

# Indices hit 4-month high despite worries

## FPIs return but fears of Fed tightening remain

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Thiruvananthapuram, 8 August

The domestic equity markets hit their highest levels in nearly four months on Monday, following a revival in overseas investors' inflows and a fall in commodity prices.

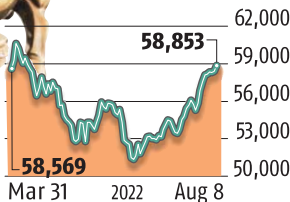
The Sensex gained 465 points, or 0.8 per cent, to close at 58,853 — its highest closing level since April 11. The Nifty50 ended the session at 17,525, following a gain of 127 points, or 0.7 per cent.

In the past 17 trading sessions, the Sensex and the Nifty have ended with losses only on three occasions (all the three losses were less than 1 per cent each). The rebound from June lows has shown little signs of ebbing, thanks to positive flows from foreign portfolio investors (FPIs), even as there are concerns about expensive valuations.

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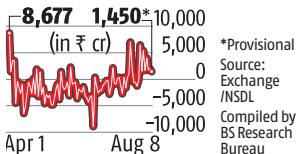


### CLIMBING AGAIN



### STRONG COMEBACK

FPI net investment in equity



▶ JULY MF EQUITY FLOWS HIT 9-MONTH LOW

11,1

▶ ₹ SHEDS 40 P AGAINST \$ ON AGGRESSIVE FED HIKE FEARS

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## Indices...

The benchmark indices are up nearly 15 per cent from their 13-month lows on June 17. India is the best-performing global market during this period; the US is in second place.

FPIs on Monday bought

shares worth ₹1,450 crore, even as their domestic counterparts were marginal sellers. Since July, FPIs have pumped in ₹22,000 crore (\$2.7 billion) into domestic stocks. "FPIs have become net buyers after a long time. And quarterly results of companies have not been that bad. Expected growth numbers from India are good. The rate hikes may reduce the allocation

to emerging markets. There is a general feeling among investors that India will be an outlier as far as the slowdown is concerned," said U R Bhat, co-founder, Alphaniti Fintech.

## House panel...

The said provisions of the Bill have already triggered protests by Opposition parties and