

Benchmarks decline for 2nd day on persisting geopolitical uncertainty

Domestic equities continue to face correction-led headwinds amid volatile crude prices, US Treasury yields hovering near two-decade highs, and persistent FII outflows exerting pressure on the rupee

Markets Overview

- Titan, HCL Tech, TCS & UltraTech were major laggards
- Adani Ports, Sun Pharma & Tata Steel were major winners
- FIIs offloaded equities worth Rs5,353.22-crore on Saturday

MUMBAI

EQUITY benchmark indices Sensex and Nifty ended lower for the second day on Tuesday as elevated crude oil prices, uncertainty over the Iran war peace deal, higher US Treasury yields and foreign fund outflows weighed on investor sentiment.

The 30-share BSE Sensex dropped 242.65 points, or 0.33 per cent, to settle at 72,529.07. During the day, it slumped 707.72 points, or 0.97 per cent, to 72,064. The 50-share NSE Nifty declined 64.05 points, or 0.28 per cent, to end at 22,716.20.



From the 30 Sensex firms, Titan, HCL Tech, Tata Consultancy Services, UltraTech Cement, Hindustan Unilever and Tech Mahindra were among the major laggards. Adani Ports, Sun Pharma, Tata Steel and Kotak Mahindra Bank were among the winners. Brent crude, the global oil benchmark, dipped 0.09 per cent to USD 105.1 per barrel. Foreign Institutional Investors (FIIs) offloaded equities worth Rs 5,353.22 crore on Monday, according to exchange data.

“Domestic equities continue to face correction-led headwinds amid volatile crude prices, US Treasury yields hovering near two-decade highs, and persistent FII outflows exerting pressure on

the rupee. Adding to the pressure, the unprecedented pace of IPO fundraising is absorbing incremental liquidity. Investor risk appetite remains subdued against a hawkish global backdrop amid rising odds of additional rate hikes later in the year,” Vinod Nair, Head of Research, Geojit Investments Ltd, said.

According to Ajit Mishra, SVP – research, Religare Broking, markets also witnessed selling pressure amid the monthly F&O expiry.

“Markets remained under selling pressure on the monthly expiry day, extending the ongoing corrective trend. After a weak opening, the benchmark indices remained under pressure through most of the session

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- **Vinod Nair, Head-Research, Geojit Investments Ltd**

and traded near their lowest levels in nearly six months, before recovering marginally from the lows. Global concerns continued to weigh on sentiment, with crude prices remaining elevated, the US 10-year Treasury yield staying firm,” Mishra said. The BSE MidCap Select index dropped 0.99 per cent, while the SmallCap Select index was up 0.25 per cent.

Tata Group stocks slump up to 4%

NEW DELHI: Most Tata Group stocks ended lower on Tuesday after Tata Trusts proposed merging two operating companies with the group’s holding company in a restructuring aimed at allowing Tata Sons to shed its regulatory classification as a non-banking financial company and a core investment company, potentially removing the need for a stock-market listing.

Tata Chemicals emerged as the major loser among the Tata Group stocks, with its shares declining 4.20 per cent. Among other firms of the conglomerate, Tata Investment Corporation dropped 3.10 per cent, Titan 2.72 per cent, Tata Teleservices 2.63 per cent, TCS 1.72 per cent, Tata Power 1.10 per cent, Tata Elxsi 1.53 per cent and Tata Motors Passenger Vehicles 0.72 per cent on the BSE. The proposal, announced on Monday, involves merging Tata Electronics Systems Solutions Pvt Ltd (TESS) and Tata Consulting Engineers (TCE) with Tata Sons.

The Trusts have asked the Tata Sons board to consider the plan and seek a prior no-objection certificate from the Reserve Bank of India.

KOSPI extends slide on inflation concerns

Overnight, US stocks retreated as renewed tensions between Washington and Tehran drove crude oil prices higher, fuelling concerns that higher energy costs could keep inflation and interest rates high

SEOUL

SOUTH Korean shares retreated as rising oil prices fuelled inflation concerns and pushed U.S. Treasury yields higher amid Middle East tensions. The Korean won strengthened against the U.S. dollar.

The benchmark Korea Composite Stock Price Index (KOSPI) lost 18.93 points, or 0.27 percent, to end at 6,870.81, marking its second consecutive session of losses, reports Yonhap news agency. The index opened 0.19 percent lower and extended its losses in afternoon trading as foreign and institutional investors sold local shares.

