

Most Indian Stocks Drop as Vedanta Counters Gain in Automakers

Most Indian stocks dropped, with declines in metal producers countering advances in automakers and energy companies.

Vedanta Ltd. and Hindalco Industries Ltd., the largest copper and aluminum makers, were the worst performers on the S&P BSE Sensex after the BSE Ltd. said that the stocks would be removed from the benchmark from Dec. 21. Hero MotoCorp Ltd. and Bajaj Auto Ltd., the largest motorcycle makers, were among the biggest gainers on the index. GAIL India Ltd., a state supplier of natural gas, extended last week's 24 percent rally on report Qatar has agreed to change its LNG-pricing formula to reflect the slump in global energy costs.

Three stocks slid for every two that climbed on the Sensex, which decreased 0.2 percent at the close after changing directions at least 12 times. The index has fallen 3.1 percent in November, its worst month since August, after foreigners pulled \$657 million from local equities and the ruling Bharatiya Janata Party's loss in a state election raised concern about its ability to push reforms. The winter session of parliament begins Thursday.

"The parliament session has been discounted; it would be surprising if any business gets done at all," Vikas Gupta, an executive vice president at Arthveda Fund Management Pvt., said by phone from Mumbai. "We see the index trading in the range for next three to four weeks unless clarity emerges on the Fed liftoff. There are no domestic triggers to propel the market higher." Gupta favors software exporters, state-owned mining companies and two-wheeler makers.

The probability that the Fed will raise the benchmark rate at its December

meeting rose to 70 percent on Monday, according to futures data compiled by Bloomberg. That's up from 50 percent at the start of this month.

Vedanta tumbled 2.9 percent, taking this year's loss to 58 percent. Hindalco plunged 3.8 percent, extending this year's slump to 53 percent.

Adani Ports & Special Economic Zone Ltd. climbed 2.5 percent and Asian Paints Ltd. rallied to its highest level since Oct. 23 on the announcement that the companies would be added to the Sensex.

Hero MotoCorp jumped 2.9 percent, reducing this year's declines to 15 percent. Bajaj Auto increased to its highest price this month.

GAIL India advanced 3.5 percent and Petronet LNG Ltd. rallied to a record. Qatar's RasGas has agreed to waive \$1 billion in penalty that Petronet, India's biggest buyer of the fuel, has to pay for buying only 68 per cent of the contracted 7.5 million tons this year, the Press Trust of India reported, without citing anyone.

Petronet bought less than it agreed to in 25-year contracts with RasGas after a slump in global energy prices led to the fuel being available in spot market at roughly half that rate, the report said. GAIL, Indian Oil Corp. and Bharat Petroleum Corp., the state-owned refiners, had agreed to buy all of the 7.5 million tons a year of LNG from Petronet.

Foreigners sold a net \$14.5 million of local shares on Nov. 20, an eighth straight day of outflows. The withdrawals pared this year's inflows to \$3.7 billion. The Sensex trades at 15.3 times its projected 12-month profits, versus the 11.3 times for the MSCI Emerging Markets Index.