

# Bulls take BSE market-cap to a new high of \$4.03 trillion

**IN WEALTH.** Indian market now fifth largest behind the US, China, Japan, Hong Kong

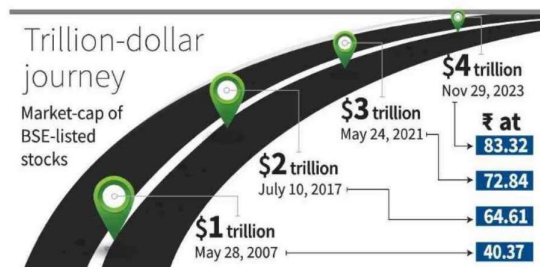
**Our Bureau**  
Mumbai

The bull run in the equities continued unabated, with the market capitalisation of BSE-listed companies hitting a new high of \$4.03 trillion on Wednesday, aided by positive signals from global markets and a fall in crude oil prices. This makes India one of the few countries with a market cap in excess of its gross domestic product. The journey from \$3 trillion to \$4 trillion took two-and-a-half years.

Bellwether Sensex gained 728 points to hit 66,902, with foreign portfolio investors pumping in ₹1,786 crore. The Nifty was up 207 points at 20,096 as the buying spree by both domestic and foreign investors continued.

The market-cap of BSE stocks hit \$2 trillion in July 2017 and crossed \$3 trillion in May 2021. The S&P BSE Sensex had gained 16 per cent since hitting its lowest in March 2020 and jumped 10 per cent since the start of the year.

The market-cap of all BSE-listed stocks surged above ₹333-lakh crore and pushed up India to the fifth rank behind



the US, China, Japan, and Hong Kong; the US m-cap is a whopping \$48 trillion.

## GROWTH JUGGERNAUT

With investors looking to buy at every correction and India delivering on growth and governance, the market was well-poised to deliver solid returns over the long term, said Nilesh Shah, Managing Director, Kotak Asset Management.

Alok Agarwal, Head of Quant and Portfolio Manager, Alchemy Capital Management, said India's market cap to GDP, stands at a little over 100 per cent against 165 per cent for the US. With the nominal GDP itself expected to grow in double digits, the outlook for Indian equities continues to remain positive.

Stock markets have been

rallying the last few days on the back of better corporate earnings in the September quarter and a drop in crude oil prices. Though foreign fund inflows had tapered due to high US bond yields, domestic liquidity had supported the market to surge up.

However, the dollar index has started declining on widespread expectation of interest rates in the US peaking on the back of a fall in inflation. The dollar index measures the US dollar against a basket of currencies.

## POSITIVE SIGNAL

The fall in the dollar index will make investments in emerging markets, including India, more attractive and pave the way for improved FPI inflows. The consistent decline in the

Consumer Price Index over the past four months also sent out a positive signal to the market.

Satish Menon, Executive Director, Geojit Financial Services, said the BSE market cap topping \$4 trillion signals the start of fresh momentum in the market.

Despite the strong fundamentals, he said there may be some volatility in the market leading up to the State election results, which are due on December 3. "Having said that, we can definitely say that India's growth story remains intact, and the market will be on an upward trajectory going ahead," he added.

Sheersham Gupta, Director, Rupeezy, said sector-specific action is more evident with the market anticipating a pause in rate hike, crude cooling down, and the easing of geopolitical tensions.

While the Nifty, comprising large caps, is yet to cross its all-time highs, the mid- and small-cap indices have already touched their new highs after a decent correction over the last two months. This indicates that mid/small-cap stocks will continue their upward trend, he said.