

Nifty, Sensex end down in choppy trade; IT stocks plummet

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Indian benchmark indices fell in volatile trading on Wednesday, as investors chose to stay cautious ahead of the crucial US Federal Reserve meeting, where the announcement of the first rate cut in four years is anticipated. The market experienced a tug-of-war between declining IT stocks and resilient financial shares. A sharp drop in IT stocks heavily impacted the market, pulling the indices down. Pharmaceutical stocks also faced significant declines.

However, strong support from financial stocks helped cushion the overall losses, mit-

igating the day's downturn.

Amidst the volatility, the Nifty 50 closed with a slight drop of 0.16%, ending at 25,377 points.

During trading, the index reached a new all-time high of 25,482 points, approaching the 25,500 level.

Similarly, the S&P BSE Sensex finished the day at 82,948 points, marking a 0.16% decline from its previous close. The index also hit a record high of 83,326 points during trade.

Among the 50 Nifty constituents, 29 stocks ended in negative territory, with Tata Consultancy Services leading with a 3.4% drop.

Other notable losers included Infosys, HCL Tech-



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nologies, Tech Mahindra, Wipro, Bajaj Auto, Sun Pharmaceutical, and Tata Consumer Products, all of which dropped between 1.5% and

3.1%.

On the other hand, small and mid-cap stocks underperformed the benchmark indices in Wednesday's trade. The

Nifty Midcap 100 dropped to 59,752 points, a 0.71% fall, while the Nifty Smallcap 100 index tumbled by 0.64% to 19,389 points.

Commenting on the day's market performance, Vinod Nair, head of Research, Geojit Financial Services, said, "The Indian market experienced a minor profit booking with underperformance by mid-caps. Mixed signals from global markets emerged ahead of the anticipated Federal Open Market Committee rate cut decision which is seemingly priced in a 25-bps cut."

The sharp drop in the large-cap IT stocks has led the Nifty IT index to plunge by 3.02% to 41,814 points, falling below the 42,000 mark for the first time

since 9 September.

Wednesday's drop in the index was the biggest intraday drop in 6 weeks, and also this decline has pushed the index to a 2-week low.

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Since June, IT stocks have experienced a bullish trend, with the Nifty IT index rising by 32% from June to August, leading investors to lock in profits. This profit booking has occurred ahead of the anticipated US Federal Reserve rate-reduction cycle, expected to start on Wednesday.

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