

The Indian **EXPRESS**

MARKET WRAP

Markets up marginally



**KUNJ
BANSAL**

THE Sensex gained nearly 1.7 per cent over the previous week's close and ended at 14,765 points on Friday last week. It is currently trading at a trailing price to earnings ratio of 19.48. Foreign institutional investors continued to sell equities for the second consecutive week. They accounted for net outflow of Rs 3,037 crore from the markets. According to Kunj Bansal, senior vice president-portfolio management service, Kotak Securities, "In the last four days the markets have witnessed rollovers. They were waiting for the expiry of contracts. However, some momentum was felt on the bourses as the National Stock Exchange moved to a free-float market capitalisation methodology for calculating the value of the benchmark indicator last Friday."

The major gainers during the week were Capital Goods and Information Technology: they rose by nearly 6.9 per cent and 3 per cent during the week. "Their rise during the week can be attributed to routine technical buying," says Bansal. The sectors that fell into negative territory were Metals and Auto: they declined by nearly 1 per cent and 1.1 per cent during the week. "Commodity prices are currently undergoing correction. And valuations in the Auto sector are still relatively high, so fresh buying will take some time," says Bansal.

Inflation dipped for the second consecutive week. The wholesale price index fell to 1.14 per cent for the week ended June 13, as against the previous week's figure of 1.61 per cent. Not much upward movement was witnessed in the price of crude oil, which rose by a marginal 0.4 per cent during the week. It is currently trading at \$68.7 per barrel.

The upcoming budget is likely to decide the future course of the markets. Till the budget, the markets are expected to show lacklustre performance, believes Bansal.

— Niti Kiran