

Market Highlights: Sensex rises 460 points, Nifty end above 17,600-mark after RBI keeps rates unchanged

Share Market, Stock Market Highlights: The S&P BSE Sensex ended at 58,926.03, up 460.06 points (0.79 per cent), while the Nifty 50 settled at 17,605.85, up 142.05 points (0.81 per cent).

Updated: February 10, 2022 4:34:30 pm

Share/Stock Market Highlights: The benchmark equity indices on the BSE and National Stock Exchange (NSE) extended their gains for the third successive day, ending around 0.8 per cent higher on Thursday following the outcome of the Reserve Bank of India's (RBI) monetary policy meeting where the central bank kept its key lending rates unchanged for the tenth consecutive time while maintaining an 'accommodative stance'.

The S&P BSE Sensex climbed 460.06 points (0.79 per cent) to settle at 58,926.03 while the Nifty 50 rose 142.05 points (0.81 per cent) to end at 17,605.85. Both the indices had opened with marginal gains earlier in the day.

On the Sensex pack, Tata Steel was the top gainer of the day rising over 2 per cent, followed by Infosys, HDFC Bank, Housing Development Finance Corporation (HDFC), Kotak Mahindra Bank and Mahindra & Mahindra (M&M). On the other hand, Maruti Suzuki India, Nestle India, Ultratech Cement and Reliance Industries (RIL) were the laggards.

RBI monetary policy reaction | Rajee R, Chief Ratings Officer at Brickwork Ratings

"In line with BWR's expectations, RBI continued its dovish stance and remained accommodative by reiterating that despite the economic recovery and aggregate demand gaining traction and improving inflation outlook, continued policy support is warranted to support domestic growth, which is the highest priority. Continuing with its calibrated liquidity management policy to maintain financial stability, RBI emphasized that VRR and VRRR would be the main tools for liquidity adjustment indicating gradual policy normalization on the liquidity front. While stating that headline inflation will peak in Q4 of the current fiscal, RBI maintained its inflation projections at 5.30% for FY22 and a dovish forecast at around 4.50% thereafter. Enhancement of cap and multiple-use under e-RUPI prepaid digital voucher, new credit default swap (CDS) guidelines (to be announced today) and extension of on-tap liquidity for emergency health services and contact intensive sectors till June 30, 2022, are welcome steps. Hiking of limit under Voluntary Retention Route (VRR) scheme from Rs. 1.5 Lakh Crs. to Rs. 2.5 Lakh Crs. will provide additional sources of capital for domestic debt markets and government securities. Increase in NACH mandate from Rs. 1 Cr. to Rs. 3 Crs. for TReDS related settlements are expected to improve the receivables financing and overall liquidity position of the MSMEs."