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Market wrap

Jan. 07, 2019

IT and Realty stocks rally; all eyes on global cues..

The benchmark indices ended nearly 0.5 per cent higher on Monday led by a rise in information technology (IT) and realty stocks.

The S&P BSE Sensex ended at 35,850, up 155 points or 0.43 per cent, while the broader Nifty50 index settled at 10,772, up 44 points or 0.41 per cent.

The Indian economy is estimated to grow at 7.2 per cent in 2018-19 (FY19), up from 6.7 per cent in 2017-18, data released by the Central Statistics Office on Monday showed. The FY19 gross value added (GVA) growth is estimated at 7.0 per cent, compared to 6.5 per cent for the previous financial year. The FY19 nominal GDP growth is estimated at 12.3 per cent, up from 10 per cent in the previous year. The CSO estimated FY19 industry sector growth at 7.8 per cent, compared to 5.5 per cent in the previous financial year. It estimated FY19 services sector growth at 7.3 per cent, compared to 7.9 per cent in FY18. Further, it estimated FY19 farm sector growth at 3.8 per cent, against 3.4 per cent in the previous year.

Sectors and stocks

Among the sectoral indices, the Nifty IT rose 1.1 per cent led by MindTree, Infosys and Tata Consultancy Services (TCS). The Nifty Realty, too, rose 1.2 per cent led by Godrej Properties and Sobha.

Shares of real estate companies had rallied up to 20 per cent on the BSE in intra-day trade on hopes of cut in the goods and services tax (GST) rate for under-construction and finished houses to 5 per cent.

Shares of AGC Networks surged 20 per cent to Rs 118.40 apiece on Monday, zooming nearly 100 per cent in past four-weeks, on back of heavy volumes. The stock of IT consulting and software firm rallied 97 per cent from Rs 60.20 since December 10, 2018.

Among individual stocks, Bandhan Bank and Gruh Finance fell around 5 per cent on the BSE amidst proposed merger between the two.

In the broader markets, the S&P BSE MidCap index settled at 15,152, up 5 points or 0.03 per cent while S&P BSE SmallCap index rose 9 points or 0.06 per cent to end at 14,601.

Global markets

Asian shares sped ahead on Monday as a dovish turn by the Federal Reserve and startlingly strong U.S. jobs data soothed some of the market's worst fears about the global outlook.

Shanghai blue chips rose 0.4 per cent, having already climbed over 2 per cent on Friday. MSCI's broadest index of Asia-Pacific shares outside Japan put on 1.3 per cent. Japan's Nikkei shot up 2.8 per cent, while South Korea added 1.2 per cent.

Oil prices

Oil prices rose by more than 1.5 per cent on Monday on hopes that talks in Beijing can resolve a trade war between the United States and China, while supply cuts by major producers also supported crude.

Brent crude futures were at \$58.04 per barrel, up 98 cents, or 1.7 per cent, from their last close. US West Texas Intermediate (WTI) crude oil futures were at \$48.85 per barrel, up 89 cents, or 1.9 per cent.



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For research related queries contact:

Mr. Akash Jain – Vice President (Research) at, 022-67160431 (D)

CIN: L74140MH1986PLC041941

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Website: www.ajcononline.com

Registered and Corporate office

408 - (4th Floor), Express Zone, "A" Wing, Cello – Sonal Realty, Near Oberoi Mall and Patel's, Western Express Highway, Goregaon (East), Mumbai – 400063. Tel: 91-22-67160400, Fax: 022-28722062