Overnight, US stocks retreated as renewed tensions between Washington and Tehran drove crude oil prices higher, fuelling concerns that higher energy costs could keep inflation and interest rates high. Treasury yields extended their climb, with the benchmark 10-year yield rising



“The local stock market was bearish as rising U.S. Treasury yields weighed on investor sentiment, while renewed gains in global oil prices further dampened risk appetite

- **Lee Kyoung-min, Analyst, Daishin Securities**

to 5.23 percent and the 30-year yield climbing to 5.55 percent, hovering around multiyear highs. Oil prices rose for a second consecutive session Tuesday on lingering concerns over potential supply disruptions in the Middle East stemming from the U.S.-Iran conflict. Trade volume was light at 210.06 million shares worth 17.99 trillion won (\$13.26 billion), with decliners far outnumbering advancers

622 to 231. Foreigners sold a net 2.9 trillion won, while individuals and institutions bought a net 1.14 trillion won and 121.06 billion won, respectively. “The local stock market was bearish as rising U.S. Treasury yields weighed on investor sentiment, while renewed gains in global oil prices further dampened risk appetite,” Lee Kyoung-min, an analyst at Daishin Securities, said.

Gold futures decline on weak spot demand

NEW DELHI: Gold prices dropped by Rs 419 to Rs 1,46,385 per 10 grams in futures trade amid weak spot demand. Gold contracts for December delivery fell 0.29 per cent in a business turnover of 1,608 lots. Analysts attributed the decline to weaker spot demand. Globally, gold futures rose 0.23 per cent to \$4,125.32 per ounce in New York.



Silver futures fall on reduced bets

SILVER prices fell by Rs 2,601 to Rs 2,24,841 per kilogram in futures trade as participants reduced their bets. Silver contracts for December delivery declined 1.14 per cent in a business turnover of 1,684 lots. Analysts said a sell-off by participants weighed on silver prices. Globally, silver was trading 0.15 per cent lower at \$60.55 per ounce in New York.

Brent crude gained 1.99% to \$107.37/bbl

CRUDE oil prices rose by Rs 204 to Rs 9,115 per barrel in futures trade amid positive global trends. Crude oil futures for October delivery gained 2.29 per cent in a business turnover of 3,937 lots. Analysts said higher bets by participants supported prices. Globally, West Texas Intermediate crude rose 1.79 per cent to \$94.26 per barrel, while Brent crude gained 1.99 per cent to \$107.37 per barrel.

Aditya Birla Sun Life AMC launches two NFOs tracking BSE Total Market Index

MUMBAI

ADITYA Birla Sun Life AMC on Tuesday launched the Aditya Birla Sun Life BSE Total Market Index Fund and Aditya Birla Sun Life BSE Total Market ETF.

The new fund offering will start on September 30 and end on October 14, the AMC said in a release. The two offerings will track the BSE Total Market Index, providing investors with exposure to approximately 93 per cent of India’s total market capitalisation across large-, mid-, small-, and micro-cap segments, the release said.

The index comprises stocks representing 98 per cent of the market capi-

“A distinctive feature of the index is its adaptive constituent framework. Unlike traditional indices that are restricted by a fixed number of stocks, the BSE Total Market Index is designed to expand alongside India’s evolving capital markets, enabling investors to participate in new growth opportunities as they emerge

- **Hemen Bhatia, Head-passives, Aditya Birla Sun Life AMC**



talisation of the BSE AllCap Index, subject to a minimum of 1,000 stocks with no upper cap on the number of constituents, thereby giving investors access to a broad universe of companies through a single investment proposition, the release added.

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stituent framework. Unlike traditional indices that are restricted by a fixed number of stocks, the BSE Total Market Index is designed to expand alongside India’s evolving capital markets, enabling investors to participate in new growth opportunities as they emerge,” said Hemen Bhatia, head-passives, Aditya Birla Sun Life AMC.

The BSE Total Market Index is designed to evolve with India’s equity market and is rebalanced semi-annually in June and December, with constituent weights determined based on free-float-adjusted market capitalisation, the company said.

It provides diversification across market segments, with 56 per cent exposure to large caps, 20 per cent to mid-caps, 10 per cent to small caps and 7 per cent to micro caps, while spanning 22 sectors including financial services, capital goods, healthcare, automobiles, oil & gas, information technology, FMCG, consumer services, metals & mining, telecommunications and power, according to the AMC.

