

Stock Market Highlights: Sensex ends 620 points higher, Nifty50 reclaims 17,150 led by financial, oil & gas shares; IndusInd up 6%, SBI 3%

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Stock Market Highlights: Indian equity benchmarks Sensex and Nifty50 rose more than one percent on Wednesday. Buying interest in financial, oil & gas, IT and automobile shares pushed the headline indices higher, though losses in pharmaceutical and healthcare names played spoilsport. Broader markets also strengthened, with the Nifty Midcap 100 index ending one percent higher but its smallcap counterpart eking out a 0.1 percent gain. Official data on Tuesday showed India's GDP expanded a better-than-estimated 8.4 percent in the September quarter. Tega Industries' IPO to raise Rs 619 crore was fully subscribed on the first day of bidding.

Taper tantrum unlikely to create instability in Indian market: Brickwork Ratings

"If the Fed continues with the pace of tapering as announced, it is expected to stop its bond buying programme by mid 2022. This means the Fed may opt for a reduction in the size of its balance sheet and gradually remove the monetary stimulus in the later part of 2022. Moreover, the possibility of a hike in the federal funds rate in 2022 is strengthened, which was brought down to near zero levels (0-0.25 percent), from 1.5-1.75 percent since March 15, 2020," said Brickwork Ratings

"The COVID-19 stimulus by the US Fed has been aimed at fostering smooth market functioning and accommodative financial conditions in the COVID-hit economy. Definitely, this stimulus package provided unprecedented support to financial markets and the economy, but its spillover effect contributed to greater capital flows into emerging markets like India mainly due to interest rate differentials. Indian markets witnessed huge capital inflows, particularly into equities in FY21 amounting to a record \$37 billion. These record portfolio inflows helped the Indian rupee to appreciate from 76.2 per dollar in April 2020 to 72.8 per dollar in March 2021, despite the COVID-induced economic instability," it added.