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SENSEX TOO FALLS FROM ALL-TIME HIGH

Rupee crumbles 69 paise to 64.84 on US political turmoil

Dollar struggles near six-month lows against a basket of major currencies

ENS ECONOMIC BUREAU
MUMBAI, MAY 18

STOCK MARKETS and the rupee on Thursday went into a tailspin as global markets were roiled by the latest crisis surrounding US President Donald Trump.

The rupee fell by a massive 69 paise to end at more than one-month low of 64.84 against the US dollar amid heightened global volatility. The US dollar struggled near six-month lows against a basket of major currencies, struggling to recover from its worst losses in almost a year against the yen and the euro.

The 30-share Sensex stayed in the negative zone throughout the session and hit a low of 30,393.72, before settling at 30,434.79, down 223.98 points or 0.73 per cent. It had gained 470.62 points in the previous three sessions to hit record highs. The 50-scrip NSE barometer Nifty plunged 96.30 points, or 1.01 per cent, to close at 9,429.45 after shuttling between 9,418.10 and 9,489.10.

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DOWN FROM \$2-TRILLION PEAK

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Wednesday fell below the psychological level.

Global equity markets fell on Thursday, extending a selloff in the US overnight, as doubts increased that the Trump administration would be able to deliver on its policy goals due to mounting political problems. The latest political developments have put President Donald Trump's administration on the defensive and investors world-wide are worried about his ability to push through proposals on tax cuts, deregulation and infrastructure spending. Concerns among global investors got worse when reports emerged that Trump asked James Comey, who he subsequently fired as the head of the Federal Bureau of Investigation, to back off the in-

vestigation of former national security adviser Michael Flynn.

Foreign portfolio investors (FPIs), who were major buyers in the past few sessions, sold shares worth Rs 731.39 crore on Wednesday, as per provisional data. "Market reacted to the headwinds surrounding the US political climate and its concerns over the upcoming US economic policies. Since the underlying domestic fundamentals are good, the market participants are likely to get back on every consolidation," said Vinod Nair, Head of Research, Geojit Financial Services.

Jayant Manglik, President, Retail Distribution, Religare Securities, said, "markets, in line with global peers, reacted sharply to the news that the US President tried to influence fed-

eral investigation, raising doubts over his policies ahead. Mostly sectoral indices, barring IT, ended lower and settled around the day's low. Besides, caution ahead of the beginning of the two-day GST meet also induced the participants to book some profit. Markets which were slightly overheated after the recent rally, finally got the reason to lighten up."

Among global markets, Hong Kong's Hang Seng fell 0.62 per cent, Japan's Nikkei lost 1.32 per cent, while Shanghai Composite Index shed 0.46 per cent. London's FTSE fell 1.42 per cent in early deals while Frankfurt's DAX shed 1.04 per cent and Paris CAC 40 lost 1.30 per cent.

Tata Motors emerged the biggest loser by falling 2.55 per cent, followed by Axis Bank at 2.15 per cent. Bajaj Auto ended 1.94 per cent down after the company posted a 15.48 per cent dip in its net profit. The BSE realty index suffered the most by losing 3.12 per cent, followed by metal (2.76 per cent), power (2.14 per cent), capital goods (2.09 per cent), consumer durables (2.08 per cent) and auto (1.98 per cent).