

Bear Attack: Israel-Mamas Conflict Spills onto Street

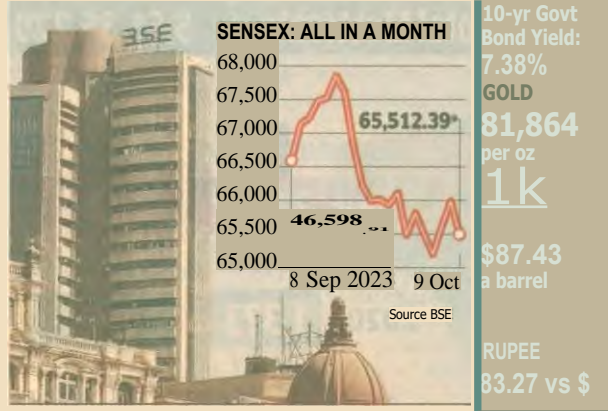
Crude, gold prices jump; broader markets witness sharper selloff; fear gauge climbs

Our Bureau

Mumbai: Indian equities weakened on Monday as heightened uncertainty over the Israel-Hamas conflict led to a flight of money, across global markets, to safe-haven assets such as gold and the US dollar. The surge in oil prices in the wake of the geopolitical tensions also soured sentiment among investors, already anxious about the persistent inflation and rising bond yields in the US.

The Sensex dropped 483.24 points, or 0.73%, to close at 65,512.39 while Nifty declined 141.15 points, or 0.72%, to close at 19,512.35. On the 50-share Nifty, the decline was concentrated amongst a handful of stocks as 43 stocks ended higher, while seven ended weak.

"The unfortunate events in Israel along with worries that US



interest rates might remain higher for a longer period of time has caused the market to fall today" said Kumar Manish, head of research at brokerage BOB Capital Markets.

Foreign Portfolio Investors (FPIs) net sold shares worth Rs 997.76 crore, while domestic institutions were buyers to the tune of Rs 2,661.27 crore, according to provisional data.

Elsewhere in Asia, China declined 0.44%, Hong Kong rose 0.18%, South Korea gained 0.21% and Taiwan rose 0.41%.

In the US, the S&P 500 was trading 0.2% lower. The Dow Jones Industrial Average was down 26 points, or 0.1% and the Nasdaq Composite was 0.7% lower at the time of going to press.

Back home, the NSE's Volatility Index or VIX — a fear gauge — jumped over 12% to 11.40, suggesting traders see risks of further near-term downside in the market.

Analysts said the Nifty's close below 19,602 — a key technical support — on Monday has opened the likelihood of further downside.

"The 50-day SMA (Simple Mo-

ving Average) of 19,602 was a sacrosanct level for the Nifty," said Amol Athawale, VP - Technical Research, Kotak Securities.