

Benchmark indices end in green on F&O expiry day; Banks and NBFCs rally significantly on short covering and on expectations of a big economic stimulus package..

The Sensex was up by 1,411 points to end at 29,947, while the Nifty witnessed a rise of 336 points to end at 8,653. The Finance Minister today announced a Rs. 1.7 lakh crore (US\$22.6 billion) economic stimulus plan that will be released through direct cash transfers and food security measures aimed at giving relief to millions of poor hit by the nationwide lockdown in the country.

The gains in the benchmarks were led by FMCG and financials. IndusInd Bank, L&T, Bajaj Finance, Bharti Airtel, and Hero MotoCorp were the top gainers on the Nifty50 index, while HCL Tech, GAIL, Sun Pharma, Tata Steel, and Tech Mahindra led the losses. Among sectors, Nifty Realty surged 7.3 percent followed by Nifty Bank, up 6.4 percent. Nifty Fin Services was also up 5.7 percent, whereas Nifty FMCG added 4.9 percent for the day. Meanwhile Nifty IT and Nifty Auto advanced around 2 percent each. Of the 143 stocks from the F&O segment, 10 have seen their market price more than halve in the March F&O series. The list includes IndusInd Bank, Indiabulls Housing Finance, Equitas Holdings, Tata Motors, Ujjivan Financial Services, Mahindra & Mahindra Financial Services, Axis Bank and Federal Bank. Moreover, 81 other stocks declined between 26 per cent and 50 per cent during the period. However, Hindustan Unilever, Cadila Healthcare, Dr Reddy's Laboratories, Biocon, Torrent Power, Nestle India and Cipla have bucked the trend and outperformed the market by falling less than 10 per cent.

Crude oil

Oil prices declined after being up for last three days following three days, with the prospect of rapidly dwindling demand due to coronavirus travel bans and lockdowns.

Sectors and stocks

Shares of financials, including banks, non-banking finance companies (NBFCs), housing finance companies (HFCs) and insurance companies, rallied up to 40 per cent on the National Stock Exchange (NSE) on Thursday on expectation of huge stimulus package announcement by the government.

Shares of IndusInd Bank snapped their eight-day losing streak and surged 40 per cent to Rs 421.80 on the NSE on Thursday. This is the stock's biggest-ever one-day gain. Despite today's strong rally, the stock has fallen 66 per cent thus far in the current month. In Monday's session, the private lender's stock tanked as much as 30 per cent to hit an 8 year low of Rs 235.55 after the bank's managing director and chief executive officer (MD & CEO) Romesh Sobti retired. 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.

Shares of Caplin Point Laboratories were locked in the 20 per cent upper circuit at Rs. 245 on the BSE on Thursday after the company's arm Caplin Steriles received final approval from the US drug regulator for Verapamil Hydrochloride injection. Verapamil Hydrochloride is a calcium channel blocker used in the treatment of cardiac conditions such as high blood pressure, arrhythmias and angina. "The company's wholly owned subsidiary, Caplin Steriles, has been granted final approval by the United States Food and Drug Administration (USFDA) for its Abbreviated New Drug Application (ANDA) Verapamil Hydrochloride injection USP, 5 mg/2 mL (2.5 mg/mL) and 10 mg/4 mL (2.5 mg/mL) single-dose vial, a generic therapeutic equivalent version of (RLD), Isoptin injection, 2.5 mg/mL, of Mt. Adams Technologies LLC," Caplin Point Laboratories said in a press release. According to IQVIA (IMS Health), Verapamil Hydrochloride injection USP had US sales data of approximately \$28 million for the 12-month period ending December 2019. Caplin Steriles has developed and filed 15 ANDAs on its own and with partners, with 7 approvals so far. The company is also working on a portfolio of 35 simple and complex injectable and ophthalmic products, to be filed over the next 4 years, it added. The stock of Caplin Point had hit a 52-week low of Rs 180 on Tuesday in the intra-day trade. Besides, it has tanked 61 per cent from its 52-week high level of Rs 466 touched on June 2019.

Global markets

Global equities witnessed a fall on Thursday as nerves over jobs data likely to lay bare the economic carnage from the coronavirus pandemic outweighed a US\$2 trillion US stimulus package. Europe's broad Euro STOXX 600 fell 1.6 per cent, with bourses in Frankfurt, London and Paris all down around 2 per cent as a two-day rally faltered. The sour mood was worsened by slumping consumer morale in Germany and data showing stagnant retail sales in Britain last month, even before the virus hit.



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

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