Mkt may further weaken from current levels

Above 72,200, it may rally towards 73,000-73,500; below 72,200 it may drag to 72,000-71,700 levels

KUMUD DAS
MUMBAI

THE benchmark indices recovered from their intraday lows. The Sensex fell 243 points. Among the sectors, almost all major sectoral indices came under selling pressure, with the consumer index losing the most, shedding over 2 per cent.

Technically, after a sharp intraday dip, the market found support near 72,000 and trimmed some of its in-



traday losses. On the daily chart, it formed a Doji candlestick formation, while the intraday charts continue to show a weak formation, suggesting further weakness from current levels. “In our view, the market’s short-term trend remains weak, although a quick intraday pullback rally cannot be ruled out,” says Shrikant Chouhan, Head - Equity Research, Kotak Securities. For day traders, 72,200 is a key support zone. Above this level, the pullback could continue toward 73,000-73,500. On the downside, a break below 72,200 could accelerate selling pressure and drag the market toward 72,000-

Dollar demand caps rupee gains

The local unit settled marginally higher by 2ps at 95.95/\$; to trade with a negative bias on risk aversion in global markets

MUMBAI

THE rupee settled on a flat note on Tuesday, just a tad over the psychologically important 96 per dollar level, driven by possible RBI intervention and a pull-back in oil prices following hopes of negotiations between the US and Iran.

Forex traders said gains in the rupee were capped by US dollar demand from local importers and a stronger greenback. Additionally, the Reserve Bank of India (RBI) is likely to intervene as the rupee approaches the 96 level against the American currency, they said.

At the interbank foreign



exchange market, the rupee opened at 96.03, then lost ground and touched an intraday low of 96.15 against the American currency. At the end of Tuesday’s trading session, the domestic unit was quoted at 95.95 (provisional) against the greenback, higher by 2 paise over its previous close.

On Monday, the rupee breached the 96 level for the second time in two weeks before settling 22 paise lower at 95.97 against the US dol-

lar. “We expect the rupee to trade with a negative bias on risk aversion in global markets and concerns over elevated crude oil prices. A strong dollar and surge in US Treasury yields may also pressurise the rupee.

“However, hopes that US and Iran officials are expected to talk through mediators may support the rupee at lower levels. Any positive outcome may improve global sentiments and may see a fall in crude oil prices. Traders may take cues from JOLTS job openings and consumer confidence data from the US,” said Anuj Choudhary, Research Analyst, Mirae Asset Sharekhan.

AssetGro Fintech aims ₹2,000-2,500-cr via IPO

NEW DELHI

ASSETGRO Fintech Ltd, the parent company of stock market research and advisory platform StockGro, has filed preliminary papers with markets regulator Sebi to raise Rs 2,000-2,500 crore through an Initial Public Offering (IPO) using the confidential route. Under the confidential pre-filing route, companies are allowed to keep their draft offer documents out of the public domain until the regulatory review process reaches a more advanced stage. As a result, details regarding the offer structure, financial performance, valuation and listing timeline are not available at this stage. In a public notice dated September 26, the

company said it has filed “the pre-filed draft red herring prospectus with Sebi and the stock exchanges... in relation to the proposed initial public offering of its equity shares on the mainboard of the stock exchanges”. The proposed IPO is expected to be in the range of Rs 2,000-2,500 crore, according to market sources. The company’s maiden public offering may comprise a fresh issue of about Rs 800 crore, along with an Offer For Sale (OFS) by existing shareholders, they added.



J B Ecotex plans to raise ₹400-cr

NEW DELHI

J B Ecotex Ltd has filed preliminary papers with capital markets regulator Sebi to raise funds through an Initial Public Offering (IPO) comprising a fresh issue of shares worth Rs 400 crore. Along with the fresh issue, there will be an Offer for Sale (OFS) of up to 1.29 crore equity shares by promoters, according to the Draft Red Herring Prospectus (DRHP) filed by the Surat-

based company on Monday. The company may also consider a pre-IPO placement of up to Rs 80 crore. If completed, the amount raised through the placement will be reduced from the fresh issue size. Of the fresh issue proceeds, Rs 320 crore will be used for repayment or pre-payment, in full or part, of outstanding borrowings of the company and its subsidiary, with the balance earmarked for general corporate purposes. J B Ecotex, incorporated in 2012, is engaged in recycling PET bottles and other PET waste to manufacture recycled PET products, which are used in textiles, food-grade packaging and other packaging materials.

