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Market wrap

Jan. 04, 2019

PSU banks and metal stocks rally; Rupee gaining strength..

The domestic equity indices snapped out of a two-session losing streak to settle 0.5 per cent higher on Friday led by a rise in public sector banks and metal stocks.

The S&P BSE Sensex ended at 35,695, up 181 points or 0.51 per cent, while the broader Nifty50 index settled at 10,727, up 55 points or 0.52 per cent. On a weekly basis, the S&P BSE Sensex fell 1.05 per cent, while the Nifty 50 declined 1.22 per cent.

In the broader market, the S&P BSE MidCap index rose 0.48 per cent or 72 points to end the day at 15,148, while the S&P BSE SmallCap settled at 14,592, up 0.14 per cent or 20 points on Friday.

Among sectors, the Nifty PSU Bank rose the most on Friday, gaining 2.32 per cent led by Syndicate Bank, Punjab National Bank (PNB) and State Bank of India (SBI). Nifty Metal too, rose 1.40 per cent led by Jindal Steel & Power, Vedanta and Tata Steel.

Rupee

The rupee traded on a firm note having risen to 69.75 against the US dollar in intra-day trade. The domestic unit had settled at 70.17 against the greenback on Thursday.

Sectors and stocks

Shares of Page Industries ended lower for the fourth straight day on Friday. The stock slipped as much as 4 per cent to Rs 22,550 in the intra-day deals, hitting a nine-month low on the BSE. The stock eventually closed 3.88 per cent lower at Rs. 22,676.

Shares of Ashok Leyland plunged to their 18-month low of Rs. 95.95 apiece, dipping 2 per cent on the BSE in intra-day, and extending their 4 per cent fall in the past two days after recording weak December sales numbers. The stock of commercial vehicles (CV) manufacturer traded at its lowest level since July 3, 2017. It eventually ended the day at Rs. 96.80, down 1.33 per cent.

Shares of Future Retail were trading 3% lower at Rs. 444 in early morning deals on Friday. The stock was trading lower for the eighth straight day after the government tightened rules for e-commerce companies. The stock was quoting close to its 52-week low price of Rs 423 touched on October 8, 2018, on BSE in the intra-day trade. In the past eight trading days, Future Retail has slipped 19% from Rs. 564 on December 24, 2018. Kishore Biyani-promoted Future Retail engages in the retail of household and consumer products through departmental store facilities under various formats in India. It operates multiple retail formats in hypermarket, supermarket, and home segments. The government last week announced changes to e-commerce policy to check predatory pricing and deep discounting.

Shares of GM Breweries plunged as much as 13 per cent to Rs. 630 in the early trade on BSE on Friday after the beverage company reported a 25 per cent year-on-year (YoY) decline in its Q3 net profit. For the quarter ended December 31, 2018, the company posted net profit of Rs. 16.71 crore against Rs. 22.3 crore in the corresponding quarter of last year. Total revenue from operations stood at Rs. 448.89 crore, up 3.46 per cent. Earnings per share (EPS) of the company came in at Rs. 9.14 against Rs. 15.25 in the year-ago period. GM Breweries is engaged in the activities of manufacturing and marketing of alcoholic beverages; such as Country Liquor (CL) and Indian made Foreign Liquor (IMFL).



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Global markets

Asian shares found a crumb of comfort on Friday as Beijing announced a new round of trade talks with Washington, though recession fears still had markets betting the next move in U.S. interest rates might be down.

MSCI's index of Asia-Pacific shares outside Japan edged up 0.4 per cent but was still down 1.8 percent at the end of another rough week.



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