



Dear Reader,

Global Overview: Global equities marked fifth consecutive month of gain, backed by strong economic data from US and other parts of the world along has fueled optimism among the investors. Most of the US indices closed in the range of 2% to 3% while most of the European indices outperformed US and closed over 3% gains except UK's FTSE. Dovish tone of US Fed and European central banks have also added to the rally, both the European Central Bank and the FED have adopted a data driven approach to cut interest rates with the Fed still forecasting three rate cuts by year end. However, investors remained concerned about China's growth prospect in absence of any meaningful economic data. UK equities lagged the global peers as it suffered due to poor performance of economy. Indian equities performed well during the month and closed over 1%.

Market Performance: US market have performed well during the month where Dow Jones gained over 2% to 39,807 while tech heavy NASDAQ marked the positive return of 1.79% to close the month at 16,379 mark. S&P 500 outperformed US peers and closed higher by gaining 2.89% to 5,244 levels.

In Europe, DAX and CAC outperformed the US markets by registering the gain of around 4% while UK's FTSE lagged behind. DAX (Germany) rose by 4.61% and CAC (France) gained over 3% while FTSE registered marginal gain of 0.30% during the March 2024.

In Asia excluding India, most of the markets have closed the month on positive note where Japan outperformed it peers. Japan's Nikkei surged by 3.07% during the month as Bank of Japan begins normalisation of its monetary policy in March. Hang Seng was marginally higher by 0.18% while China's Shanghai Composite gained 0.87% during March 2024.

Back to home, Domestic macro-economic data suggest growth in economic activity. Following the global peers and positive data flows have resulted optimism among the investors and performance of Indian economy has led the equities to fly high. Sensex and Nifty closed higher by 1.59% and 1.57% respectively during the month. However, Smallcap felt the heat of selling pressure in the month of March 2024 and have fallen by over 4%. On Sectoral front, Nifty auto gained the most and rose by ~5% followed by Metals which gained 4.23% and Bank nifty gained 2.18%. IT and Media hit the most where IT fell by over 7% and Media plunged by over 12% in March 2024.

Domestic Macro-Economic:

RBI in its monetary policy kept the rate unchanged at 6.50%. Retail inflation was little changed at 5.09% in February 2024, compared to 5.1% in January. Food inflation, which accounts for nearly half of the overall consumer price basket, was 8.66%, slightly higher than 8.3% in January. At 0.20%, the February wholesale inflation print is the lowest in four months compared to 0.27% in January 2024 and 3.85% in February 2023. IIP decelerated to 3.8% in January 2024 from 4.20% in December 2023 due to underperformance of manufacturing and mining sector. GST collection in the month of March 2024 rose 11.5% on an annual basis to Rs 1.78 lakh crore.



Conclusion:

Strong equity market performance in March 2024 was fueled by strong economic data from US and rising economic activity in Europe. Most of the major markets has filled in optimism in risk assets. However, Central banks are bit cautious as of now and are likely to hold the rates, US FED commentary maintains three rate cut during year and kept the rate unchanged in its latest policy meet.

Domestic inflation is sticky and gradually easing but is above the RBI's comfort level of 4%. Also, Crude oil prices rallied over 4% during March 2024 which is matter of concern for domestic economy. Hence, prior any rate cut announcement, RBI is taking cognizance of global central banks, development in domestic, global economy and inflation.

Investors shall remain cautious at this juncture as market across the globe are trading near all-time highs and higher valuations of especially Midcap and Smallcap are matter of concern. Having said that, focus on accumulating/buying quality companies with strong balance sheets seems prudent.

Global Index	29-Feb	31-Mar	Change	Sectoral Indices	29-Feb	31-Mar	Change
Sensex	72,500	73,651	1.59%	NIFTY Midcap 150	17,831	17,766	-0.37%
Nifty	21,983	22,327	1.57%	NIFTY Smallcap 100	15,976	15,270	-4.42%
Dow	38,996	39,807	2.08%	NIFTY Auto	20,412	21,419	4.93%
Nasdaq	16,092	16,379	1.79%	NIFTY Bank	46,121	47,125	2.18%
S&P 500	5,096	5,244	2.89%	NIFTY Financial Services	20,408	20,989	2.85%
CAC	7,927	8,206	3.51%	NIFTY FMCG	54,016	53,949	-0.12%
DAX	17,678	18,492	4.61%	NIFTY IT	37,720	34,898	-7.48%
FTSE	7,630	7,653	0.30%	NIFTY Media	2,050	1,796	-12.40%
Nikkei	39,166	40,369	3.07%	NIFTY Metal	7,922	8,257	4.23%
Hang Seng	16,511	16,541	0.18%	NIFTY Pharma	19,003	18,996	-0.04%
Shanghai Composite	3,015	3,041	0.87%	NIFTY Private Bank	23,105	23,556	1.95%
Key Data Release				NIFTY PSU Bank	6,930	7,007	1.12%
Particulars		Current	Previous	NIFTY Realty	911	901	-1.09%
India Manufacturing PMI (Mar)		59.1	56.9	Other Asset Class			
India Service PMI (Mar)		61.2	60.6	MCX Gold 10 g (in Rs)	62,567	67,677	8.17%
India CPI (YoY) (Feb)		5.09%	5.10%	MCX Silver Kg (in Rs)	69,665	75,048	7.73%
India WPI Inflation (YoY) (Feb)		0.20%	0.27%	Brent Crude (\$ Barrel)	83.62	87.48	4.62%
India IIP (Jan)		3.80%	3.84%	India 10 Year G-Sec Yield	7.08%	7.05%	-0.37%
RBI Interest Rate		6.50%	6.50%	US 10 Year G-Sec Yield	4.25%	4.21%	-1.03%
India Q3FY24 GDP (YoY)		8.40%	4.26%	USD INR	82.94	83.37	0.52%
FII Net (Rs cr)		3,314	-15,963				
DII Net (Rs cr)		56,312	25,379				

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