

Rupee skyrockets 122ps to close at 90.27/\$

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MUMBAI

THE Indian rupee emerged as the best-performing Asian currency on Tuesday, registering a gain of 122 paise or 1.33 per cent in a single trading session to settle at 90.27 (provisional) against the US dollar, after India and the US agreed to a trade deal. Forex traders said the Indian rupee rose to the highest levels in two and a half weeks and rallied by around 1.5 pc on the trade deal between India and the US. Domestic indices also surged by around 2.75 per cent, boosting domestic market sentiments. Further, weakness in crude oil prices and expected foreign inflows also favoured investor sentiment.

India and the US agreed on a trade deal under which Washington will bring down the reciprocal tariff on Indian goods to 18 per cent, lower than that for countries like China, Bangladesh and Vietnam. At the interbank foreign exchange market, the rupee opened at 90.30 against the US dollar, then gained some ground to touch an intraday high of 90.05 and a low of 90.52 against the greenback. At the end of the trading ses-



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sion on Tuesday, the rupee was quoted at 90.27 (provisional) against the greenback, registering a gain of 122 paise from its previous close.

The rupee gained 44 paise to close at 91.49 against the US dollar on Monday, a day after the Union Budget 2026-27 was presented. Prime Minister Narendra Modi on Tuesday said the India-US trade deal is a "big decision" that will benefit everyone in the country and asserted that his government always works in favour of the nation. Forex traders said the India-US trade deal will reopen the door for FII participation, and if capital flows recover in CY26, it would ease some pressure on the rupee.

"With the 'reciprocal' tariffs on India's exports to the

US now lowered, we estimate the current account deficit to narrow by around 0.25 per cent of GDP in CY26 to 0.8 per cent of GDP. In addition, if capital flows recover in CY26 on the conclusion of the India-US trade deal, which would ease some pressure on the INR, and result in downside risk to our current USD/INR 12-month forecast of 94," Goldman Sachs said in a research note.

However, things may not be completely smooth sailing for the INR, some experts believe. "There could be hiccups along the way with this trade agreement" for example, it may not be easy for India to divert its Russian oil purchases quickly. "The RBI's FX policy could also complicate things. The RBI has been intervening in a rather unpredictable way over the past few months to prevent one-sided speculative positioning" both short and long "in the INR," HSBC said in a research note, adding, "Our end-2026 forecast for USD/INR is 90." Meanwhile, the dollar index, which gauges the greenback's strength against a basket of six currencies, was trading 0.05 per cent lower at 97.57.

Silver, gold futures rebound sharply

NEW DELHI: Silver and gold prices rebounded sharply in the futures trade following value buying by investors after a three-day rout in the domestic markets. On the Multi Commodity Exchange (MCX), silver for March delivery surged Rs 29,372, or 12.43 per cent, to Rs 2,65,633 per kilogram. The white metal hit a high of Rs 2,70,398 per kilogram, gaining as much as Rs 34,137, or 14.4 per cent. It had closed at Rs 2,36,261 per kg on Monday.

The rebound came after a brutal sell-off that saw silver nosedive 41 per cent from Friday to Monday, easing by Rs 1,63,632 per kg and wiping out substantial investor wealth. The fall came after silver touched a record of Rs 4,20,048 per kg on January 29. Gold prices also witnessed a strong recovery after a steep fall in the past three sessions. The April contract of the precious metal jumped Rs 7,923, or 5.5 per cent, to Rs 1,51,914 per 10 grams on Tuesday. In the past three sessions, gold lost nearly Rs 40,000, or 22 per cent, from its closing level of Rs 1,83,962 per kg on January 29. "Gold and silver staged a sharp recovery on Tuesday, snapping multi-day losses after extreme volatility earlier in the week. Gold surged around 5 per cent, while silver climbed over 10 per cent, driven by strong safe-haven demand and bargain buying after prior profit-taking," Gaurav Garg, Research Analyst at Lemonaid Markets Desk, said.

He added that the earlier sell-off had been amplified by a firm dollar, speculative liquidations, and technical pressures. The rebound reflects renewed investor confidence and a technical bounce, even as volatility remains elevated. "Near-term consolidation around current levels could set the stage for further gains in bullion markets," Garg added.

Meanwhile, silver and gold futures also recovered sharply in the international market. The March contract of silver gained \$9.59, or 12.45 per cent, to \$86.6 from the previous close of \$77 per ounce on Comex in New York.

Brent Crude trade lower at \$66.02/bbl

CRUDE oil prices fell Rs 18 to Rs 5,589 per barrel in the futures trade on Tuesday, amid weak global trends as oversupply concerns weighed on prices. Crude oil futures for March delivery slipped by Rs 18, or 0.32 per cent, to Rs 5,589 per barrel in a business turnover of 376 lots. Analysts said the prices fell after participants offloaded their holdings amid weak demand in the spot market. Globally, West Texas Intermediate crude oil was trading 0.35 per cent lower at \$61.92 per barrel, while Brent Crude fell 0.42 per cent to \$66.02 per barrel in New York.

