



**AJCON GLOBAL**  
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## Market wrap

March 13, 2020

**March 13, 2020 would be remembered in the history of Indian Capital markets; biggest intraday recovery witnessed..**

Indian equities experienced biggest intraday recovery after being locked in 10 percent lower circuit in early morning. Emotions like fear, hope, ecstasy and greed were all experienced in a single day amidst highly volatile session. Both Nifty and Sensex registered significant gains on Friday after posting a record intra-day recovery as investors temporarily put aside worries over coronavirus spread and indulged in value buying. The Nifty50 index was locked in 10 per cent lower circuit early morning which resulted in a trading halt for 45 minutes. However, once the markets re-opened, the headline indices Sensex and Nifty shot up as much as 5,381 points and 1,604 points, respectively, from their early morning lows. Volatility index surged over 24 per cent during the session.

Sensex closed 1,325 pts, or 4.04 per cent, higher at 34,103 and the Nifty50 index a tad above 10,000 level at 10,023.65, up 433 points, or 4.54 per cent. The rebound was led by index heavyweights like HDFC which ended 10 per cent higher and State Bank of India which zoomed 14 per cent. Reliance Industries was also up over 5 per cent. In the end, 27 out of the 30 Sensex constituents ended the session in green.

The broader markets also joined the benchmarks in the upmove. The S&P BSE MidCap index closed 258 points, or 2.09 per cent, higher and the S&P BSE SmallCap index gained 146 points, or 1.26 per cent.

On a weekly basis, however, the Sensex posted worst week in over a decade - down 11.35 per cent while the Nifty50 index slipped 11.6 per cent in the week.

### Crude oil

Oil prices rose over 3 per cent but were set for their worst weekly drubbing since the 2008 financial crisis.

### Sectors and stocks

Airline stocks plunged into deep red on Friday due to the ongoing travel restrictions in the wake of coronavirus outbreak. Shares of IndiGo and SpiceJet were trading with heavy losses. InterGlobe Aviation, the parent of the country's largest airline IndiGo, saw its shares slump 14.08 per cent to hit 52-week low of Rs. 875. SpiceJet dropped nearly 10 per cent to Rs. 44.70.

Shares of Vodafone Idea rallied 38 per cent to Rs. 5.80 on the BSE on Friday after media reports suggested that the Union Cabinet has likely approved a bailout plan for the stressed telecom industry which proposes to give relief to the telecom companies with respect to their pending adjusted gross revenue (AGR) dues. The stock of Vodafone Idea bounced back 53 per cent from its intra-day low of Rs. 3.78 on the back of heavy volumes. The market price of the telecom services provider was trading at its highest level since January 27, 2020.

Shares of Tata Group companies, including Tata Steel, Tata Power Company and Indian Hotels, bounced back up to 27 per cent from their respective early morning lows on the back of the heavy volumes on Friday. All these stocks had hit their multi-year lows in the early morning trade today.

Shares of pharmaceutical companies were in focus with Nifty Pharma index rebounding 16 per cent from its early morning low on strong rally in Aurobindo and Sun Pharmaceuticals. Sun Pharma was up 10 per cent to



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Rs. 390, recovering 20 per cent from day's low. The stock of drug firm hit intra-day low of Rs. 325, its lowest level since September 6, 2012 on the NSE. Sun Pharma on Thursday after market hours announced that its board will consider the buyback of company's shares on Tuesday, March 17, 2020. The primary objective of a share buyback programme is to arrest the fall in the value of a stock by reducing the supply of the stock, which essentially pushes up the share price through a better price to earnings (P/E) multiple.

Among other pharma stocks, Biocon, Cipla, Lupin and Divi's Laboratories were up in the range of 1 per cent to 5 per cent on the NSE. These stocks have rebound between 18 per cent and 23 per cent from their respective intra-day lows.

### **Global Markets**

Stocks plunged on Friday with coronavirus panic selling hitting nearly every asset class, before finding some kind of floor as hopes turned to a US stimulus package.

Japan's Nikkei fell 10 per cent before paring the drop to close 6 per cent lower. Australia's S&P/ASX200 had its wildest trading day on record, falling past 8 per cent before surging in the last minutes of trade to settle 4.4 per cent higher after the close.

In Europe too, markets bounced back from their worst day ever, as signs of a US stimulus package helped soothe fears about an economic shock from the coronavirus pandemic.



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