

## Indian Stocks End 3-Day Loss as SBI Rallies on Fundraising Plan

By Rajhkumar K Shaaw - Dec 10, 2014

Indian stocks advanced, with the benchmark index ending three days of declines, as state-owned lenders rallied before a cabinet meeting today to consider a plan to allow banks to raise funds from the market.

[State Bank of India](#) climbed the most on the [S&P BSE Sensex. \(SENSEX\)](#) Max India Ltd., the partner of Mitsui Sumitomo Insurance Co., rose to a one-month high after a parliamentary panel recommended the country raise the cap on foreign investment in the sector. Oil & [Natural Gas](#) Corp. climbed the most in a week on the government's plan to reduce its stake in the company.

The Sensex added 0.1 percent to 27,831.10 at the close, after changing direction more than 12 times. The gauge tumbled to a six-week low yesterday after a selloff in Chinese equities. The Sensex rose to a record on Nov. 28 after foreigners bought \$2.3 billion of shares last month, the most since July, on bets Prime Minister [Narendra Modi](#)'s government will speed up policy changes in the ongoing session of the parliament.

“There is a strong feeling of being left out, which is partly why the market doesn't fall sharply,” Neelkanth Mishra, managing director for equity research at Credit Suisse Securities (India) Pvt., said in Mumbai. Mishra said he expects the Indian markets to rise 30 percent over the next two years.

[State Bank](#) jumped 3.1 percent, the most since Nov. 28. The stock has soared 79 percent this year, the best yearly advance since 2007. [Bank of India](#) advanced 4.6 percent, while [Bank of Baroda](#) added 2.1 percent. [Canara Bank](#) gained 3.8 percent and Punjab National Bank rose 2.3 percent.

### ONGC, Tata Power

Max India rallied 4.8 percent to its highest level since Nov. 14.

The panel of lawmakers said in a report presented in the upper house of parliament that all types of overseas investors should be allowed to own as much as 49 percent in insurers, up from 26 percent.

The proposals bring the insurance bill closer to being endorsed by the upper house of parliament after six years of delay and would be Modi's biggest step in opening the economy before U.S. President [Barack Obama](#)'s visit in January.

Oil & Natural Gas gained 2.6 percent, the most since Dec. 3. [Tata Power Co. \(TPWR\)](#) added 1.8 percent.

India VIX, a measure of protection against price swings, declined 2 percent to 12.24 as the CNX Nifty added 0.2 percent.

Global investors bought a net \$805 million of local shares on Dec. 8, taking this year's inflow to \$17.4 billion. The Sensex has risen 31 percent this year.

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