

Escalating COVID -19 cases and significant fall in crude oil prices creates panic in investor community...

Indian equities witnessed significant volatility and finally ended in red amidst fall in crude oil price and increasing COVID-19 cases in India. The S&P BSE Sensex closed the day at 28,288 levels, down 581 points or 2 per cent with ITC (up 7 per cent) being the top gainer and Bajaj Finance (down 10 per cent) the biggest loser. The S&P BSE Sensex, Nifty50, and Nifty Bank touched fresh 3-year low amidst intense volatility. The Nifty Midcap index closed at a 4-year low while India VIX jumped to a 12-year high. Volatility index India VIX advanced around 13 per cent to 71.95 levels.

During the day, the index hit a high and low of 29,370.53 and 26,714.46, respectively. Reliance Industries (RIL), ICICI Bank, Axis Bank, and Bajaj Finance contributed the most to the index's fall while FMCG major ITC, HDFC Bank, and Infosys gave the much-needed support.

NSE's Nifty ended at 8,263, down 205 points or 2.42 per cent with 40 out of 50 constituents declining and 10 advancing.

Among sectoral indices on the NSE, Nifty Auto cracked the most - down around 6 per cent to 5,195 points, followed by Nifty Metal and Nifty Media indices. In the broader market, Nifty Midcap 100 index ended at 12,053, down 542 points or over 4 per cent while the Nifty SmallCap index slipped 222 points or over 5.5 per cent to 3,797-mark.

The IT index hit a 27-month low despite rupee breaching the 75 per dollar mark. Tata Elxsi and Hexaware Tech tanked over 11 percent followed by NIIT Tech, Just Dial and Mindtree.

As many as 412 stocks hit the lower circuit of BSE. These include Future Retail, Vakrangee, Indiabulls Ventures, Edelweiss Financial, Avenue Supermarts, IRCTC and Qess Corp. Over 1000 stocks hit 52-week low on BSE. Among them were Future Lifestyle, Ashok Leyland, Bharti Infratel, Indiabulls Housing, Tata Elxsi, Hexaware Tech, NIIT Tech, Apollo Hospitals, Qess Corp, Edelweiss Financial, KEC International, Bata India, L&T Infotech, Godrej Properties, Maruti Suzuki and BPCL among others.

Indian rupee

In the currency market, rupee touched a record low of 75.01 against the US dollar, as a flight into cash and worries about tightening liquidity boosted demand for the world's reserve currency.

Sectors and stocks

ITC has re-entered the list of top 10 most valuable companies after the stock rose nearly 6 per cent to Rs 160 on the BSE on Thursday. ITC's stock was trading higher for the third straight day, surging almost 9 per cent from the level of Rs 147 on Monday, March 16, 2020. It hit multi-year low of Rs 135 on Friday, March 13, in intra-day deal.

Shares of Yes Bank share price declined by 12 percent on March 19, a day after , Madhu Kapur, sold about 2.5 crore shares for Rs. 161 crore at Rs. 65 apiece.

Shares of Bharti Infratel declined up to 19 percent on March 19, a day after the Supreme Court of India refused to offer any further relief to the telecom companies with regards to AGR dues.

Stocks of alcoholic beverage companies including United Spirits, United Breweries, and Globus Spirits plunged up to 16 per cent on the National Stock Exchange (NSE) on Thursday as selective state governments order complete shutdown of malls, bars, restaurants, and night clubs till March 31 in the wake of coronavirus (Covid-19) outbreak. Individually, United Spirits plunged the most, down 16 per cent on the NSE, followed by GM Spirits (13.17 per cent), and Globus Spirits (10 per cent). Besides, Radico Khaitan slipped 7 per cent, United Spirits (5.6 per cent), Pioneer Distilleries (5 per cent), and Associated Alcohol and Breweries (4.8 per cent). Among these, United Spirits, United Breweries, Pioneer Distilleries, Globus Spirits, and GM Breweries all hit their respective 52-week lows of Rs 476.45, Rs 749.5, Rs 95, Rs 64.65, and Rs 240, respectively. In comparison, the benchmark Nifty50 was down 457 points, or 5.4 per cent, at 8,011.40 level.

Shares of auto companies were down by up to 19 per cent on the NSE on Thursday as panic selling continued amid growing fears of economic dislocation due to pandemic Coronavirus (Covid-19). Nifty Auto index hit a six-year low today. Among stocks during the day, Ashok Leyland bled the most - falling up to 19 per cent in the trade. Bharat Forge, Maruti Suzuki India (MSIL), and Mahindra & Mahindra (M&M), all were down over 11 per cent each. Other stocks that were under pressure included Hero MotoCorp, Tata Motors, and Bajaj Auto, among others. These stocks were down in the range of 3.5 - 5 per cent.

Crude oil

Oil prices declined significantly on Wednesday, with U.S. crude futures hitting an 18-year low, as governments worldwide accelerated lockdowns to counter the coronavirus pandemic. Oil futures have lost more than half their value in the past 10 days as schools have closed, businesses have shuttered and governments worldwide have urged residents to limit gatherings. The decline in the U.S. market in the last 10 days is the largest ever for the contract since it was introduced in 1983. Brent crude settled down \$3.85, or 13.4%, at \$24.88 a barrel after dropping as low as \$24.52, its weakest since



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2003. The oil market was already reeling after Saudi Arabia decided this month to dramatically increase supply since it and Russia could not agree to cut output in anticipation of weaker demand. Oil prices rose on Thursday but wiped off early gains as investors tried to assess how effective massive stimulus by central banks will be in shoring up the global economy as the shock from the COVID-19 pandemic deepens.

Global markets

Stimulus package announced by US and Europe went in vain as it was difficult for global equities to stabilise amidst COVID-19 and oil crisis. Asian equities were under tremendous pressure. The Hang Seng index dropped 4.3 per cent to 21,344.93, the lowest since July 2016, while the Shanghai Composite Index lost 2.1 per cent to 2,670.37.



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