



MARKET NEWS :

The key benchmark indices ended a choppy trading session lower, extending losses for the second straight day as weak global stocks weighed on investor sentiment. The BSE 30-share Sensex fell 11.57 points or 0.07%, off close to 115 points from the day's high and up close to 50 points from the day's low. Realty, health care, PSU, FMCG, oil exploration and PSU OMC stocks fell. But metal stocks rose. The market breadth was weak. The Sensex had lost 155.02 points or 0.88% to 17,486.06 on Tuesday, 19 January 2010.

Coming back to today's trade, the market was volatile. Stocks surged at the onset of the trading session tracking overnight rally in US stocks. It pared gains later. The market came off the lower level later in mid-morning trade. The market regained positive terrain after slipping into the red for a brief period in early afternoon trade. The market moved between positive and negative zone later. It slumped to hit fresh intraday low in mid-afternoon trade. The market cut losses later in volatile trade.

Finance minister Pranab Mukherjee said on Wednesday the government was taking steps to contain inflation. The situation is constantly under review, he said.

Food prices will cool off in 1-2 months and inflation will turn around, finance ministry's chief economic advisor Kaushik Basu said in a newspaper interview published on Wednesday. The Reserve Bank of India will hold its quarterly monetary policy review on 29 January 2010 and is widely expected to increase the cash reserve ratio (CRR) requirements for banks, but economists are divided on when it will raise interest rates. CRR is the level of cash that banks must keep in deposit with the central bank. Food prices rose near 20% in December from a year earlier, their highest in 11 years.

European shares fell on Wednesday on mounting concerns about bank lending restrictions in China. The key benchmark indices in Germany, France and UK fell by between 0.23% to 0.37%

Most Asian markets ended lower Wednesday, as concerns China may step up its tightening measures to cool a rapidly growing economy hit banking and resource shares hard. The key benchmark indices in Singapore, Japan, Taiwan, China, Hong Kong fell by between 0.25% to 2.93%. The Shanghai Composite index was the biggest loser in the region with a near 3% fall. But, key benchmark indices in South Korea and Indonesia rose by between 0.04% to 0.24%.

The Dow gained 115.78 points, or 1.1%, to 10,725.43. The Standard & Poor's 500 index added 14.20 points, or 1.3%, to 1,150.23. The Nasdaq composite index rose 32.41 points, or 1.4%, to 2,320.40 on Tuesday.



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