Govt mulls stake sale in LIC via FPO in next financial year

NEW DELHI

THE government is actively considering further reducing its stake in insurance behemoth LIC through a public offering in the next financial year, Financial Services Secretary M Nagaraju said on Monday. Currently, the government holds a 96.5 per cent stake in Life Insurance Corporation (LIC). It had sold 3.5 per cent through an initial public offering (IPO) in May 2022 at a price band of Rs 902-949 per share. The share sale fetched the government around Rs 21,000 crore.

Talking to reporters, Nagaraju said, "LIC public offer has to be done slowly. We have asked DIPAM (Department of Investment and



Public Asset Management) to look at government stake dilution in LIC." LIC FPO may come in the next financial year if all approvals are in place and market conditions are conducive," he added.

The government is required to offload another 6.5 per cent stake in the public sector life insurer to meet the mandated 10 per cent public shareholding requirement by May 2027. The quantum of stake sale, price and timing would be decided in due course. The country's biggest insurer, LIC, has a market capitalisation of Rs 5.08 lakh crore, with shares settling at around Rs 804 on the BSE on Monday.

On the financial front, the state-owned insurer reported a 32 per cent year-on-year jump in net profit to Rs 10,053 crore in the three months ended September 2025 from Rs 7,621 crore in the corresponding period last fiscal. The increase in profit was driven by a lower commission outgo.

Global shares surge led by record highs in Japan and South Korea

Markets are awaiting earnings reports from major cos to gauge the impact of various trends, including US President Trump's tariffs and possible curbs on rare earths exports from China

TOKYO

GLOBAL shares surged on Tuesday, led by a nearly 7 per cent jump in South Korea's benchmark and a 3.9 per cent rally in Tokyo that took the Nikkei 225 to a record as investors bought tech-related shares.

France's CAC 40 gained 0.6 per cent in early trading to 8,232.71, while the German DAX surged 1.0 per cent to 25,053.90. Britain's FTSE 100 rose 0.2 per cent to 10,361.21. The future for the S&P 500 was up 0.3 per cent while that for the Dow Jones Industrial Average rose 0.1 per cent. Markets are awaiting earnings reports from major companies to gauge the impact of various trends, including US President Donald Trump's tariffs and possible curbs on rare earths exports

from China. Japan's benchmark Nikkei 225 climbed 3.9 per cent to finish at 54,720.66, its highest close ever. Shares in equipment maker Disco Corp. jumped 7.4 per cent while those in testing equipment maker Advantest gained 7.1 per cent. Share prices have been boosted by expectations that Prime Minister Sanaa Takaichi's Liberal Democratic Party will regain a significant majority in the parliament in a Feb. 8 election, ushering in more market-friendly policies. Some analysts warn that the Japanese yen may weaken further if Takaichi boosts government spending, presenting hardships for consumers and some companies.

In South Korea, the Kospi gained 6.8 per cent to 5,288.08, also a record. Investors appeared to regain confidence

after the latest scare over a possible bubble in artificial intelligence as shares in Samsung Electronics Co. soared 11.4 per cent while those in chip maker SK Hynix rocketed up 9.3 per cent. Hong Kong's Hang Seng gained 0.2 per cent to 26,834.77, while the Shanghai Composite added 1.3 per cent to 4,067.74. Australia's S&P/

ASX 200 edged up 0.9 per cent to 8,857.10. Australia's central bank raised its benchmark policy rate for the first time in two years, citing higher inflation than anticipated before it last cut rates.

On Monday, the S&P 500 added 0.5 per cent, snapping a three-day losing streak. The Dow industrials rose 1.1 per

Fractal Analytics trims IPO size to ₹2,834-cr

NEW DELHI: Artificial intelligence (AI) solutions provider Fractal Analytics has trimmed the size of its Initial Public Offering (IPO) to Rs 2,834 crore from Rs 4,900 crore initially planned, before the launch of the maiden issue next week. The company's maiden public offering will open for subscription on February 9 and conclude on February 11. The bidding for anchor investors will take place on February 6, according to the red herring prospectus filed on Monday. The IPO now comprises a fresh issue of equity shares worth up to Rs 1,023.5 crore and an Offer for Sale (OFS) valued Rs 1,810.4 crore, this aggregates the total issue size to Rs 2,833.9 crore.

In its draft papers filed in August, Fractal was aiming to raise Rs 4,900 crore through its IPO. Those selling shares in the OFS include Quinag Bidco Ltd, TPG Fett Holdings Pte. Ltd, Satya Kumari Remala Rao, Venkateswara Remala and GLM Family Trust. The company is expected to announce the price band details on Wednesday. Fractal plans to use the proceeds from fresh issue to invest in its subsidiary, Fractal USA, for pre-payment or repayment of its borrowings; buy laptops; set up new offices in India; invest in research and development; support sales and marketing under Fractal Alpha; fund acquisitions and other strategic initiatives; and for general corporate purposes.

