

# Stocks gain as consumption gets Budget push

Investors feel enhanced farm income, tax benefits could boost consumer spend

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While Budget 2019 did not specifically make any announcement for the capital markets, investors gave a thumbs-up to the interim budget on expectations that the sops aimed at enhancing the farm income and tax benefits would boost consumer spend in the coming days.

The 30-share Sensex, which opened around 52 points higher at 36,311.74, gained more than 520 points during intra day trades to touch a high of 36,778.14, soon after the budget speech concluded. The index finally closed at 36,469.43, up

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ED, SBI Mutual Fund

212.74 points, or 0.59%. The overall market breadth, however, was negative with 1,360 declines as against 1,178 advances on BSE. Meanwhile, the broader Nifty ended the day at 10,893.65, up 62.70 points, or 0.58%.

Among the Sensex constituents, 22 stocks gained ground with stocks like Hero Motocorp, Maruti Suzuki,

Bajaj Finance, HDFC, Hindustan Unilever (HUL), Bajaj Auto and Asian Paints among the top gainers.

“The thrust towards income enhancement is positive for the consumption oriented sectors,” said Navneet Munot, ED and CIO, SBI Mutual Fund.

“From equity market perspective, budget would be seen as a positive event, given the continued focus on income enhancing measures. Market’s focus will now shift back to global cues, political developments and earnings trajectory,” Mr. Munot added. Interestingly, the sectoral indices repre-

senting consumption-oriented segments outperformed the benchmarks on Friday.

While the BSE Fast Moving Consumer Goods gained 1.14%, the BSE Consumer Discretionary Goods & Services index was up 1.77%. The BSE Consumer Durables index also ended the day higher by 0.74%.

The BSE Realty index also gained 1.67% as the government announced various sops for the real estate sector. “Overall, the budget is hitting the right notes with both the investor community and the voter base,” said B. Gopkumar, CEO, Reliance Securities.