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Aug. 21 (PTI) -- The BSE benchmark Sensex today surged by nearly 200 points to end the day at five-month high level on slew of positive developments like Infosys winning a case in the US, heavy rain in some parts of the country and fall in inflation.

The Sensex advanced by 194.18 points, or 1.10 per cent, to close the day at 17,885.26, a level last seen on March 14.

A firming trend in the Asian region and higher opening in Europe also boosted the investor sentiment. Investors expect positive outcome out of bilateral meetings between eurozone leaders.

Brokers said heavy rain in some parts of the country today eased worries of a possible drought. A fall, though marginal, in retail inflation in July also boosted the sentiment.

Retail inflation declined to 9.86 per cent in July from 10.02 per cent in June.

Investors were also buoyed by Finance Minister P Chidambaram's asking banks on Saturday to cut interest rates and keep EMIs at affordable levels to encourage sale of consumer durables to restart the engine of manufacturing.

The broad-based National Stock Exchange index Nifty rose by 54.70 points, or 1.02 per cent to 5,421 points led by stocks of information technologies and auto sectors.

On BSE, IT stocks index gained 1.76 per cent to 5,710.33, led by Infosys which was up 2.37 per cent to Rs 2,407.05 after a US court dismissed allegations of visa fraud filed by a former employee.

The auto sector rose by 1.19 per cent to 9,648.71 on anticipation that fresh rain might generate buying power for tractors and vehicles in rural areas. Tata Motors, a leading commercial vehicles maker, rose 2.37 per cent to Rs 246.15 and tractor maker Mahindra and Mahindra by 2.21 per cent to Rs 784.05.

Maruti Suzuki rose by 0.68 per cent to Rs 1,185.10 after the company reopened its violence-hit Manesar plant after a month-long lockout. PTI RS SUN KPS DP NS YB 08212033

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