

Indices slip nearly 1% on renewed rate hike fears

SUNDAR SETHURAMAN

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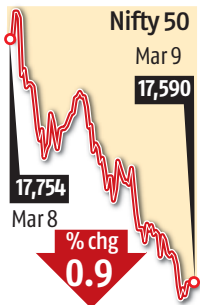
India's benchmark indices fell close to 1 per cent on Thursday as US Federal Reserve Chairman Jerome Powell's ambiguous remarks and strong US jobs data sparked worries about the likelihood of higher rates.

After posting gains in the previous three sessions, the Sensex declined 542 points, or 0.9 per cent, to close at 59,806, while the Nifty50 index settled at 17,590, down 165 points, or 0.93 per cent.

Overseas investors sold shares worth ₹562 crore on Thursday, while domestic institutional investors were net buyers to the tune of ₹42 crore, according to provisional data from the exchanges.

In the preceding three trading sessions, the Sensex had gained 1,439 points, or 2.44 per cent, despite turbulence in

GETTING THE JITTERS



Top Nifty players

1-day chg (%)

GAINERS

Tata Steel	1.6
L&T	1.0
Apollo Hospitals	1.0

LOSERS

Adani Enterprises	-4.2
M&M	-3.2
SBI Life	-2.9

Sectoral performance

1-day chg (%)

Nifty Auto	-1.8
Nifty Consumer Durables	-1.2
Nifty Realty	-1.2
Nifty PSU Bank	-1.1
Nifty IT	-1.1

Source: Bloomberg, Exchange
Compiled by BS
Research Bureau

INDIA'S VALUATION PREMIUM TO EMs, WORLD MARKET SHRINKS P11,1

EDIT: SHIFTING EXPECTATIONS

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global markets.

On Wednesday, Powell had told US lawmakers that the Fed would await fresh data before deciding on the quantum of rate hike this month. However, he reiterated that rates might go higher than anti-

pated if incoming economic data warranted such a move.

The US Labor Department's Job Openings and Labor Turnover Survey increased speculation about a 50-basis-point hike.

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Jhunjhunwala, M&A tax partner, Nangia Andersen LLP. The move is in line with the Central government's efforts to combat money laundering. In another notification, it had brought trading in cryptocurrencies and digital assets within the ambit of the PMLA. The new rules mandate crypto exchanges and intermediaries dealing in virtual assets to maintain KYCs of their clients and report suspicious transactions to financial intelligence units.

Market...

Market experts said there was a shift towards a regime of lower liquidity and higher rates, which did not augur well for equities. Investors will now be tracking the US payroll data, to be released on Friday, for further cues. "Domestic equities finally succumbed to global pressure after three days of the positive move. Renewed concerns over higher interest rates have dented global sentiment. Weak global cues are likely to keep the market volatile in a broader range," said Siddhartha Khemka, head of

research (retail), Motilal Oswal Financial Services.

Ajit Mishra, VP-technical research, Religare Broking, said markets had been facing hurdles on the rise in the prevailing corrective phase. "Mixed global cues and restricted participation from the index majors are largely weighing on the sentiment. On the index front, the Nifty should hold 17,450 now, or else the tone would again turn bearish. Amid mixed signals, participants should maintain caution while selecting stocks and focus more on overnight risk management," he said.

The market breadth was weak with 1,987 stocks declining and 1,502 advancing on the BSE. More than two-thirds of the Sensex constituents declined. Reliance Industries declined 2.4 per cent and contributed most to the Sensex decline. ICICI Bank fell 1.8 per cent and TCS fell 1.5 per cent. These three stocks alone accounted for 320 of the 542-point loss on the Sensex. Most of the sectoral indices on the BSE fell. The BSE Auto index fell the most at 1.7 per cent. The Vix index rose 2.2 per cent.

