

Equity indices remain range-bound

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Equity benchmarks of the Bombay Stock Exchange and the National Stock Exchange remained range-bound for the entire week which analysts attribute to weak risk appetite among market participants who are on guard on two counts ~ start of Lok Sabha elections and roll-out of earnings season for Q4 (January-March).

Both the events may have raised optimism in Dalal Street, but the extraordinary bull run of March will take time to return until clear indication emerges that a single party-led stable government is all set to assume power at the Centre.

Volatility or swing in the 30-share Sensitive Index of BSE and the 50-scrip Nifty of NSE on daily basis until then has already been predicted by big rating agencies and brokerages.

The only section of investors that seems to be sure of stability ~ both political and economic post poll results ~ is foreign funds which are carrying forward investment in quality shares in large-cap and mid-cap segments that they had started in March or late February.

Even on weak trade days in April, foreign portfolio investors or FPIs have been net investors in domestic stocks, say analysts. Until Thursday, FPIs' net buying has touched an impressive Rs

SENSEX UP 160 POINTS



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60,000 crore, suggest NSE data. Yesterday, they were net buyers of shares worth Rs 476.51 crore, taking April's tally so far to Rs 4,421.76 crore. Although domestic institutional investors have been booking profit, it has little impact on the rise of main indices.

The benchmarks today

moved up and down before closing with gains. The Sensex closed at 38,767.11 points, registering a gain of 160.10 points or 0.41 per cent. The Nifty increased 0.40 per cent or 46.75 points to finish at 11,643.45 points. The Nifty Bank settled for the week at 29,938.55 points, up 0.51 per cent. In the Sensex pack, 17

shares moved up and 13 were down. For the Nifty, the advance-decline ratio stood at 27 versus 23.

Mr Rajeev Srivastava of Reliance Securities told a business website that the market at current level has priced in all positives, but it would be interesting to look forward to corporate earnings which would help equity benchmarks inch higher.

Prabhudas Lilladher observed: "We expect steady quarter (Q4) with strong growth from TCS, Infosys, HCL Tech in the IT pack...despite seasonality, we expect strong deals closures in line with the previous quarter... but expect pressure on Ebit (earnings before interest and tax) mar-

gins due to rupee appreciation, project ramp-up and continued supply side constraints."

The observations by Dalal Street's veteran brokerage were made ahead of TCS and Infosys results which for the first time were to be announced on the same day. Both these stocks traded flat today but with upside bias as Q4 results were expected by the end of day's trade in Dalal Street. Nevertheless, two IT giants could be trend-setters for Q4 earnings data, feel analysts.

Other segment that is expected to outperform benchmarks is financials/banks which have almost come out of the most testing period of three years.