

Consumer durables stocks extend fall; PC Jeweller drops over 30% in 5-days

http://www.business-standard.com/article/markets/consumer-durables-stocks-extend-fall-pc-jeweller-down-over-30-in-5-days-116111600249_1.html

Shares of consumer durables companies continued to witness selling pressure with jewellery shares emerging as the top losers for the third straight trading sessions on fears of falling demand in wake of the demonetization.

P C Jeweller, Whirlpool of India, Titan Company, Blue Star and TTK Prestige from the consumer durable index were down in the range of 2% to 8% on the BSE.

At 09:58 am, the S&P BSE Consumer Durable index, the largest loser among sectoral indices, was down 2.6% or 282 points at 10,766, as compared to 0.14% gain in the benchmark S&P BSE Sensex.

To check the black money hurdle, the government has banned the usage of Rs500 and Rs 1,000 notes from the night of November 8-9. The move would create short term panic for some sectors though impacting the sales at least one quarter.

In past five trading sessions, the S&P BSE Consumer Durable index tanked 13.7% against 4.3% decline in the benchmark index.

According to Choice Research, the demand of white goods in coming future will decline as major portion of sales volume is done through cash based transactions.

Demonetization scheme has deteriorated the short to medium term outlook of Gems & Jewellery sector. However, long term outlook is positive as over the many years, people will hide their black money in the form of precious metals like gold, silver instead of currency notes, it added.

P C Jeweller plunged 10% to Rs 319 on BSE in intra-day trade. The stock is currently trading 8% lower at Rs 327, falling 32% in past five trading sessions from Rs 481 on November 8.