

Sensex climbs 28000 peak; on track to hit 30k by December-end

NEW DELHI: The S&P [BSE Sensex](#) climbed the 28,000 mark for the first time on Wednesday and, as projected by various market pundits, is well on its way to hit the 30,000 mark by the end of this calendar year.

The S&P BSE Sensex rose as much as 146 points in trade today to hit its fresh lifetime high of 28,006.60 while the [Nifty](#) too managed to hit a record high of 8363.95.

Analysts at top brokerage firms firmly believe that we are in a [bull market](#), which will take the Sensex and the Nifty to fresh record highs for the rest of the year as well. The index is well on its way to hit the 30,000 mark by December-end and probably 35000 levels by the end of 2015.

Expectations are running high given the fact that macros have stabilised and growth has bottomed out. And with the rate cycle set to reverse and more reforms getting implemented, the Indian markets may well be on top of list of FIIs despite global concerns.

"The momentum is likely to continue for next 5 years, driven by solid fundamentals and scope for a valuation re-rating. Given the strong domestic government and a focused policy approach, it is likely that the positive bias is going to continue," says Vikas V Gupta - Executive Vice President at ArthVeda Fund Management Pvt.

"We have a December-2014 target for the Sensex to about 30,000 and the Nifty price index may hit the levels of around 9,000," he adds.

The Indian markets have had a spectacular run in the year 2014, up over 32 per cent so far in the year, and from a valuation point of view, experts see the Indian markets trading at fair valuations but in line with long-term averages.

"We are neither cheap, nor really expensive, but we are broadly trending in line with long-term averages," says [Arindam Ghosh](#), CEO, BlackRidge Capital Advisors.

"Given the fact that India has a big chance of increasingly getting distinguished and differentiated when you compare with other EMs - India stands tall and that is what is really going to help India command the extra premium," he adds.

"So from a valuation point of view, we really do not need to lose our sleep. Of course, you would keep having an intermittent correction. but every meaningful correction according to us would be a good opportunity for investors to kind of re-enter," explains Ghosh.

Within the emerging markets, India appears to have the strongest potential on the back of solid fundamentals, enough potential for a re-rating in valuations and a stable-yet-dynamic government at the helm, say experts.

According to an ET Now survey of 15 brokerage firms last month, 33 per cent of respondents are of the view that the Sensex could see the levels above 35000 by next Diwali, while 50 per cent see the index trading in the range of 30000-35000. Only 17 per cent of the respondents see the index hovering in the range of 26000-30000.

The government has focused on reviving the economy sticking to a fiscal consolidation and pro-economic agenda and attracting foreign investments into key sectors such as infrastructure, manufacturing, etc. which is a big positive for the markets and the economy.

"The market at this point in time is well placed. Inflation is slowing down, interest rates are likely to come down, raw material prices are falling and the demand is picking up. You never had such a favourable sentiment at any point in time over the last 10 years," says BP Singh, Executive Director & CIO-Equities, Pramerica Mutual Fund.

"There will be a CAGR growth of upwards of 25% plus for the next three years what the Indian corporates are going to witness and if that is the case, the stocks are very cheap. That is the reason why these investors are running into the market and are trying to buy as much as possible," he adds. According to experts, there is fresh money which has come into our markets, which has the potential to stay for a longer period of time, which could extend to three-seven years, and that is a big positive for India.

"When we talk about the sovereign wealth funds and the pension funds, they have a longish outlook and if things turn out well over the next few years for India, there is no reason for them not to commit substantial amounts to the Indian equity market," says Vineet Bhatnagar, MD, PhillipCapital. Vivek Gupta, CMT - Director Research, CapitalVia Global Research Limited is of the view that the Nifty is looking bullish on charts and fundamentals also seem to be supportive. "Our targets for the Nifty till December are 8400 & 8700 and for the Sensex, 30000 can be the golden figure," he adds.