

Sensex hits over 1-year high on FII inflows; capital goods, bank stocks spurt

<http://www.thehindubusinessline.com/markets/stock-markets/sensex-nifty-live-update/article9054242.ece>

Indian shares rose to their highest in more than a year on Wednesday on sustained foreign fund inflows and persistent buying by domestic financial institutions as well as retail investors.

A string of positive earnings results, including most recently from Whirlpool of India Ltd, also lifted the sentiment ahead of economic growth data later in the day.

The broader NSE index rose 41.85 points or 0.48 per cent to 8,786.20 after earlier hitting its highest since April 2015. It gained 1.7 per cent in August, marking its sixth consecutive monthly gain.

The BSE index rose 109.16 points or 0.39 per cent to 28,452.17 after earlier hitting its highest since July 2015. It ended up 1.4 per cent for the month.

Among BSE sectoral indices, capital goods index gained the most by 1.4 per cent, banking 1.2 per cent, consumer durables 0.71 per cent and infrastructure 0.7 per cent. On the other hand, metal index was down 1.4 per cent, realty 0.81 per cent, healthcare 0.42 per cent and IT 0.39 per cent.

Top five Sensex gainers were L&T (+2.71%), Hero MotoCorp (+2.13%), HDFC Bank (+1.83%), Tata Motors (+1.73%) and Asian Paints (+1.09%), while the major losers were Tata Steel (-1.95%), ONGC (-1.92%), Lupin (-1.71%), NTPC (-1.58%) and TCS (-1.42%).

Shares of Kotak Mahindra Bank rose as much as 2.65 per cent to a record high of Rs. 807 after the Reserve Bank of India granted approval to the Canada Pension Plan Investment Board to acquire shares in excess of 5 per cent but below 10 per cent of the paid-up capital of the company.

Whirlpool India rose as much as 2 per cent after the company reported a 26 per cent jump in its June-quarter net profit.

UltraTech Cement rose as much as 4.4 per cent to a record high of Rs. 4,063.9 after the RBI said foreign investors could invest up to 30 per cent in the company.

Auto and bank stocks were the biggest gainers on the NSE index, with Tata Motors up around 3.1 per cent, while IndusInd Bank rose 2.3 per cent.

Economic growth

Good economic growth could continue to attract foreign institutional investors (FIIs), who have bought a net \$1.27 billion in August, according to Thomson Reuters data.

The gains over the past three sessions have helped the NSE index add about 1.7 per cent this month in what could be its sixth consecutive monthly gain, the longest streak since the election of Prime Minister Narendra Modi in May 2014 sparked seven straight months of gains.

"FII numbers were largely muted last week, with marginal negative inflows but since Monday, the provisional numbers have risen significantly," said Vinod Nair, head of research with Geojit BNP Paribas Financial Securities.

"This is a good sign ahead of the F&O expiry."

Global markets

Bond yields rose on Wednesday, with 10-year US Treasury yields on course for their biggest monthly rise in over a year as investors continued to build up bets that the Federal Reserve will raise interest rates before the year is out.

The growing prospects of a rate hike, perhaps next month, lifted the dollar against many major currencies, pushing it up to a one-month high against the Japanese yen.

Asian shares eased on Wednesday following modest losses on Wall Street, with investors awaiting US jobs numbers for further signs the Federal Reserve may raise rates as soon as September.

The growing prospect for an imminent rate hike lifted the dollar against major currencies such as the yen.

MSCI's broadest index of Asia-Pacific shares outside Japan was down 0.3 per cent as traders looked to August US non-farm payrolls due on Friday after a run of strong economic data and hawkish comments from Fed officials. The index still remains on track for a 1.8 per cent gain in August.