

“Trade cautiously” as it can be a bear trap; Crude oil moves up on ease of lockdowns globally..

Indian benchmark indices ended in positive terrain for the third straight day on Wednesday, supported by buying in financial, IT, auto, and metal stocks.

The S&P BSE Sensex rallied 606 points or nearly 2 per cent to settle at 32,720. HDFC emerged as the biggest gainer on the index - up 7 per cent. Nifty was up by 172 points and closed at level of 9,553 or 1.84 per cent. Top Nifty gainers include HDFC Bank, GAIL India, Adani Ports, Hindalco Industries, and HDFC. Top Nifty losers include Dr Reddy's Laboratories, HUL, Asian Paints, and Axis Bank.

Among sectoral indices, Nifty Metal index was the top gainer - up 3.74 per cent at 1,724 levels, followed by Nifty Financial Service index (up 3.43 per cent). Nifty IT ended over 2 per cent higher at 13,425 levels.

In the broader market, the S&P BSE MidCap index ended at 11,840.20, up 1 per cent while the S&P BSE SmallCap index settled at 10,975, up over 1 per cent.

Volatility index India VIX declined further and ended 4.3 per cent lower at 33.83 levels.

Investors' wealth rose by more than Rs. 2 lakh crore. The average market capitalisation of the BSE-listed companies rose from Rs. 124.13 lakh crore on April 28 to Rs. 126.22 lakh crore today.

Crude oil

Crude oil prices gained led by hopes demand will improve as some European countries and US cities moved to ease coronavirus lockdowns.

June Brent crude futures were trading up by 2.30 per cent, or 47 cents, to \$20.93 a barrel after hitting \$21.60 a barrel. The more active July contract added 22 cents, or 0.97 per cent, to \$22.96 a barrel.

US West Texas Intermediate (WTI) crude futures were up by 12.56 per cent or \$1.55 to \$13.89 after a 27 per cent plunge over the first two days of this week.

Sectors and stocks

Shares of Housing Development Finance Corporation (HDFC) traded higher for the third straight day on the BSE as investors indulged in some value buying after the price erosion during the coronavirus-induced sell-off. It settled at Rs. 1,837 apiece on the BSE, up over 7 per cent.

Shares of Strides Pharma Science rallied by 15 per cent to Rs. 432 on the BSE on Wednesday after the company announced that it has developed and commercialized Favipiravir Antiviral tablets. The product has demonstrated positive outcomes in Covid-19 treatment globally. It is a generic version of Avigan of Toyama Chemical, Japan. Favipiravir is an antiviral medication that was initially developed to treat influenza in Japan. In February 2020, post the outbreak of Novel Coronavirus (Covid-19), Favipiravir was studied in China and several other countries as an experimental treatment of Covid-19. The drug has demonstrated positive outcomes, including a reduction in the duration of Covid-19 and improved lung conditions for the patients. "Strides is the first Indian Company to have commenced export of Favipiravir tablets. The initial supplies start to 3 Gulf Cooperation Council (GCC) countries to treat patients under their Covid-19 procurement program. The company is to immediately apply to Indian Drug Authorities to commence necessary studies and make the drug available to Indian patients expeditiously," the company said in a press release. The company has also entered into a preferred arrangement with a leading Indian API manufacturer for the supplies of Favipiravir API, it said.

Ruchi Soya Industries has entered the list of top 200 most-valued companies by market capitalisation following a sharp run-up in its share price. At the close, the company's m-cap stood at Rs. 11,558.51 crore on the BSE. The stock ended at Rs. 390.70 apiece.

Shares of Deepak Nitrite rallied 10 per cent to Rs. 534 on the BSE on Wednesday on the back of heavy volumes. The stock of commodity chemicals manufacturer was trading close to its all-time high of Rs 543 touched on March 4, 2020. In the past one week, the stock has surged 17 per cent after Deepak Phenolics, a wholly-owned subsidiary of the company, commenced commercial production of Isopropyl Alcohol ('IPA') at its manufacturing facility situated at Dahej, Gujarat effective April 21, 2020. This facility has the manufacturing capacity of 30,000 MT of IPA annually. IPA product is a solvent and majorly used by pharma companies and is also used for manufacturing sanitizer. In the past one month, the stock has soared 46 per cent against 10 per cent gain in the benchmark index. Earlier this month, from April 6, 2020, the company



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had commenced the production of 2 Ethyl Hexyl Nitrate (2EHN) at its Nandesari facility in Gujarat. 2EHN finds application and is one of the essential raw materials / additives used in refining process of diesel oil produced by various refineries.

Hester Biosciences rallied by 20 percent, hitting upper circuit of Rs. 1,366.90 per share intraday on April 29 after the company collaborated with IIT Guwahati to work on the vaccine development against COVID-19. Indian Institute of Technology (IIT) Guwahati is collaborating with Hester Biosciences Limited, a pharmaceutical company based in Ahmedabad, Gujarat, to work on the vaccine development against COVID-19. The agreement between the two parties was signed on April 15, the company said in a filing to exchanges. The vaccine will be based on recombinant avian paramyxovirus based vector platform. The recombinant avian paramyxovirus-1 will be used to express the immunogenic protein of SARS-CoV-2. The recombinant avian paramyxovirus-1 expressing the SARS-CoV-2 protein could be used as a vaccine candidate for further study, it added. "In the current pandemic situation of COVID-19, the world is looking at developing preventive and curative measures to safeguard mankind. IITG & Hester have collaborated to develop and manufacture a recombinant vaccine against COVID-19 disease as a preventive measure.

Shares of Vodafone Idea rallied up 5 percent after the Supreme Court allowed a tax refund of Rs. 733 crore.

Axis Bank declined by over 4 per cent lower at Rs 438.85 apiece on the BSE after the bank posted a loss of Rs. 1,388-crore net loss in Q4FY20. The bank made a big provision of Rs. 7,730 crore provisions in Q4FY20, of which Rs 3,000 crore worth provisions were due to Covid-19 induced uncertainty.

Global markets

Globally equities were up after France and Spain joined governments that plan to ease anti-virus controls and allow businesses to reopen.

In Asia, Chinese equities were up as investors saw signs of lockdown easing. The Shanghai Composite index was up 0.44 per cent at 2,822.44. The blue-chip CSI300 index ended 0.46 per cent higher.

US stock index futures jumped on Wednesday after Gilead Sciences said its experimental antiviral drug met the main goal of a trial testing it in COVID-19 patients.

The yield on the 10-year U.S. Treasury fell to 0.61 per cent on Tuesday from 0.65 per cent late Monday. Yields tend to fall when investors are downgrading expectations for the economy and inflation.

The US economy shrank at a 4.8 percent annual rate last quarter as the coronavirus pandemic shut down much of the country and began triggering a recession that will end the longest expansion on record. The Commerce Department says the gross domestic product, the total output of goods and services, posted a quarterly drop for the first time in six years. And it was the sharpest fall since the economy shrank at an 8.4 percent annual rate in the fourth quarter of 2008 in the depths of the Great Recession.



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