

Global cues to drive markets in holiday-shortened week

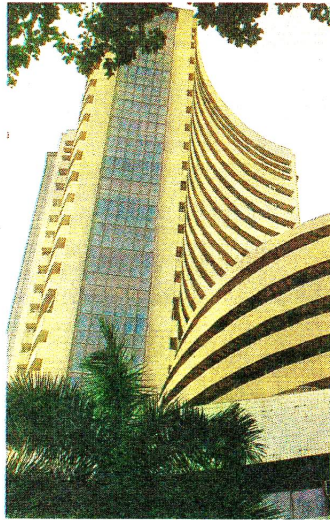
The stock market will take cues from overseas trends amid growing concerns of a global trade war and may see volatile sessions in view of derivatives expiry in a holiday-shortened week ahead, say experts.

Markets will be closed on Thursday and Friday for Mahavir Jayanti and Good Friday, respectively.

Fears of a global trade war ratcheted up after China said it will impose higher duties on USD 3 billion worth of US imports in retaliation to stiff US tariffs on Chinese steel and aluminium shipments.

"Trade war is troubling the global equity market, wondering what more will be present in protectionism leading to slowdown in globalisation.

"In addition to the weak global cues, domestic market is under-performing due to premium valuation and pre-election political uncertainties. We can expect this domestic chaos to stabilise



by the end of FY18, as redemption pressure will be over," said Vinod Nair, Head of Research, Geojit Financial Services.

But due to risk of escalation in global trade war and domestic pre-election uncertainties, volatility may continue for some more time. The week ahead is truncated with two market holidays and F&O expiry adding volatility, he added.

"The current degree of pessimism in the market warrants a reversal albeit of a shorter term in nature. However, with the fears of trade war aggravating and the political climate heating up domestically, there is bound to be acute pressure on the bulls from medium term perspective," said Jimeet Modi, Founder and CEO, SAMCO Securities.

"We believe that with the derivatives expiry this week, the markets are likely to be volatile," said Vikas Jain, Senior Analyst, Reliance Securities.