

# Sensex closes up 86 points; Coal India falls 7%

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Photo: HT

**Mumbai:** Indian stocks rose for a second day, with the benchmark gauge climbing to a more than two month high, as foreign funds added to their holdings of domestic shares and a global stocks rally gathered momentum in Asia.

The S&P BSE Sensex closed at 24,804.28 points, up 0.4%, or 86.29 points. The Nifty closes 28.55 points higher, or 0.38%, at 7,538.75. Sensex capped a second weekly advance on Friday as overseas investors bought \$175.6 million of domestic shares on 10 March, boosting the month's inflow to \$1.41 billion. Risk appetite has returned globally before central banks, including the US Federal Reserve, review policy this week.

Tata Motors Ltd is on course for its longest winning streak since 2003. ICICI Bank Ltd, the nation's biggest private lender, rose for the first time in five days. Coal India Ltd, the world's top producer of the fuel, closed 7% down on reports of a buyback. Adani Ports and Special Economic Zone Ltd climbed most in a week. A gauge of small-cap

shares headed for a one-month high.

"Investors are focusing on the global central bank meetings," Vikas Gupta, an executive vice-president at Arthveda Fund Management Pvt. in Mumbai, said by phone. "The central bank firepower is limited. The market will be driven by basic economic data." He prefers consumer companies and makers of appliances.

## Policy reviews

Central banks are being relied on to revive the global economy after a worsening growth outlook wiped almost \$9 trillion off the value of equities worldwide this year through mid-February. The bulk of the stock-market losses have been clawed back, helped by monetary easing in China and last week's announcement of unprecedented stimulus by the European Central Bank. The Bank of Japan will conclude a policy review on Tuesday and a Federal Reserve meeting ends Wednesday.

In India, equities have risen in eight out of 10 days after Finance Minister Arun Jaitley in his 29 February union budget pledged to further cut the fiscal deficit, stoking speculation of an interest-rate reduction by the central bank. Policy measures to boost economic growth, including the passage of the real-estate bill and easing rules for mining companies, have added to the momentum.

## Budget praise

The goal to reduce the fiscal gap to 3.5% of gross domestic product (GDP) in the year starting April 1 "is a firm indication of government intent on fiscal consolidation," RBI governor Raghuram Rajan said over the weekend. The budget drew praise at a central bank board meeting on Saturday for fiscal responsibility, public investment and various reform moves, he said. Rajan said last month that he'd look at both the budget and inflation before making his next move.

"While chances of a rate cut in India have increased, Rajan may do something different because he doesn't want people to out-guess him," Gupta said. "He likes to surprise."

India's consumer prices may have climbed 5.5% from a year earlier in February, compared with 5.7% in January, according to the median estimate of 32 economists in a *Bloomberg* survey. That compares with January's 5.69% gain. The data is due after market hours Monday. Wholesale price index likely fell to -0.19%, a separate survey showed.

Tata Motors surged 3.5%, taking its gains in the past nine days to 22%. ICICI Bank increased to its highest level since 29 January. State Bank of India added 1.1%.

Coal India fell 7% to Rs296.85. *The Economic Times* newspaper reported on Monday the company may buy back 5% of its equity at Rs330-340 per share.

Pfizer India Ltd tumbled 8.67%, after the company said it has discontinued making Corex cough syrup. The government banned the sale of

fixed dose combination of Chlopheniramine Maleate and Codeine syrup with immediate effect, the drugmaker said in a filing. Corex recorded sales of Rs176 crore in the April-December period, the company said.

The Sensex has fallen 4.7% this year and trades at 15.2 times 12-month projected earnings. The MSCI Emerging Markets Index is valued at a multiple of 11.6. **Bloomberg**