

Positive global cues support rally on last day of FY20; stocks of FMCG, Oil and Gas and metal companies rally..

The S&P BSE Sensex rose by 1,028 points or 3.62 per cent to settle at 29,468.49 on the last day of FY20. Of 30 constituents, 26 advanced and 4 declined. Nifty was up by 317 points (3.82 percent) and closed at 8,598, up 317 points or 3.82 per cent. FMCG major ITC (up around 8 per cent) emerged as the top gainer of the index. RIL (up around 8 per cent), ONGC (up 7.64 per cent), and Tata Steel (up over 6 per cent) were the other major gainers. An uptick in China's manufacturing activity in March lifted investor sentiment on Tuesday. China's official Purchasing Managers' Index (PMI) rose to 52 in March from a collapse to a record low of 35.7 in February.

Oil and gas stocks gained big during the day. The S&P BSE Oil & Gas index rallied around 9 per cent to 10,021 levels. BPCL, HPCL, and GAIL were up in the range of 15-8 per cent.

Volatility index India VIX slipped over 10 per cent to 64.49 levels.

In the broader market, the Nifty MidCap 100 index gained over 2 per cent to 11,704 and the Nifty SmallCap index rose over 3 per cent to 3,595 levels.

Meanwhile, foreign portfolio investors (FPIs) have pulled out net of Rs. 58,348 crore (approx. US\$7.9 billion) from Indian equities in March 2020. The S&P BSE Sensex has reported its biggest quarterly fall in history of the stock market, with the benchmark index falling significantly by 28.6 per cent during January-March 2020 quarter. On the other hand, the Nifty 50, which declined 29.3 per cent, recorded its sharpest quarterly fall since June 1992 quarter when it fell 32.2 per cent during the quarter. For FY20, the S&P BSE Sensex witnessed a fall of 24 percent while the Nifty50 plunged 26 percent in FY20, the biggest fall in fiscal since FY09.

According to a latest UN trade report, the world economy will go into recession this year with a predicted loss of trillions of dollars of global income due to the coronavirus pandemic, spelling serious trouble for developing countries with the likely exception of India and China. With two-thirds of the world's population living in developing countries facing unprecedented economic damage from the COVID-19 crisis, the UN is calling for a \$2.5 trillion rescue package for these nations.

Crude oil

Crude oil witnessed marginal rise on Tuesday after US President Donald Trump and Russian President Vladimir Putin agreed to talks to stabilize energy markets, with benchmarks climbing off 18-year lows hit as the coronavirus outbreak cut fuel demand worldwide.

Sectors and stocks

FMCG and metal stocks too made decent advances. While the S&P BSE Metal index jumped over 5 per cent to 5,713 levels, the S&P BSE FMCG index added around 6 per cent to 10,255 levels. Among individual stocks, Nestle India rallied 5 per cent to Rs. 16,425 in intra-day trade. The stock ended at Rs. 16,289, up around 4 per cent.

Shares of fast moving consumer goods (FMCG) companies gained on Tuesday with Nestle India and Hindustan Unilever (HUL) rallying up to 5 per cent in intra-day trade as street participants expect limited impact on the sector due to the COVID-19 outbreak. Both these stocks are trading close to their respective record high levels on the National Stock Exchange (NSE). Besides, Britannia Industries, Dabur India, ITC, and Emami from the Nifty FMCG index also gained over 5 per cent each, while Tata Consumer Products, Colgate Palmolive (India), Marico, and Godrej Consumer Products (GCPL) were up in the range of 3 per cent to 5 per cent on the NSE.

Shares of metal companies rallied after factory activity in China unexpectedly expanded in March after contracting sharply to a record low, official data showed. The top gainers included Steel Authority of India which surged 13 percent followed by Tata Steel, Vedanta, Hindustan Copper, Hindalco Industries, Jindal Steel & Power, JSW Steel and NALCO.

Global markets

Asian equities witnessed a small rally on Tuesday as factory data from China held out the hope of a revival in activity, even as much of the rest of the world shut down. China's official manufacturing purchasing managers' index (PMI) bounced to 52.0 in March, up from a record-low 35.7 in February and topping forecasts of 45.0. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.94 per cent but that still left it down 22 per cent for the quarter, its worst performance since 2008. Shanghai blue chips rose 0.4% and South Korea 1.87%. Japan's Nikkei eased 1%, to be down 20% since the start of the year. E-Mini futures for the S&P 500 were flat, EUROSTOXX 50 futures rose 0.7 per cent while FTSE futures fell 0.25 per cent.



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