

Markets log best 1-day gains in over 3 months

All Sensex, Nifty stocks close in the green; FPIs pump in ₹4,166 crore

SUNDAR SETHURAMAN

Thiruvananthapuram, 30 August

India's benchmark indices rebounded sharply on Tuesday as stability returned to global markets after a brutal sell-off triggered by US Federal Reserve Chairman Jerome Powell's hawkish comments last week. Strong inflows from foreign portfolio investors (FPIs) on optimism about India's growth prospects saw the domestic markets extend their outperformance over global peers.

The Sensex surged 1,564 points, or 2.7 per cent, to settle at 59,537 on Tuesday, while the Nifty gained 446 points, or 2.6 per cent, to finish at 17,759. This was the biggest single-day gain for both the indices in more than three months, and among the top three gains this year. During the preceding trading session, the two indices had declined about 1.5 per cent each.

The sharp upmove surprised many on the Street as the Fed's quantitative tightening programme and strong commitment to rein in inflation was expected to take zing off equities.

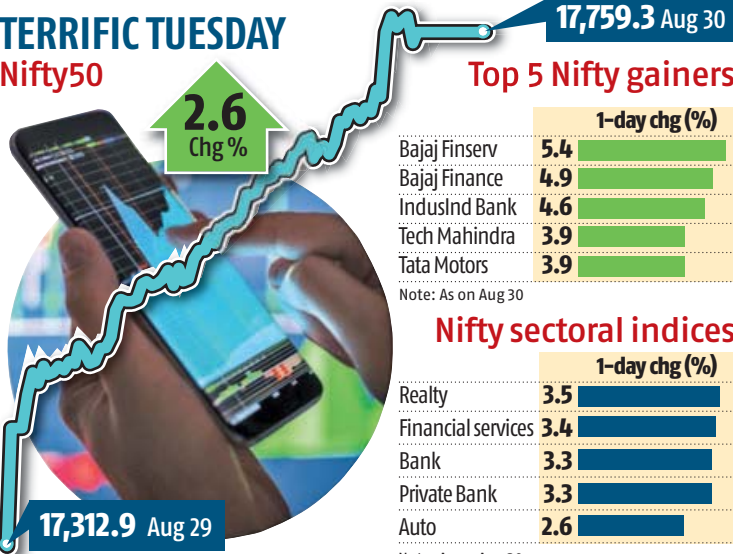
FPIs pumped in ₹4,166 crore on Tuesday to cap the best month of 2022 in terms of overseas flows.

All the 30 Sensex and 50 Nifty components closed in the green. Experts said short-covering and strong buying interest in banking and financial stocks aided the rally. The Bank Nifty index rose 3.3 per cent and the Nifty Financial Services index rallied 3.4 per cent.

The Nifty has risen about a per cent on a year-to-date basis even as the

TERRIFIC TUESDAY

Nifty50



Source: Bloomberg/Exchange

Top 5 Nifty gainers

	1-day chg (%)
Bajaj Finserv	5.4
Bajaj Finance	4.9
IndusInd Bank	4.6
Tech Mahindra	3.9
Tata Motors	3.9

Note: As on Aug 30

Nifty sectoral indices

	1-day chg (%)
Realty	3.5
Financial services	3.4
Bank	3.3
Private Bank	3.3
Auto	2.6

Note: As on Aug 30

Compiled by BS Research Bureau

BEST SINGLE-DAY GAINS FOR NIFTY IN 2022

Date	Nifty closing	1-day % chg
Feb 15	17,352.5	3.0
May 20	16,266.2	2.9
May 17	16,259.3	2.6
Aug 30	17,759.3	2.6

MSCI Emerging Market index has declined over 18 per cent.

"India stands out as an island of growth when there is a clear recession in the rest of the world," said U R Bhat, co-founder, Alphaniti Fintech.

Turn to Page 6 ▶

Page 4

Rupee surges to end at 79.46 vs dollar



The rupee notched up hefty gains versus the dollar on Tuesday as the MSCI's quarterly index rebalancing resulted in a gush of inflows into Indian markets, dealers said. The rupee settled at 79.46 per dollar versus the previous close of 79.97. The yield on the 10-year benchmark government bond slid 6 basis points to close at 7.19 per cent. ▶

the next five years the shift from television to digital will be higher as viewers from smaller towns and cities begin to migrate to digital services, in part because of affordable data tariffs and the penetration of smartphones,” he said.

In its outlook on the Indian media and entertainment (M&E) market in June, PwC said the next few years would see the emergence of new revenue models in digital with the roll-out of 5G service.

“We will see a different profile of M&E businesses emerging with 5G,” said Rajib Basu, partner & leader, entertainment and media, PwC India.

Disney-Star appears to be preparing for this new round of action by shifting its focus to the digital medium.

Markets log best 1-day gains...

Economic growth is a given, the only debate is how much will the Indian economy grow this year. Economic activity has rebounded well, and we are still on adequate foreign reserves. Even if there is a recession elsewhere, we can hold on for a while. Moreover, the selling in global equities after Friday was a bit over-

done. The Fed chairman's remarks belied expectations, which were built on sound fundamentals.”

While most Asian markets closed in the green, US stocks sank after two days of losses. The S&P 500 and the tech-heavy Nasdaq 100 dropped as much as 1.5 per cent and 1.8 per cent, respectively, in early trade.

Most global markets had bounced back from this year's lows in June on optimism that the worst of inflation was behind us and the Fed would be less aggressive on raising interest rates. However, that notion was challenged on Friday by Powell's comments at the Jackson Hole symposium, that rates could remain elevated for longer.

The fall in crude oil prices has raised hopes that inflation may gradually moderate over time. India is a net importer of crude oil, and a rise in crude prices tends to be inflationary.

The India VIX index retreated 6 per cent on Tuesday after soaring 9 per cent a day earlier. Experts say the markets could continue to see wild swings going ahead as the Fed ramps up its balance sheet unwinding this week. China's economic slowdown and the looming energy crisis in Europe as the Russia-Ukraine war rages on are other headwinds facing the equity market.

The market breadth was strong, with 2,397 stocks advancing and 1,028 declining. The Indian markets will resume trading on Thursday and shift focus towards incoming macroeconomic data to gauge the health of the economy and central bank action in future.

Tatas amend AoA to split top roles

The Tata Sons board may appoint the person as the chairman of the board of directors, subject to Article 121, which requires affirmative vote of all directors. The same process will now be followed for the removal of a chairman.

The selection committee will comprise three persons nominated jointly by the Sir Dorabji Tata Trust and the Sir Ratan Tata Trust who may or may not be directors of Tata Sons, one person nominated by and from amongst the board of directors of Tata Sons and one independent outside person selected by the board for this purpose, the new AoA said. The chairman of the committee will be selected by the Sir Dorabji Tata Trust and the Sir Ratan Tata Trust from amongst the nominees nominated by the Trusts.