



AJCON GLOBAL

## Market Wrap

March 06, 2018

### **Fresh 2018 closing lows witnessed in domestic bourses; Banking stocks remain under pressure..**

The domestic indices pared early morning gains to end over 1% lower on Tuesday.

The S&P BSE Sensex ended the day at 33,317, down 430 points, while the broader Nifty50 index settled at 10,249, down 110 points.

Banking shares were under pressure with Nifty PSU bank index hitting 52-week low of 2,917 on the National Stock Exchange (NSE). The index fell below its earlier low of 2,928 recorded in October 19, 2017 in intra-day trade. The market fell sharply in last hour of trade on Tuesday as benchmark indices ended at fresh 2018 closing lows despite strong global cues, weighed by banks. All sectoral indices closed in the red.

Bank of India, Canara Bank, Union Bank of India, Allahabad Bank and Andhra Bank from the Nifty PSU Bank index touched their respective 52-week lows on the NSE in intra-day trade.

As a part of investigation into the PNB scam, ICICI Bank chief Chanda Kochhar and Axis Bank's Shikha Sharma have been summoned by an anti-fraud agency in the bank fraud case involving jeweller Nirav Modi and his partner and uncle Mehul Choksi. ICICI Bank is believed to have extended a loan of Rs 10 billion and Axis Bank Rs 7 billion last year to Gitanjali Gems of Choksi.

### **Sectors and stocks**

All the sectoral indices closed on a negative note with PSU Bank falling the most, down 2.9 percent. Nifty Bank, Auto, FMCG, IT and Pharma indices were down more than 1 percent.

ICICI Bank was down 2.7 percent and Axis Bank fell 1.4 percent after both banks' Managing Directors have been summoned by SFIO, which indicated that investigation in PNB fraud case deepened further.

PNB was down 2 percent and Gitanjali Gems slipped 5 percent after the CBI yesterday said the violation of norms for issuance of Letters of Undertaking (LoUs) to benefit billionaire jeweller Nirav Modi and his uncle Mehul Choksi had been going on since 2010.

Sun Pharma lost 3 percent after the USFDA issued three observations to Halol plant in February.

HDFC Bank, Reliance Industries, TCS, TCS, State Bank of India, Maruti Suzuki, L&T, M&M and Kotak Mahindra Bank among others were down 1-3 percent. IndusInd Bank, BPCL, Zee Entertainment, UltraTech Cement and Aurobindo Pharma gained 1-2.5 percent.

In the broader space, Adani Enterprises, Adani Power, Reliance Communications, Reliance Power, Reliance Naval, Bank of India, Indian Bank, Syndicate Bank, Canara Bank, Union Bank, Dwarikesh Sugar, Balrampur Chini, Dhampur Sugar, DHFL, United Spirits, Radico Khaitan, Dish TV, BEML, Future Consumer, Jaiprakash Associates, SAIL and Wockhardt were down 3-12 percent.

### **Global Markets**

Asian share regained some ground on Tuesday after US President Donald Trump faced growing pressure from political allies to pull back from proposed steel and aluminum tariffs, easing investor worries about an imminent trade war.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 1.5 per cent, snapping five straight days of losses, while Japan's Nikkei jumped 1.8 per cent from a five-month low.



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