

Indian Stocks Decline From Two-Month High as Vedanta Tumbles

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- ▶ Foreigners buy shares for seventh day, longest run in 2 months
- ▶ Profit at 3 of 4 Sensex firms beat or matched forecasts

Indian stocks declined after a three-day rally pushed the benchmark gauge to a two-month high. Metalmakers and energy shares were among the worst performers.

Vedanta Ltd., the nation's largest copper producer, plunged the most in two months as the company refuted a report that Chief Executive Officer Tom Albanese would stand down. Hindalco Industries Ltd., an aluminum producer, and Tata Steel Ltd. tumbled at least 2.7 percent. Oil & Natural Gas Corp., the biggest explorer, slid to a two-week low, while Coal India Ltd., the world's top producer of the fuel, fell for a third day.

The S&P BSE Sensex slid 0.2 percent to 27,306.83 at the close, after changing direction at least 10 times. The Sensex capped a third weekly gain on Friday as global funds returned to emerging markets amid signals the Federal Reserve will delay increasing interest rates until next year. Foreigners were net buyers of domestic shares for a seventh straight day on Oct. 19, the longest stretch of inflows for two months. That pushed up the gauge's valuation to a two-month high, data compiled by Bloomberg show.



“The market has had a good rally and some breather was expected,” Kaushik Dani, a fund manager at Karvy Stock Broking Ltd. in Mumbai, said by phone. “There was no major news or earnings to drive

prices higher, even though there was buying in the broader market."

The S&P BSE MidCap index added 0.5 percent, rising for a fourth day. A gauge of smaller-sized companies advanced for an eighth day, the longest run of gains since April.



Global funds bought a net \$164 million of Indian stocks on Oct. 19, taking this year's inflow to \$4.4 billion, the highest after Taiwan among eight Asian markets tracked by Bloomberg. They pulled \$2.6 billion in the three months ended September, the most for any quarter since 2008.

"The big emerging markets selloff is over and outflows are abating," Vikas Gupta, an executive vice president at Arthveda Fund Management Pvt., said by phone. "Foreigners will see India as an exception, although it will take two to three months before inflows start to pick up in a big way." Gupta said he favors shares of state-run mining companies, software exporters and two-wheeler makers.

Vedanta CEO

Vedanta tumbled 6.4 percent, the most since Aug. 24 and the worst performance on the Sensex. Albanese will step down as head in March 2016 and will be replaced by former Anglo American Plc CEO Cynthia Carroll, whom the company hired last month as an adviser, Indian television station ET Now reported on its Twitter account. Albanese "will continue to drive the Vedanta business and serve as the group CEO," the London-traded parent company said in an e-mailed statement following the report.

Hindalco retreated 2.7 percent, declining for a fourth day. Cipla tumbled 2.2 percent, the most since Sept. 2. That pared this year's gain to 7.5 percent. ONGC fell 1.8 percent, while Coal India slid 0.8 percent.

Tata Motors Ltd., the owner of Jaguar Land Rover, advanced 1.2 percent, taking this month's rally to 28 percent. Tata Consultancy Services Ltd., the largest software services exporter, added 1.5 percent.

Hero MotoCorp Ltd., the largest motorcycle maker, may say its second-quarter profit fell 6.2 percent to 7.16 billion rupees from 7.63 billion rupees a year ago, according to median estimate of 23 analysts in a

Bloomberg survey. The shares slid 0.2 percent.

Three of the four firms that have posted earnings for the September quarter have beaten or matched analyst estimates, data compiled by Bloomberg show.

The Sensex has fallen 0.7 percent this year and trades at 15.8 times projected 12-month earnings, compared with the MSCI Emerging Markets Index's multiple of 11.3.

• Stocks • Vedanta Ltd/UK

India Stocks Erase Advance as HDFC Bank Profit Trails Estimate

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- ▶ Shanghai Composite Index retreats from two-month high
- ▶ Profit at 5 of 7 Sensex firms that have reported top forecasts

Indian stocks dropped, erasing an earlier advance, as HDFC Bank Ltd. reported earnings that missed estimates and Chinese shares tumbled from an eight-week high.

State Bank of India and ICICI Bank Ltd., the nation's biggest lenders, dropped more than 2 percent each. HDFC Bank, the most valuable, fell for a third day after net income missed estimates for a fifth time in six quarters. Reliance Industries Ltd., owner of the world's largest refining complex, reversed an intraday gain of 1.9 percent. Bharti Airtel Ltd. rallied to a two-month high after the nation's largest cell-phone operator received more than \$1.7 billion from tower sales in Africa.