

## Equities erase gains, key index sheds 252 points

Indian equities markets opened strong Monday and despite staying in the green throughout the morning went into a tailspin late afternoon to erase all gains and end in the red with a key index shedding more than 250 points to again go below the psychologically important 9,000 mark.

There was profit booking at the higher levels and those wanting to exit did so as the underlying sentiment is still weak, analysts said.

The 30-share sensitive index (Sensex) of the Bombay Stock Exchange (BSE) finished at 8,839.87, down 252.85 points or 2.78 percent from its close Friday last week at 9,092.72 points.

The broader-based 50-share S and amp;P CNX Nifty of the National Stock Exchange (NSE), also showed a similar trend and closed at 2682.90, down 72.2 points or 2.62 percent from its previous close Friday last week at 2755.10 points.

The BSE midcap index closed at 2,846.47, down 39.29 points or 1.36 percent from its previous close Friday last week at 2,885.76 points.

The BSE smallcap too ended in the red and finished at 3,297.73, down 6.88 points or 0.21 percent from its previous close Friday last week at 3,304.61 points.

All 13 sectoral indices ended in the red with realty, automobiles, consumer durables and bank being the biggest losers.

The biggest gainer was Grasim Industries, up 1.75 percent, followed by Tata Steel, down 1.69 percent, Tata Consultancy Services Ltd., down 1.06 percent and Sterlite Industries, down 0.74 percent.

The biggest loser was DLF LTd., down 9.96 percent, Maruti Suzuki, down 9.4 percent, ICICI Bank, down 7.21 percent and Reliance Infrastructure, down 6.95 percent.

As many as 1,160 stocks or 52.85 percent declined, 970 stocks or 44.19 percent advanced and 65 stocks or 2.96 percent remained unchanged.

Global cues were mixed. The key index of the New York Stock Exchange closed flat Friday and the Nasdaq index closed Friday with a gain of 0.23 percent.

The Nikkei, key index of the Tokyo Stock Exchange ended in the red Monday with a loss of 1.35 percent but the Hang Seng, key index of the Hong Kong Stock Exchange finished with a gain of 1.59 percent.

'There is now so much uncertainty that the only thing certain is uncertainty,' said Jagannadham Thunuguntla, director of the country's fourth largest share brokerage firm, the Delhi-based SMC Group.

'The markets are, therefore, searching for direction as there are so many issues to understand - global economic slowdown, geopolitical issues as well as domestic political issues,' Thunguntla said

trying to explain Monday's volatility, which saw the Sensex end up losing nearly 500 points from the intra-day high of 9,326.68 points.

'Also today's trading shows the market has not forgotten the fundamental global economic and financial situation which is far from encouraging,' he said.

'Unless there a period of cool and calm in terms of news, markets will continue to search for direction as it has too much on its plate to digest and analyze,' he said.

The outlook, therefore, remains negative although since the markets seem to have already scraped the bottom, some bounce back and profit taking at the higher levels can be expected till some of the uncertainty goes away and investors can again take strong positions either way, analysts said.

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