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Sensex soars past 30,000, rupee gains

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MUMBAI

The Sensex soared past the 30,000 closing mark for the first time ever on the back of positive global cues after strong corporate earnings and the prospect of tax cuts for corporate America boos-

ted shares in the U.S. and Europe.

The Sensex closed Wednesday at 30,133.35.

The rupee also continued its climb against the dollar and has now appreciated almost 6% in 2017.

HISTORIC PEAK ▶ PAGE 13

Sensex scales historic peak

Global rally lift stocks, rupee; FIIs' equity purchases exceed \$3.4 billion in April

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The 30-share Sensex closed above the 30,000-mark for the first time in history as a worldwide stock rally rippled through global markets on Wednesday. Strong foreign inflows into local equities helped the rupee strengthen to a 20-month high against the dollar.

The BSE's benchmark index climbed 190.11 points, or 0.63%, to 30,133.35, with ITC, M&M, HDFC being some of the major gainers.

Foreign institutional investors (FIIs) have pumped in more than \$3.4 billion in equities in April. The Sensex set a record closing high for the second straight day – it closed Tuesday at 29,943.24.

Corporate sector

The present rally, which started around December-end, has been broadbased with both the small and midcap indices outperforming the



Celebration time: BSE employees cut a cake to celebrate the Sensex closing above 30,000 points, in Mumbai. ■ REUTERS

benchmark index. The recent rally in the equity market was also due to strong earnings by the corporate sector including IDFC Bank, which announced a sharp reduction in bad loans on Tuesday.

“While we do think that markets would continue to trend upwards over the long-term, there could be some aberrations due to global events,” said Prasanth

Prabhakaran, Senior President & CEO, YES Securities. “But as seen earlier too, our markets are quick to recover during such times as the domestic growth story remains intact.”

The NSE's Nifty inched higher for the third day, gaining almost 0.5% amid volatility.

“Volatility will remain high due to the derivatives expiry,” said Jayant Manglik,

President, Retail Distribution, Religare Securities.

The rupee also continued its climb against the dollar, appreciating to 64.11 a dollar – a level last seen in August 2015.

The rupee's recent appreciation also comes amid a cautious approach by the central bank in intervening in the currency market due to inflation concerns.

“RBI has been intervening in the currency market but the amount is much lower than earlier,” said Anindya Banerjee, AVP, currency derivatives, at Kotak Securities. “Liquidity is very high in the system and if they buy dollar by infusing rupee liquidity then that contradicts the hawkish stance. And, I think, the government is ready to accept the fact that India needs a stronger currency.”

The Centre's fiscal resolve and the RBI's policy stance will support the rupee near-term, Mr. Banerjee added.