



MARKET NEWS :

Key benchmark indices extended losses for the third straight day on disappointing Q3 results from frontline companies. Markets across the globe were gripped with volatility as bullish economic data from China raised concerns Beijing may tighten policy. European markets were trading mixed after a firm start. Asian markets turned mixed after a weak start. The BSE 30-share Sensex declined 423.35 points or 2.42%.

The market breadth was extremely weak as small and mid-cap stocks underwent correction after a recent solid surge. Today's sell-off was wide-based with all the sectoral indices on BSE ending with losses. Shares from sectors related to infrastructure were the worst hit. L&T led decline in capital goods stocks after the engineering & construction major reported fall in third quarter sales revenue. Power equipment major Bharat Heavy Electricals also declined sharply as its third quarter revenue growth fell short of market expectations. ICICI Bank, too, was under selling pressure as third quarter net profit declined.

Power generation stocks dropped as investors shuffled their portfolios ahead of the upcoming mega follow-on-public (FPO) offer of NPTC. Banking shares were reeling under selling pressure ahead of the Reserve Bank of India's monetary policy review meet on 29 January 2010. Shares from metal, realty sectors and PSU stocks were not spared either.

The food price index rose 16.81% in the 12 months to 9 January 2010, while the fuel index was up 6.34%, the government said on Thursday. The rise in food price index was lower than an annual rise of 17.28% in the previous week.

Meanwhile, the government reportedly proposes to ease the norms for foreign direct investment (FDI) approval. Presently projects worth more than Rs 600 crore require the final approval of the Cabinet Committee on Economic Affairs (CCEA). The department of industrial policy and promotion (DIPP) has proposed that this ceiling be raised to anywhere between Rs 1,000 crore and Rs 1,500 crore. The new norms are likely to be notified after the introduction of a consolidated FDI policy framework on 1 April 2010.

Asian markets ended mixed. Key benchmark indices in Hong Kong, Singapore and Taiwan were down by between 1.13% and 1.99%. Japan's Nikkei 225 index rose 1.22% led by technology shares. South Korea's Seoul Composite index was up 0.45%. China's Shanghai Composite index added 0.22%.

The Dow Jones industrial average lost 122.28 points, or 1.1%, to 10,603.15. The S&P 500 index fell 12.19 points, or 1.1%, to 1,138.04, and the Nasdaq Composite Index fell 29.15 points, or 1.3%, to 2,291.25.



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