

### **Domestic bourses end in red; Financials and auto stocks decline..**

The benchmark indices failed to hold on gains and closed in the red zone led by worries on the economic damage to be caused by the extended lockdown to curb COVID-19 menace. Weak global cues also played a spoilsport.

The S&P BSE Sensex declined by 310 points to 30,379 while the Nifty50 closed at 8,925, down 68 points. The broader markets outperformed the benchmarks. Top Nifty gainers include Shree Cements, Britannia Industries, HUL and UPL. Top Nifty losers include HDFC Bank, Bajaj Finance, Hero MotoCorp and Kotak Mahindra Bank.

The S&P BSE Midcap index was up 1.3 percent while the S&P BSE Smallcap index closed with gains of 1.1 percent.

Sectorally, the S&P BSE FMCG index was up 4.3 percent, the S&P BSE Realty index was up by 1.9 percent and the S&P BSE Capital Goods index ended up by 1.3 percent.

### **Key development**

The government in the morning released revised guidelines for the extended lockdown, allowing some business activity to reduce the pain for millions of people, especially the daily-wage earners, but failed to lift the sentiment.

India's exports declined by 34.57 per cent to US\$21.41 billion in March 2020. Trade deficit narrowed to US\$9.76 billion in March 2020 this year from US\$11 billion in the same month last year. It was US\$152.88 billion in April-March 2019-20 compared to US\$184 billion in the previous fiscal. "The decline in exports has been mainly due to the ongoing global slowdown, which got aggravated due to the current Covid-19 crisis. The latter resulted in large scale disruptions in supply chains and demand resulting in cancellation of orders," the commerce ministry said in statement. Imports in March declined by 28.72 per cent to US\$31.16 billion.

### **Crude oil**

Crude oil declined by 4 per cent towards US\$28 a barrel on Wednesday owing to persistent oversupply and collapsing demand due to global coronavirus-related lockdowns and a lack of coordinated oil purchases for strategic storage. US West Texas Intermediate crude moderated by 45 cents, or 2.2 per cent, to US\$19.66.

### **Sectors and stocks**

Shares of Larsen & Toubro rose as much as 7 per cent to Rs. 926 on the BSE on intraday basis on Wednesday after the company's Heavy Civil Infrastructure business secured two contracts from the National Capital Region Transport Corporation (NCRTC) in Uttar Pradesh to build Regional Rapid Transit System (RRTS) Infrastructure. "The scope of the project is to execute a new, dedicated, high speed, high capacity rail system in the Delhi - Gaziabad - Meerut Corridor. RRTS is distinct from metro transit systems as it caters to passengers traveling relatively longer distances with fewer stops and at higher speed. The design speed for the project is 180 KMPH with an average operational speed of 100 KMPH," L&T said in an exchange filing.

Bharti Airtel became the fifth most valuable listed company in terms of market capitalisation (m-cap) after the stock surged 16 per cent in the past three days on expectation of good Q4 earnings. The telecom service provider has surpassed mortgage lender Housing Development Finance Corporation (HDFC). The stock ended 0.29 per cent lower at Rs. 510 apiece.

Shares of Motherson Sumi Systems (MSS) gained 15 per cent to Rs. 72.60 on the BSE on Wednesday after the company's board gave in-principle approval to raise Rs. 1,000 crore to enhance liquidity during the uncertain times of coronavirus pandemic (Covid-19).

Shares of agri-related companies rallied up to 17 per cent on the BSE on Wednesday after the government, in its detailed guidelines, allowed activities like agricultural, horticultural, farming, procurement of agri products and 'mandis' after April 20. The agrochemicals and fertilisers companies like UPL, Rashtriya Chemicals & Fertilizers (RCF), Deepak Fertilisers & Petrochemicals Corporation, Chambal Fertilisers & Chemicals and tractor manufacturer Escorts were up between 10 per cent and 17 per cent on the BSE. Godrej Agrovet, Rallis India, Gujarat State Fertilizers & Chemicals, Gujarat Narmada Valley Fertilizers & Chemicals, Coromandel International and Dhanuka Agritech were up in the range of 5 per to 9 per cent. Meanwhile, the India Meteorological Department (IMD) will issue the first stage Long Range Forecast (LRF) for south-west Monsoon season (June-September) rainfall on today.

Shares of Metropolis Healthcare slumped as much as 14 per cent to Rs. 1,152 on the BSE on Wednesday after more than 13 per cent of the company's equity changed hands via block deals in early morning trade. The stock closed at Rs 1,258.95, down over 6 per cent.



Shares of Muthoot Finance slipped 7 per cent to Rs 692 on the BSE on Wednesday after global rating agency Moody's downgraded the gold finance company's outlook to 'negative' from 'stable'. "Moody's Investor Service has affirmed Muthoot Finance's 'Ba2' Corporate Family Rating and its outlook changed to negative from stable," the agency said in a rating action on Monday. Moody's said that the Indian non-banking finance company (NBFC) industry has been affected given disruptions to India's economic activity from the coronavirus outbreak, which will weaken companies' credit profiles. Given the negative outlook, an upgrade is unlikely for Muthoot Finance in the near term. However, the outlook could return to stable if the company's solvency and liquidity remain stable over the next few quarters. Muthoot's ratings could be downgraded if the company's funding and liquidity profile materially deteriorates during the next 12-18 months, the Moody's report said.

### **Global markets**

Global equities were in negative terrain on Wednesday as warnings of the worst global recession since the 1930s underlined the economic damage done during the coronavirus pandemic even as some countries try to re-open for business.

MSCI's All-Country World Index, which tracks shares across 49 countries, was 0.37 per cent down.

European stock markets opened lower, with the pan-European STOXX 600 index opening 0.8 per cent lower after five previous days of gains.

In the United States, E-Mini futures for the S&P 500 fell 0.5 per cent, following a 3 per cent rise in New York.

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