EverBrands India eyes ₹600-cr

NEW DELHI: EverBrands India Ltd, which operates Subway restaurants, has filed draft papers with markets regulator Sebi to raise Rs 600 crore through an initial public offering. The IPO is entirely a fresh issue of equity shares, according to the Draft Red Herring Prospectus (DRHP) filed on Monday. Of the proceeds, the company plans to use Rs 125 crore of the proceeds to repay or pre-pay borrowings of its wholly-owned subsidiary Culinary Brands India and Rs 326.85 crore to fund the setting up of new Subway stores under the company-owned-company-operated (COCO) format.

Global shares trade mixed after Wall Street retreats

US futures edged lower and oil prices stabilised over uncertainties about US-Iran talks and the possible reopening of the Strait of Hormuz, a crucial route for global oil shipments

HONG KONG

GLOBAL shares were mixed on Tuesday following losses on Wall Street, while US Treasury yields paused their run-up after reaching their highest level in roughly two decades. US futures edged lower and oil prices stabilised over uncertainties about US-Iran talks and the possible reopening of the Strait of Hormuz, a crucial route for global oil shipments.

In early European trading, Britain’s FTSE 100 rose 0.3 per cent to 10,721.04. France’s CAC 40 gained 0.1 per cent to 8,086.40, while Germany’s DAX added 0.3 per cent to 25,460.81. In Asia, Japan’s



Nikkei 225 lost 0.6 per cent to 65,481.27. South Korea’s Kospi declined 0.3 per cent to 6,870.81 and Hong Kong’s Hang Seng dropped 0.5 per cent to 24,523.57.

Hong Kong-traded shares

of Shein fell 10.7 per cent, after the online fashion retailer reported that its adjusted net profit fell 67 per cent in the three months ending June 30 compared with the year-earlier period.

The Shanghai Composite index gained 0.2 per cent to 3,830.45 after the Xinhua News Agency reported late Monday that China’s State Council had discussed “improving the effectiveness” of macro policies to help boost its economy. Australia’s S&P/ASX 200 edged up 0.3 per cent to 8,709.30. Taiwan’s Taiex was 0.8 per cent lower, while India’s Sensex fell 0.5 per cent. On Monday, the S&P 500 slipped 0.8 per cent, the Dow Jones Industrial Average fell 0.7 per cent, and the Nasdaq composite dropped 0.9 per cent.

Stocks have been pressured by rising US Treasury yields as investors demand

higher returns amid growing concerns about inflation and rising government debt. The yield on the 10-year US Treasury, near its highest since 2007, was at about 5.24 per cent early Tuesday. It reached 5.27 per cent on Monday, up from about 5.17 per cent on Friday.

Central banks have been raising interest rates to help curb inflation. Australia’s central bank lifted its benchmark rate on Tuesday for the fourth time this year, taking it to the highest level in 15 years. Earlier this month, the US Federal Reserve raised rates for the first time in three years, and the Bank of Japan increased its key rate to

the highest level in 31 years.

Oil prices remained elevated as mediators continued to work with the United States and Iran on reaching a deal to end the fighting and open the Strait of Hormuz. US President Donald Trump at the weekend rejected an offer from Tehran to reopen the key waterway. Brent crude, the international standard, fell 0.3 per cent to \$97.55 a barrel after rising earlier. It remained well above its level of roughly \$72 a barrel in late February, before the war with Iran. The US dollar rose to 157.43 Japanese yen from 157.39 yen. The euro was trading at \$1.1335, down from \$1.1371.

Gold loses ₹1,400, silver remains unchanged

NEW DELHI

GOLD prices on Tuesday slipped below Rs 1.50 lakh per 10 grams in the national capital for the first time in two months, falling by Rs 1,400 amid bearish local demand and a soaring US dollar. Falling for the second day, the yellow metal of 99.9 per cent purity traded lower by Rs 1,400 at Rs 1,48,600 per 10 grams, inclusive of all taxes, according to local traders. The precious metal traded at Rs 1.50 lakh per 10 grams on Monday. Gold was last quoted around these levels on July 31, when it stood at Rs 1,48,300 per 10 grams. Silver, however, remained unchanged at Rs 2.32 lakh per kilogram, inclusive of all taxes. The white metal had



fallen Rs 5,000 in the previous session from Friday’s closing level of Rs 2.37 lakh per kg. “Gold experienced a sharp correction in September, dipping below Rs 1.5 lakh per 10 grams due to significant global pressures,” said Pinky Yadav, Commodity Fundamental Analyst at Choice Broking. In global markets, however, spot gold staged a modest recovery after tumbling 4 per cent in the previous session. The yellow metal rose \$30.34, or nearly 1 per cent, to \$4,145.26 per ounce.