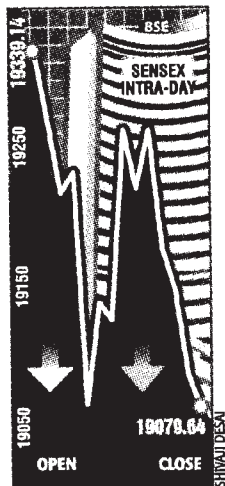


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It's winter of discomfort on St

Sensex Sheds 182 Pts As Market Continues Losing Streak For 4th Day



IT MAY be the holiday season, but the cheer is definitely missing from the market. The bear overhang is evident as key benchmark indices continued to fall for the fourth straight day. Foreign funds sold stocks worth more than Rs 2,700 crore on a day when the equity benchmarks shed around 1%.

Dealers expect the mood to remain bearish for the remaining trading sessions of the year as foreign fund managers usually stay away from investing in the run-up to the New Year. Investments will pick up early next year, once the holiday season is over. Equity benchmarks on BSE and NSE have shed more than 3.3% from its peak mid-last week. While the 30-share BSE Sensex fell 181.71 points to close at 19,079, the S&P CNX Nifty ended the day at 5,756. Indian equities essentially tracked the falling Asian indices, while European

indices ended the day in the green.

"Another day of profit-booking," is how Kotak Securities' Ketan Karani describes the action in the stock market. He feels that even if FII registrations with Sebi may be in full swing, actual investments will only start trickling in only by next year. Data from the derivatives segment also point to a similar trend — the Nifty futures for the December series are quoting at more than 40-point discount to spot Nifty price.

However, Mr Karani points out that although Indian stocks are in correction mode, the severity has been much lesser than in other Asian markets like China. In fact even US stocks have been posting large losses for more than a month, on growing concern of a slowdown in the US economy.

Global growth in this quarter and

the next may be the slowest in four years, with inflation might be the fastest in a decade, economists at JPMorgan Chase said.

Derivatives: The Nifty December contract shed more than 23 lakh shares in open interest and the 3-point premium at Monday's close skyrocketed to more than 35 points, with the cost-of-carry rising to 25.9%. However, interestingly, Tuesday's trade saw a huge build-up of long positions in Nifty January contracts that added more than 23 lakh shares in open interest, commanding a premium of around 10 points against a discount of 10 points to Monday's close. This is significant as the January contracts have seen a lot of short build-up in the past three sessions. Additionally, the Nifty-wr rollover is already as high as 24%. In contrast was a listless day for the options market.

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