

MARKET WATCH

Table with 3 columns: Instrument, Price, % Change. Includes Sensex, US Dollar, Gold, Brent oil.

NIFTY 50

Table with 3 columns: Company Name, Price, Change. Lists top 50 Nifty stocks like Adani Ports, Ambuja Cements, etc.

Sensex falls for sixth straight session

Global sell-off, domestic factors spur stock indices to worst intraday slump in almost 15 months

SPECIAL CORRESPONDENT MUMBAI

Indian stocks remained in free fall for a sixth straight session on Tuesday, as a global sell-off and domestic factors pushed the benchmark indices to their worst intraday decline in almost 15 months.

Investor sentiment took a huge hit after the Dow Jones index lost almost 1,200 points overnight triggering a worldwide market rout that comes at a time when the domestic market is battling concerns related to the re-introduction of long term capital gains (LTCG) tax in the Budget.

'Time to buy' Interestingly, some market participants view the ongoing correction as a buying opportunity for investors

I-T notices to bitcoin investors

PRESS TRUST OF INDIA NEW DELHI

The income tax department is issuing notices to people who invested in cryptocurrencies such as bitcoin but did not declare income or 'profits earned' from them, CBDT Chairman Sushil Chandra said on Tuesday.

"People who have made investments [in cryptocurrency] and have not declared income while filing taxes and not paid tax on the profit earned by investing, we are sending them notices as we feel that it is all taxable," he added.



Scrambling for cover: The correction offers a good opportunity to buy, says Motilal Oswal's Duggad.

with a long-term investment horizon. "The fact that we did not have any significant draw-down in calendar year 2017 is making the current correction look more ominous than it is," said Gautam Duggad, Head of Research, Motilal Oswal Institutional Equities.

JSW offers ₹28,000 cr. as it vies with Tata for Bhushan Steel

'ArcelorMittal didn't submit bids, may emerge as dark horse'

PIYUSH PANDEY MUMBAI

Sajjan Jindal-led JSW Steel, Tata Steel and employees of Bhushan Steel, backed by private fund, are learnt to have submitted bids to buy the troubled steel maker Bhushan Steel.

Confirming the development, a source said, "The bids were opened in front of the bidders and will now be sent to the committee of creditors (CoC). The CoC will take a final call depending upon the resolution plan of the interested parties."

JSW Steel is learnt to have bid almost double of the liquidation price of Bhushan Steel pegged at ₹15,000 crore.

The 30-share S&P BSE Sensex slid to an intraday low of 33,482.81 - down 1,274.35 points compared to Monday's close of 34,757.16 - before recovering some ground to close at 34,195.94. The benchmark shed 561.22 points, or 1.61%, in the session.

The broader Nifty of the National Stock Exchange (NSE) ended 168.30 points, or 1.58%, lower at 10,498.25. During the day, it fell 3.66% or 390 points. Volatility surged with the India VIX index, which is viewed as a measure of near-term volatility, jumping almost 25% on Tuesday.

The market was abuzz with talk that insurance behemoth Life Insurance Corporation (LIC) had stepped up purchases in select index heavyweights to help stem losses in the market.

PNB net profit climbs 11.1% in Q3

SPECIAL CORRESPONDENT NEW DELHI

Punjab National Bank posted a net profit in the third quarter of ₹230 crore, up 11.1% from the same period of the previous year.

The bank said its global business crossed ₹11 lakh crore in December 2017. It's global deposits grew 5.9% to ₹6.48 lakh crore in the third quarter, up from ₹6.12 lakh crore in the same quarter of the previous year.

Gross non-performing asset ratio declined to 12.11% in the December quarter from 13.31% in the September quarter. Net NPA ratio fell to 7.55% from 8.44% over the same period.

RBI likely to keep repo rate on hold

MPC may flag fiscal slippage, oil prices

MANOJIT SAHA MUMBAI

The six-member monetary policy committee of the Reserve Bank of India (RBI), which is meeting for the last time in this financial year, is expected to maintain the status quo for the third straight review meeting as retail inflation is hovering close to the central bank's upper tolerance limit.

Consumer price index-based inflation or retail inflation - the central bank's primary yardstick for setting interest rates - was 5.21% in December, just below the 6% upper band mandate of RBI.

Rising food prices was one of the main factors behind the 17-month-high retail inflation. Economists said there could be further pressure on inflation with rising oil prices and higher minimum support prices for farmers, as promised in the Union Budget last week.

All this would mean the RBI would hold the repo rate, the key policy rate at 6%, accompanied by 'hawkish' tone, though the stance of the policy would likely continue to stay neutral. "RBI is likely to stay on hold on policy rates tomorrow, but expect a hawkish commentary," said Abheek Barua, chief economist, HDFC Bank.

"Rising oil prices, higher MSPs announced in the Budget and slight deviation in the fiscal consolidation path have increased the probability of higher rates in 2018-19. Bond yields are expected to remain around current levels in the near term but trend towards 7.75% by September 2018."

Bond yields have been rising since the Budget was presented, and after the go-



vernment missed the fiscal deficit target and pushed back the glide path of attaining the fiscal deficit target of 3% to 2020-21 from 2018-19. Next year's fiscal deficit target of 3.3% is also under a cloud as revenue projections are seen as optimistic.

Bonds sell-off "Budget FY19 triggered a sell-off in the Indian bond markets last week," DBS economist Radhika Rao and Rates Strategist Eugene Leow wrote in a note to the bank's clients.

