



Market Wrap

Feb. 21, 2017

Telecom stocks fall on Jio's tariff plans announcement; S&P BSE Smallcap and 500 outperform Sensex...

Benchmark indices settled the day higher led by rally in index heavyweights like Axis Bank and Asian Paints. Consumer Durables, oil & gas, banking and finance stocks contributed to the gains.

Sensex rallied as much as 140 points while the broader Nifty50 index reclaimed its 8,900 levels for the first time since September 8, 2016.

The S&P BSE Sensex settled the day at 28,761, up 100 points, while the broader Nifty50 ended at 8,908, up 29 points.

In the broader markets, the BSE Midcap and the BSE Smallcap indices outperformed the frontline indices to rise 0.5% and 0.4%, respectively while Nifty Midcap and Smallcap indices closed at fresh highs.

Sectors and Stocks

Axis Bank rallied over 5% as reports of merger gathered steam. The bank yesterday issued a classification on BSE saying, "news on possible merger between Axis Bank and Kotak Mahindra Bank is baseless and unsubstantiated."

Bharti Airtel and TCS were top losers on BSE Sensex, down 3.8% and 1.7% respectively, followed by ITC, Maruti and PowerGrid while Axis Bank, Asian Paints and RIL were the top gainers.

Extending gains for the fifth straight session, JSPL was gained 9.3% in addition to 7.7% rally in previous session.

Bharti Airtel fell 4.1% while Idea Cellular was down 0.3% after Reliance Industries chairman Mukesh Ambani launched the Rs 303 per month plan for Reliance Jio.

According to the tariff plan, Jio will match the highest selling tariff of other operators and provide 20% more data than what other operators provide.

Grasim Industries, Lumax Industries, Escorts, Merck, Titan Company, TVS Motor Company and Finolex Industries were among 26 stocks from the S&P BSE 500 and S&P BSE Smallcap index hitting their respective lifetime highs on the BSE in intra-day trade. Of these 22 stocks are from the BSE 500 pack.

Biocon, CCL Products, CESC, Exide Industries, Federal Bank, Motilal Oswal Financial Services and Vakrangee include others which hit record highs.

The S&P BSE 500 index closed at a new high of 12,207, while S&P BSE Smallcap index ended at 13,652, its highest level since January 7, 2008.

Since December 26, from their recent respective lows, the S&P BSE Smallcap and S&P BSE 500 index have rallied 18% and 15%, respectively, as compared to 11.4% rise in the benchmark S&P Sensex.



Five stocks – National Fertilisers, LT Foods, Venky's (India), Arshiya and Jaiprakash Associates became multi-bagger, zooming more than 100% during the period. Beside these, as many as 232 out of total 910 stocks from these indices have rallied between 50% and 99%.

A better-than-expected October-December (Q3) results and strong domestic institutional investors (DIIs) inflows led rally in equity market. As per provisional stock exchange data, DIIs made net inflow of Rs 7,154 crore during the period.

The performance of a sample of 2,126 companies over the last quarter (Oct-Dec) 2016 period reveals a positive picture, with both net sales and net profits growth showing improvement.

Global Markets

European equities slipped in early trading on Tuesday, with HSBC leading the regional banking index lower after reporting a 62% slump in its annual pre-tax profit. HSBC was the biggest decliner in the European banking index, which fell 2% and put pressure on the broader stock market. The pan-European STOXX 600 index was quoted 0.2% lower by 0828 GMT.

Britain's FTSE 100 bore the brunt of London-listed HSBC's troubles, falling 0.4%. That was double the decline on France's CAC 40, while Germany's DAX was up 0.1%.

MSCI's world stock index slipped 0.1% and MSCI's broadest index of Asia-Pacific shares outside Japan was also down 0.1%, consolidating below a 19-month peak hit last Thursday.

China's blue-chip index rose to its highest in over two months on Tuesday, extending gains from Monday - its best day in six months - on reports that pension funds will begin pumping funds into the country's stock markets.



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