STT hike effect on markets to subside soon; NSE says no impact on IPO

Chiefs of NSE, BSE say, such moves in past show initial market unease, followed by stabilisation—without materially affecting IPO prospects or asset valuations

MUMBAI

MARKETS are used to tweak in taxation and the adverse impact of the steep hike in securities transaction tax (STT) will not last long, leading bourses said. NSE, the largest stock exchange, feels that the move to curb volumes will not have any impact on its upcoming initial public offering (IPO) plans, its Managing Director and Chief Executive Ashish Kumar Chauhan said.

"What has been raised is the STT has been increased in a minor way. Broadly, markets are used to having STT on options and this time it has also been increased on futures but broadly, I do not see any large impact on the IPO of NSE or otherwise asset valuations in the stock market going forward," Chauhan told.

Rival BSE's Managing Director and Chief Executive S Ramamurthy said markets react in a "bit adverse" way whenever any such changes are proposed by the government and exuded confidence that gradually things will settle down. "This is not the first time that STT is increased. When any such move is announced, the market reaction is a bit adverse to start with and then it stabilises," he said.

The proposal to increase



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the STT on futures and options will also encourage long-term equity investments, he said, adding that it may also lead to a shift of money from the arbitrage funds to banks' fixed deposits as the returns one stands to make get on par.

The moves to hike the STT on the F&O segment was attributed as one of the key reasons that led to a sharp correction in the equity markets after the Budget speech by Union Finance Minister Nirmala Sitharaman.

It can be noted that as per studies by Sebi, over 90% of

retail investors' trades in the F&O segment lead to losses, and the capital markets regulator has also taken steps to reduce the volumes in the past. Sitharaman announced the STT hikes, saying the move is aimed to "provide reasonable course correction" in the F&O segment in the capital market and generate additional revenues for the government.

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The BSE scrip closed the session 10% down at the end of trade on Sunday.

Buy on dips and sell on rallies

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MUMBAI

ister Narendra Modi. Among leather and footwear stocks, Bhartiya International jumped 6.37 per cent, Mayur Uniquoters surged 7.73 per cent, Metro Brands (0.41 per cent) and Bata India (0.23 per cent).

"Overall, this deal is a major positive for Indian equity markets," Sunny Agrawal -- Head of Fundamental Research at SBI Securities, said. We are seeing tariffs reduced significantly, which is excellent news for sectors like textiles, seafood, chemicals, auto ancillaries, and new energy businesses like solar, Agrawal said.

Technically, the market opened with a gap of over 3,500 points, but due to temporary overbought conditions, it witnessed some prof-

it booking at higher levels. "We are of the view that the short-term market outlook remains positive, but a strategy of buying on dips and selling on rallies would be ideal for traders," says Shrikant Chouhan, Head - Equity Research, Kotak Securities.

On the downside, retrace-

ment support is placed at 83,000 and 82,500, while 84,300 and 84,500 would act as immediate resistance levels for the bulls. However, below 82,500, the uptrend could become vulnerable.



Dhoot Transmission aims to raise \$250-mn via IPO

NEW DELHI: Auto component maker Dhoot Transmission has filed preliminary papers with capital markets regulator Sebi through the confidential pre-filing route to raise \$250 million (about Rs 2,258 crore) through an initial public offering of its equity shares on the mainboard of the stock exchanges.

According to market sources, the initial public offering (IPO) size has been pegged at \$250 million. Dhoot Transmission has opted for the confidential pre-filing route, which allows the company to engage with the Securities and Exchange Board of India (Sebi) for initial feedback on its draft document without it being publicly disclosed. This route has been increasingly favoured by companies seeking more flexibility in their IPO preparations and responding to market conditions before a public filing.

The filing comes amid sustained activity in the auto components segment of the capital markets. Over the past three years, several players including ASK Automotive, and Moterson Sumi Wiring India have debuted on the exchanges, while a number of other auto ancillary and electric vehicle-linked component manufacturers are at various stages of regulatory approval. Founded in 1999 by Rahul Dhoot and headquartered in Aurangabad, Maharashtra, Dhoot Transmission manufactures products such as wiring harnesses, electronic sensors and controllers, automotive switches, power cords, cables, connectors and terminals.



Gold and silver prices have surged as investors search for safer things to own at a time of uncertainty over the status of the Federal Reserve, which may be set to become less independent, a US stock market that critics say is expensive

become less independent, a US stock market that critics say is expensive, threats of tariffs and heavy debt loads for governments worldwide.

Their prices cratered on Friday, including a 31.4 per cent plunge for silver. Some on Wall Street saw it as a result of President Donald Trump's nomination of Kevin Warsh as the next chair of the Fed. The Fed's chair has a big influence on the economy and markets worldwide by helping to dictate where the US central bank moves interest rates. That affects prices for all kinds of investments, as the Fed tries to keep the US job market humming without letting inflation get out of control. The US dollar declined to 155.52 Japanese yen from 155.61 yen. The euro cost \$1.1819, up from \$1.1791.

