

Hope rally witnessed on expectations of a stimulus package and positive global cues; FM announces relief in GST and Income Tax filing and many other compliance and regulatory relief..

Domestic bourses bounced back after witnessing biggest fall yesterday on positive global cues and on expectations of a stimulus package that would provide some relief to economy in the wake of COVID-19 crisis. Finance Minister Nirmala Sitharaman said that an economic package was still underway and today announced a slew of other measures, mainly with regard to regulatory compliance matters. Earlier, investor sentiment got a boost after the US Federal Reserve on Monday rolled out an array of measures to support the US economy, including purchases of corporate bonds.

The S&P BSE Sensex today ended at 26,674, up 693 points or 2.67 per cent while NSE's Nifty50 closed the session at 7,801, up 191 points or 2.51 per cent. During the day, the 30-share Sensex hit a high and low of 27,462.87 and 25,638.90, respectively. IT major Infosys ended as the biggest gainer on the index with the gain of around 13 per cent after the company said the US Securities and Exchange Commission (SEC) has concluded the investigation in the whistleblower allegations made last year, and that it does not anticipate any further action by the regulator.

On the NSE, all sectoral indices but Nifty Realty ended in the green. Nifty IT topped the list with over 6 per cent gains to 11,865 levels, followed by Nifty FMCG and Nifty Pharma. Nifty Realty index, on the other hand, slipped 2 per cent to 170.65 levels.

India VIX, the volatility index, cooled off around 14 per cent to 81.94 levels.

In the broader market, the Nifty Midcap 100 index ended with over 1 per cent gains at 11,110 while the Nifty SmallCap index slipped around 1 per cent to 3,340 levels.

Key developments

SEBI on Monday extended the relaxation to listed entities that have listed their debt securities such as non-convertible debentures and commercial papers. In a circular, SEBI said it has decided to grant relaxation to listed entities that have listed their non-convertible debentures (NCDs), non-convertible redeemable preference shares (NCRPS) and commercial papers (CPs), as well as municipal debt securities, from certain compliance. The regulator has extended the deadline by 45 days till June 30 for submitting half-yearly financial results for NCDs, NCRPS and CPs, while it has given a time period of another 30 days till June 30, for filing annual earnings.

Crude oil

Oil prices rose on hopes that the United States will reach a deal soon on a \$2 trillion coronavirus aid package which could blunt the economic impact of the outbreak and in turn support oil demand.

Sectors and stocks

Shares of Hindustan Unilever (HUL) surged 10 per cent to Rs 2,059.80 on the BSE on Tuesday after the consumer goods major announced the acquisition of intimate hygiene brand VWash from Glenmark Pharmaceuticals for an undisclosed sum. The deal would include an upfront cash payment and a deferred consideration over the next three years, the firm said in an exchange filing yesterday. The acquisition includes intellectual property, trademark and design of the brand. "The acquisition gives us entry into the currently underpenetrated and rapidly growing female intimate hygiene segment. The brand has a leadership position and fits well into the white spaces in our Beauty and Personal Care business," HUL's Chairman and Managing Director, Sanjiv Mehta said.

Shares of IndusInd Bank tanked as much as 30 per cent to hit an 8 year low of Rs. 235.55 on the National Stock Exchange (NSE) on Tuesday after the bank's managing director and chief executive officer (MD & CEO) Romesh Sobti retired on Monday. The bank has now appointed Sumant Kathpalia as the managing director and chief executive officer. Kathpalia's appointment as MD & CEO will be placed for approval of the shareholders at the ensuing annual general meeting, the bank said in a statement. In February, global rating agency Moody's had revised the outlook on IndusInd Bank's instrument to "negative" from "stable" to account for the risk of further asset quality deterioration. However, it affirmed ratings on foreign and domestic currency deposits, on the back of a strong capital base. Over the last few quarters, the bank has seen a deterioration in its asset quality, particularly in the corporate segment. Tight refinancing conditions for borrowers were a key trigger for the crystallization of nonperforming loans (NPLs), the agency said. The outbreak of coronavirus (Covid-19) has raised fears of fresh bad loan wave as small businesses are likely to default owing to demand disruption.

Aviation stocks including SpiceJet and InterGlobe Aviation-run IndiGo crash landed at the bourses today after the central government announced suspension of the domestic flights beginning the 23:59 hours of March 24 in the wake of



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coronavirus (Covid-19) outbreak. While SpiceJet was locked in the 5 per cent lower circuit at Rs. 31.85 apiece on the BSE, IndiGo hit its 10 per cent lower limit at Rs. 765.05 before recovering marginally to trade 8.6 per cent lower at Rs 776.50. "The operation of all scheduled domestic flights (except all-cargo flights) by any aircraft operator holding an air operator certificate issued by Directorate General of Civil Aviation (DGCA) shall cease with effect from 23:59 hrs. IST on 24 March, 2020. The restriction shall remain in force till 23:59 hrs IST on 31 March 2020," a government notification said. Besides, the notification added that the operation of flights by the holders of Non-scheduled operator permit (except all-cargo flights, off-shore helicopter operations, medical evacuation flights or flights specifically approved by DGCA) and flights by private aircraft operators shall also cease with effect from 23:59 hrs. IST on 24 March, 2020. "Such operators shall plan their operations in such a way that their flights land at the destination latest by 23:59 hrs. IST on 24 March, 2020," it said. The move is part of the nationwide lockdown that the government has imposed to stem the spread of coronavirus that threatens Prime Minister Narendra Modi's attempts to revive the economy, which has already been expanding at the slowest pace in more than a decade.

Global markets

Asian equities were up on Tuesday as the US Federal Reserve's promise of bottomless dollar funding eased painful strains in financial markets, even if it could not soften the immediate economic hit of the coronavirus.

European shares also attempted another rebound after slumping in the previous session.



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SEBI registration Number: INH000001170 as per SEBI (Research Analysts) Regulations, 2014.

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