



AJCON GLOBAL

Market Wrap

Feb. 19, 2018

Diamond and jewellery stocks continue to be in red; steep fall in banking stocks witnessed ..

The benchmark indices ended 0.7% lower on Monday led by a steep fall in the key banking stocks. The Nifty PSU Bank index ended 2.5% down with Punjab National Bank, Union Bank of India and Syndicate Bank being the top losers.

The S&P BSE Sensex ended at 33,775, down 236 points while the broader Nifty50 index settled at 10,378, down 74 points.

Asian shares gained on Monday, joining a global recovery for equity markets as sentiment improved gradually from a recent shakeout that was sparked by fears of creeping inflation and higher borrowing costs.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.5 per cent, having recovered more than 40 per cent of its losses from late January to last week's low.

Trading was slower than usual due to market holidays in the United States as well as Greater China.

Japan's Nikkei gained 2.0 per cent while US stock futures climbed gained 0.4 per cent in Asia on Monday.

Global Markets

On the global front, European markets were flat with negative. Asian stocks, however, closed in the green with Japan's Nikkei rising 2 percent and South Korea's Kospi up 0.9 percent.

Sectors and stocks

All sectoral indices also closed in the red, but were off day's low. PSU Bank index trimmed losses to 2.5 percent from 6.5 percent due to recovery in SBI that ended down 0.75 percent.

Punjab National Bank lost another 8 percent, taking total four consecutive days' losses to 28 percent after it detected transaction fraud worth Rs 11,400 crore in a Mumbai branch on last Wednesday. Investors lost nearly Rs 11,000 crore wealth in four straight sessions.

Union Bank, Allahabad Bank, Bank of Baroda, Syndicate Bank, Bank of India, Indian Bank and Bank of Baroda shares declined 4.5-7.5 percent.

But there was a sigh of relief for banks as hair-cut for their exposure to stressed assets may be lower than earlier projections, especially after media reports that Tata Steel emerged as the highest bidder with Rs 35,000 crore bid for buying out Bhushan Steel (which was on RBI's first list of 12 companies referred to National Company Law Tribunal).

Gitanjali Gems continued to lock in lower circuit, losing 46 percent in four consecutive sessions after PNB fraud case. Company's Krishnan Sangameswaran resigned as non-executive director, Ms Pankhuri as VP-Compliance and Company Secretary, and Chandrakant Karkare as Chief Financial Officer.

Tata Steel shares shed 6 percent while Bhushan Steel was locked at 20 percent upper circuit.

L&T was down 2.5 percent despite its subsidiary bagged water supply system project worth Rs 1,680 crore.

Adani Ports, M&M, Bajaj Finance, Maruti, HCL Technologies, Sun Pharma, Dr Reddy's Labs and HUL were down 1-3 percent whereas Reliance Industries, Infosys, Kotak Mahindra Bank, Axis Bank and Coal India gained 0.3-0.7 percent.

Kwality gained 4 percent as the board members approved conversion of warrant and debenture into equity shares for Bennett & Coleman and HT Media.



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