

After 945-pt swing, Sensex ends in green

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After a day marked by sharp volatility, the benchmark Sensex managed to end in the green for the first time in three days. However, the extended rout in Adani Group stocks, the uncertainty caused by the expectations or lack of it from the Union Budget and the US Federal Reserve rate-setting meeting kept investors on the tenterhooks.

The Sensex swung 945 points before settling 170 points, or 0.3 per cent, higher at 59,500. The Nifty50 index ended the session at 17,649, with a gain of 44 points, or 0.25 per cent. India VIX, a gauge measuring volatility, rose 2 per cent and was trading at 17.7.

Foreign Portfolio Investors (FPIs) sold shares worth ₹6,793 crore on Monday, according to provisional data from the exchanges.

So far this month, they have sold shares worth more than ₹20,000 crore.

On Monday, most global markets traded weak as the mixed US economic data had investors worried about an impending recession. The US central bank has made it clear time and again that interest rates will remain elevated till it achieves its targeted inflation.

The market value erosion of the Adani group extended beyond ₹5 trillion in three days even as some group stocks ended in the green.

“The response by Adani had a mixed effect on the stock group and market. The saga is likely to continue as a hanging risk in the minds of investors in the medium term. To expect a scientific assessment report — either by a strong independent third party or government — is dim in the short term. Now the focus of the market will be on the Budget and Fed policy,” said Vinod Nair, head of research, at Geojit Financial Services.

Close to a third of Sensex stocks declined, while the overall advance-decline ratio stood at 1,449-2,156.

“Ahead of the Union Budget and the Fed meeting outcome, the markets could remain volatile with an upward bias for the next few sessions. For the Nifty50, 17,760 could be the resistance while the 17,493-17,542 band could offer support,” said Deepak Jasani, head of retail research, at HDFC Securities.