

Indian equities market hit by rising oil price

Rising price of crude oil and spiralling inflation weighed heavily on the Indian equities market, which slumped more than 750 points this week. Of the four trading sessions, three ended in negative.

Inflation based on the wholesale price index rose 7.82 percent in the year through May 10, 2008, marginally lower than the 7.83 percent rise in the previous week, government data released Friday.

The Bombay Stock Exchange (BSE) sensitive index (Sensex) slumped 785.30 points or 4.50 percent to 16,649.64 in the week ended Friday.

The S and amp;P Nifty declined 211.15 points or 4.09 percent to 4,946.55 in the week.

The BSE Mid-Cap index fell 192.59 points or 2.77 percent at 6,937.1, while the BSE Small-Cap index lost 102.83 points or 1.19 percent at 8,517.43. Both the indices outperformed the sensex.

According to the Securities and Exchange Board of India (SEBI), the Indian equities market attracted foreign institutional investment (FII) to the tune of \$381.50 million over the week.

The stock market remained closed Monday on account of Buddha Purnima.

On Tuesday, the 30-share BSE Sensex lost 204.76 points or 1.17 percent at 17,230.18 and the broader based S and amp;P Nifty was down 52.75 points or 1.02 percent at 5,104.95.

The BSE Sensex rose 12.98 points or 0.08 percent at 17,243.16 and the S and amp;P Nifty gained 12.7 points or 0.25 percent at 5,117.65 Wednesday.

On Thursday, the BSE Sensex lost 336.05 points or 1.95 percent at 16,907.11 and the S and amp;P Nifty was down 92.2 points or 1.8 percent at 5,025.45. A sharp fall in US stocks and record breaking crude oil prices above \$135 a barrel triggered a broadbased decline in blue chip stocks.

On Friday, the BSE Sensex lost 257.47 points or 1.52 percent at 16,649.64 and the S and amp;P Nifty declined 78.9 points or 1.57 percent at 4,946.55 as relentless selling in realty, oil and gas, and metal stocks sparked sell-off in late trade, erasing early gains.

Reliance Industries, India's largest private sector firm by market capitalisation, declined 3.05 percent to Rs.2,554.80 in the week.

The State Bank of India (SBI), the country's largest commercial bank, slumped 7.67 percent to Rs.1,573.20.

Maruti Suzuki India, the country's largest car maker by sales, was down 3.52 percent to Rs.790.15.

Larsen and amp; Toubro, India's largest engineering and construction firm by sales, declined 5.06 percent to Rs.2,844.75 in the week.

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