

Nifty above 8,850 led by financials; ICICI Bank up 1.5%

http://www.business-standard.com/article/markets/markets-surge-as-fed-holds-rates-sensex-up-300-pts-116092200136_1.html

Benchmark share indices were trading over 1% higher after the first hour of trade tracking a rally in global stocks after the US Fed kept key rates on hold.

At 10:50am, the S&P BSE Sensex rose 287 points or 1% at 28,787 and the Nifty50 surged 87 points or 1% to 8,864. In the broader markets, the BSE Midcap and Smallcap indices were up nearly 1% each. Market breadth was strong with 1619 gainers and 587 declines on the BSE.

Renewed buying interest in Reliance Industries lifted the stock by nearly 2% leading the gains.

ICICI Bank was up over 2%. The Rs 6,000-crore initial public offering (IPO) of ICICI Prudential Life Insurance Company, the biggest in six years and the first by an insurance company, attracted strong demand from investors. The IPO saw nearly 10 times more demand than shares on offer with bids totalling about Rs 45,000 crore.

In the financial pack, Axis Bank, HDFC Bank, SBI and HDFC were up 1%-2.3% making up the top gainers on the benchmark indices.

Auto stocks continued to trade firm led by two-wheeler major Hero MotoCorp up 2.5% followed by Bajaj Auto, Maruti Suzuki, M&M and Tata Motors.

Among others, small-cap shares witnessed buying interest. TVS Motor Company, Aegis Logistics, Escorts, Jubilant Life Sciences, Jyothy Laboratories, Rushil Decor, Whirlpool India and Vakrangee are among 13 stocks from the BSE Smallcap index hitting their respective lifetime highs today.

Syngene International touched a record high of Rs 524 and was up over 4% after the company announced that it has closed the deal with Strand Life Sciences to purchase systems biology and pharma services practice for an undisclosed amount.

Markets rallied, amid strong global cues, after the US Federal Reserve decided to keep key policy rates on hold. Gains were led by financials with private banking majors rising the most.

At 9:40am, the S&P BSE Sensex jumped 326 points at 28,831 and the Nifty50 surged 103 points to 8,880. In the broader markets, the BSE Midcap and Smallcap indices

were up 1% each. Market breadth was strong with 1452 gainers and 287 declines on the BSE.

The US Federal Reserve at its two-day policy meet which ended Wednesday decided to maintain status quo on key policy rates but signalled for a possibility of a rate hike by the end of the year with further improvement of the labour market.

Foreign institutional investors were net buyers in equities worth Rs 184 crore on Wednesday, as per provisional stock exchange data.

Financials were the top gainers in early trades led by private banking majors HDFC Bank, ICICI Bank and Axis Bank followed by SBI.

ICICI Bank was up 2.5% after the company's insurance arm witnessed huge interest on the last day of the open offer. The Rs 6,000-crore initial public offering (IPO) of ICICI Prudential Life Insurance Company, the biggest in six years and the first by an insurance company, attracted strong demand from investors. The IPO saw nearly 10 times more demand than shares on offer with bids totalling about Rs 45,000 crore.

Tata Motors was up 1.7%. Tata Motors-owned British brand Jaguar on Wednesday launched the all-new XF luxury saloon with prices starting at Rs 49.5 lakh (ex-showroom, Delhi). Among other auto shares, Maruti Suzuki, M&M, Bajaj Auto and Hero MotoCorp were up 1%-2.2% each.

Index heavyweights Reliance Industries and ITC were also among the top gainers rising 1% each.

IT shares were among the losers with Wipro and TCS marginally down while Infosys was trading flat with positive bias.

Global Markets

Asian markets firmed up tracking overnight gains on Wall Street post the US Federal Reserve's decision to key rates on hold. Markets in Japan were closed on account of a holiday. Shares in Hong Kong gained the most with the benchmark Hang Seng up 1.5% while China's Shanghai Composite rose 0.8% and Straits Times was trading 0.3% higher.

US stocks rallied on Wednesday following the Federal Reserve's decision to keep rates steady. Gains were led by energy stocks in line with the uptick in oil prices while rise in technology shares also added to the momentum. All the major indices gained 1% each with the Dow Jones industrial average ending at 18,294, the S&P 500 at 2,163 and the Nasdaq at 5,295.