"Optimistic revenue projections and concerns over the inflationary impact of budgetary measures weighed on sentiment. Higher fiscal targets for FY18-19, along with rising oil prices, are set to make the RBI's policy path a tricky one this year," DBS said in the note.

It added that the RBI would flag the projected fiscal slippage, higher oil, and MSPs as risks to future inflation, but not as factors that would warrant an imminent tightening.

Indranil Sengupta, economist at Bank of America Merrill Lynch, said while the MPC may continue with a 'slightly hawkish' pause in its review meeting, inflation risks were being overdone as vegetable prices had started easing.

Global stock sell-off runs to \$4 trillion

Investors seek refuge in traditional safe haven assets gold, U.S. dollar and bonds

REUTERS LONDON

World stock markets nosedived for a fourth day running on Tuesday, having seen nerves about higher interest rates and overcooked valuations wipe \$4 trillion off what just eight days ago had been record highs.

Europe's main bourses were down around 2.5% and Wall Street futures pointed to more losses too as "fear gauges" of market volatility leapt to their highest level since a surprise devaluation of China's currency in 2015.

The flashing warning signs left investors with little option but to seek traditional refuges such as gold and the dollar. Benchmark government bonds - ironically one of the initial triggers for the sell-off - also gained.

Commodities gloomy

'Commodities remained gloomy too, with oil and industrial metals all tumbling backwards as the year's stellar start for risk assets rapidly soured.

"Playtime is officially over, kids," analysts at Rabobank said. "Rising volatility painfully reminds some investors that one-way bets don't exist."

The equity market sell-off had been viewed by some as a healthy correction after a rapid run up over the last year, but as it snowballed through Asia and Europe and looked to be on its way back to Wall Street, nerves were starting to fray.

Europe's drop sent the region's STOXX 600 to its lowest level in six months, while the losses for MSCI's widely tracked 47-country world index broke \$4 trillion as its drop since Friday neared 8%.



Alarm bells: The original trigger for the sell-off was a sharp rise in U.S. bond yields late last week.

There was intense trading activity, with the average daily volume on Europe's blue-chip STOXX 50 already easily surpassed by the middle of the session.

The euro STOXX volatility index, Europe's main gauge of market anxiety, saw its biggest spike since the September 11, 2001, attacks on the United States. The better known Wall Street VIX, screamed above the 50 mark.

"This is not the end of the bull market, but it is the end of the super low volatility regime," said David Lafferty, Chief Market Strategist at Natixis Investment Managers.

"The last two days of trading has thrown a giant bucket of cold water on the short volatility trade and I think we were now in for prolonged period of elevated volatility generally."

Goldilocks vs the bears

"Since last autumn, investors had been betting on the 'Goldilocks' economy - solid economic expansion, improving corporate earnings and stable inflation. But the tide seems to have changed," said Norihiro Fujito, senior investment strategist at Mitsubishi UFJ Morgan Stanley Securities.

simply returning to a more normal cycle of higher yields and higher interest rates," said Graham Bishop, Investment Director at Heartwood Investment Management.

Reducing risk

The CBOE Volatility index, the closely followed measure of expected near-term U.S. stock market volatility, jumped over 30 points to 50, its highest level since August 2015.

That left some popular exchange-traded products that investors use to benefit from calm market conditions facing potential liquidation.

Keen to avoid further risk, investors were closing their positions in other assets, including FX markets, where a popular trade has been to sell the dollar against the euro and other currencies seen as benefiting from higher future interest rates.

The euro had been clawing back ground, but was suddenly swiped back to \$1.2353 as U.S. traders began to buy up the dollar. That left the euro not far from last week's low of \$1.2335, a break of which could usher in a further correction after its rally to a three-year high of \$1.2538 by late last month.

Oil prices droop

Oil prices continued to droop too, with international benchmark Brent hitting a one-month low, before levelling off at \$66.90 per barrel, down 1% on the day. U.S. crude futures were trading down 1.3% at \$63.33 per barrel, while gold nudged up for a fourth day in the last five, to \$1,340 per ounce.

"I think this is a healthy, albeit rather vicious correction (in equity markets) and we may see more over the next week, but on the whole I really wouldn't panic," said broker Marex Spectron's head of precious metals, David Govett. "As such, I don't think gold will go a lot higher."

JAIPUR DEVELOPMENT AUTHORITY, JAIPUR. NOTICE INVITING BID. NIB NO : JDA/EE-9/12/2017-18. Details of the bid and contact information.

NUCLEAR POWER CORPORATION OF INDIA LTD. KUDANKULAM NUCLEAR POWER PROJECT. Contact details and project information.

NIT e-tenders. List of tenders including NPCIL/KK-3&4/CONST/CIVIL-NFRA/PT/2018/03, NPCIL/KK-1&2/O&M/MMU/PT/2017/156, etc.

JAWAHARLAL INSTITUTE OF POST-GRADUATE MEDICAL EDUCATION & RESEARCH. Tender notice for purchase of machinery and equipment.

KERALA MEDICAL SERVICES CORPORATION LTD. E-TENDER NOTICE for procurement of Misoprostol Tab IP & Mifepristone Tab IP.

GOVERNMENT OF ODISHA. OFFICE OF THE SUPERINTENDING ENGINEER RURAL WORKS CIRCLE, BALASORE. NOTICE FOR PRADHAN MANTRI GRAM SADAK YOJANA (PMGSY).