

Rate hopes spur Budget rally

PRESS TRUST OF INDIA

Mumbai, 6 February

The Budget-induced optimism got a leg to stand on as the Sensex today pushed higher for the fourth day by scoring 199 points to close at 28,439 — a four-month high — after hopes built up that RBI may lower rate at its policy meet on Wednesday.

Driven by the momentum, the NSE Nifty retook the crucial 8,800-mark.

At its last policy review in December, RBI in a surprise move had decided to leave rates unchanged, but this time a lower retail inflation and fiscal discipline as shown in the Budget have prompted calls for the central bank to remain accommodative.

Global leads aligned as most Asian shares ended higher, tracking weekend gains in the US on better-than-expected jump in US jobs and a move by President Donald Trump to cut back on financial regulations, pacing up buying by investors.

The 30-share Sensex ended up 198.76 points, or 0.70 per cent, at 28,439.28, its highest closing since September 23 last year when it had closed at 28,668.22. Intraday, it sprang to a high of 28,487.28.

The gauge had rallied 584.56 points in the previous three sessions after the presentation of the Budget on February 1.

The NSE Nifty added 60.10 points, or 0.69 per cent, at 8,801.05 at the close. For the Nifty too, this is the highest close since September 23 when it finished at 8,831.55.

SENSEX

Bse price in ₹

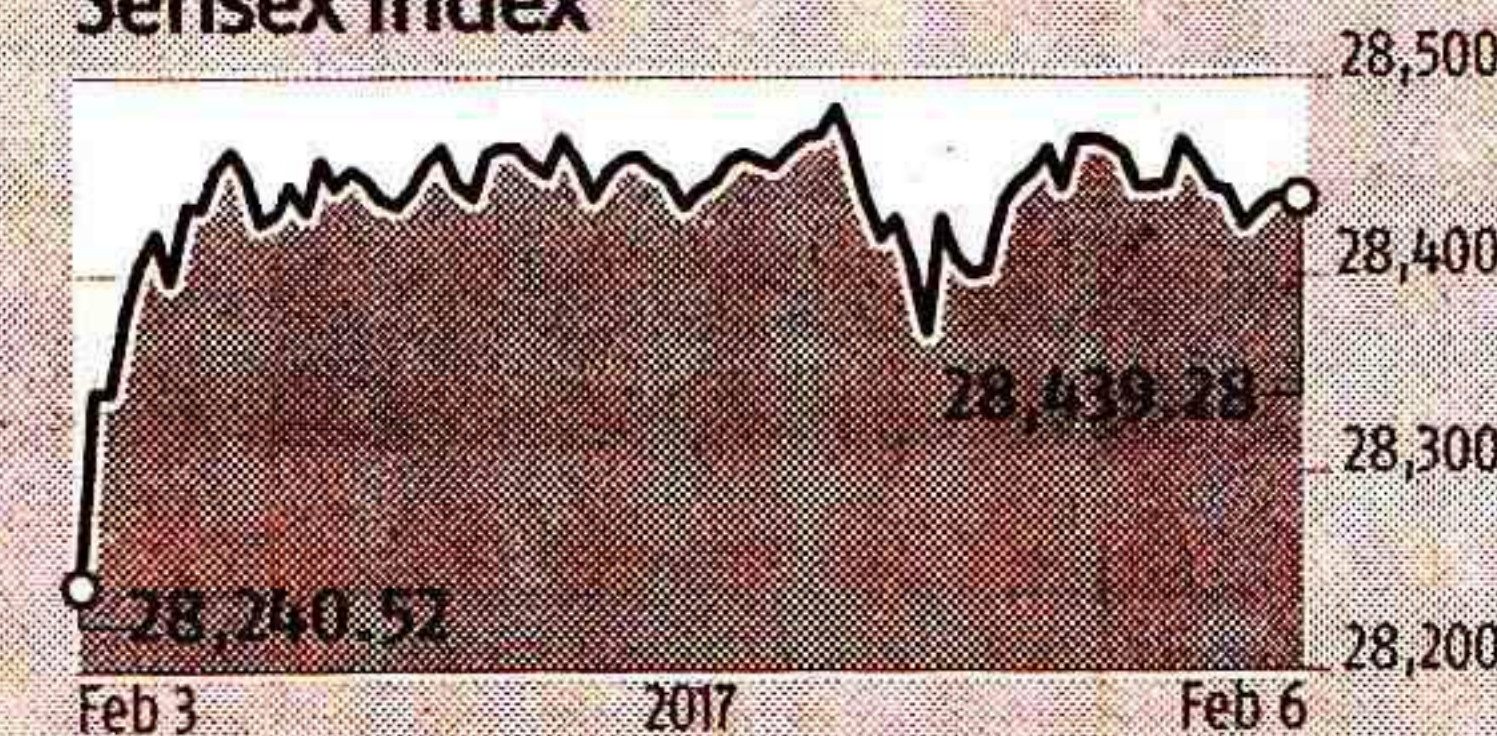
GAINERS	Feb 6, 2017	% chg*
Sun Pharma	674.30	4.20
ICICI Bank	290.35	3.18
Adani Ports	309.60	1.99
Axis Bank	496.95	1.49
Hero MotoCorp	3,262.80	1.46

LOSERS

Dr Reddys	3,094.80	-1.49
Cipla	601.45	-1.13
ONGC	199.00	-0.97
Bajaj Auto	2,798.60	-0.40
Coal India	324.95	-0.34

* change over previous day's close
Compiled by BS Research Bureau

Sensex index



The rupee appreciated for the 9th straight day to trade at a nearly 3-month high of 67.22 against the dollar, keeping the overall mood upbeat.

"Markets continued to be buoyant on the expectation of rate cut by RBI and

positive global cues. We are seeing continuation of rally in the rate sensitive sectors led by realty, banks and FMCG which were also supported by Budget related sops," said Vinod Nair, Head of Research, Geojit BNP Paribas Financial Services.

Major European indices stayed in the positive zone, too.

Data showed that foreign investors bought shares worth ₹353.84 crore last Friday. A good 22 stocks in the 30-share Sensex pack advanced while 8 turned lower.

Sun Pharma led the charge by surging 4.20 per cent while ICICI Bank jumped 3.18 per cent. Adani Ports, Axis Bank, Hero MotoCorp, ITC, HUL and GAIL supported the ongoing bull run.

BSE realty jumped the most (up 1.90 per cent) followed by FMCG (1.28 per cent), healthcare (1.27 per cent) and consumer durables (1.27 per cent).

Broader markets remained in the green too, with the mid-cap index advancing 1.10 per cent and small-cap 0.88 per cent.

Realty stocks continued their upward journey, buoyed by the infrastructure status to affordable housing in the Budget 2017-18 to encourage investment in the segment, which also came out with tax sops for developers to complete inventories.

In the realty space, HDIL soared 7.80 per cent, Godrej Properties 3.32 per cent, Prestige Estates Projects 2.83 per cent and DLF 1.32 per cent.