



MARKET NEWS :

The key benchmark indices rose for the second straight trading day of 2010 tracking firm Asian stocks. Fears of an immediate hike in interest rates by the central bank receded following comments from government officials. The BSE 30-share Sensex rose 127.51 points or 0.73%, off close to 45 points from the day's high. The Sensex and the 50-unit S&P CNX Nifty attained their highest closing level in more than 22 months.

Metal stocks soared as base metal prices surged on the London Metal Exchange on Monday, 4 January 2010. Realty and banking stocks, also rose. But index heavyweight Reliance Industries edged lower. Shares of two auto majors Tata Motors and Maruti Suzuki India fell on concerns competition will intensify in the small car market. The market breadth was strong.

The market surged at the onset of the trading session on firm Asian stocks. The Sensex and the 50-unit S&P CNX Nifty struck their highest level in 20 months. The market remained range bound in morning trade. The market pared gains in early afternoon trade. The market firmed up again later. The market moved in a narrow range in afternoon trade. The market pared gains soon surging at about 13:30 IST. A bout of volatility was witnessed once again in late trade.

Meanwhile, the latest data showed that the rate of growth in manufacturing rose for the first time in three months in December 2009, with activity reaching its highest since May 2009 on sharp rises in new work and output. The HSBC Markit Purchasing Managers' Index (PMI), based on a survey of 500 Indian companies, rose to 55.6 in December from 53.0 in November. The reading was the strongest since May's 55.7, which was the strongest in 2009.

India's exports sector has bounced back with outward trade growing by 18% in November 2009, the commerce ministry said. The export figures turned positive after staying in the red for 13 months. The value of exports in November 2009 jumped to \$13.19 billion compared to \$11.16 billion.

European shares turned positive extending recent gains led by banks after reports Barclays may raise earnings guidance. The key benchmark indices in France and UK rose by between 0.04% to 0.34%. But Germany's DAX fell 0.15%.

Most Asian stocks rose on Tuesday led by electronics and mining companies, after US manufacturing expanded at the fastest pace in more than three years and commodity prices advanced. The key benchmark indices in China, Taiwan, Hong Kong, Indonesia, Japan, and Singapore rose by between 0.04% to 2.09%. But, South Korea's Seoul Composite fell 0.33%.



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