

BSE midcap index hits record high; smallcap index hits over 8-year high

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Shares of midcap and smallcap companies were continue at their upward movement with the BSE midcap index hitting fresh record high, while smallcap index touching an over 8-year high in intra-day trade on Tuesday.

At 03:27 am, the S&P BSE Smallcap index was up 0.70% at 13,214.37 and the S&P BSE Midcap index by 0.62% at 13,566.43, as compared to 0.32% rise in the benchmark S&P BSE Sensex at 28,334.34 points.

The BSE Midcap index hit fresh record high of 13,572.60 in intra-day trade, surpassing its previous high of 13,525.71 touched on September 7 this year.

The smallcap index hit an intra-day high of 13,221.76, its highest level January 10, 2008. It touched an all-time high of 14,239.24 on January 8, 2008 in intra-day trade.

In past three-trading sessions, the midcap and smallcap indices were gain nearly 5% each, against 1.8% rise in the benchmark index.

Union Bank of India, Canara Bank, Bank of India and Dena Bank from the midcap and smallcap banking shares gain more than 3% each after the country's newly appointed monetary policy committee delivered a surprise 25-basis-point cut in the repo rate to 6.25%.

Total 57 stocks from the midcap and smallcap indices have hit their respective record highs on the BSE. The list includes Ceat, Escorts, GHCL, Havells India, LIC Housing Finance, TVS Motor Company, Whirlpool of India, NBCC and MRF.

According to CRISIL, A consistent improvement in private consumption demand, and higher government expenditure should lead to even higher production and capacity utilisation in consumption-linked sectors. For firms in these sectors, profitability will also be buoyed by low input costs stemming from a sharp decline in energy and metals prices over the past two years.