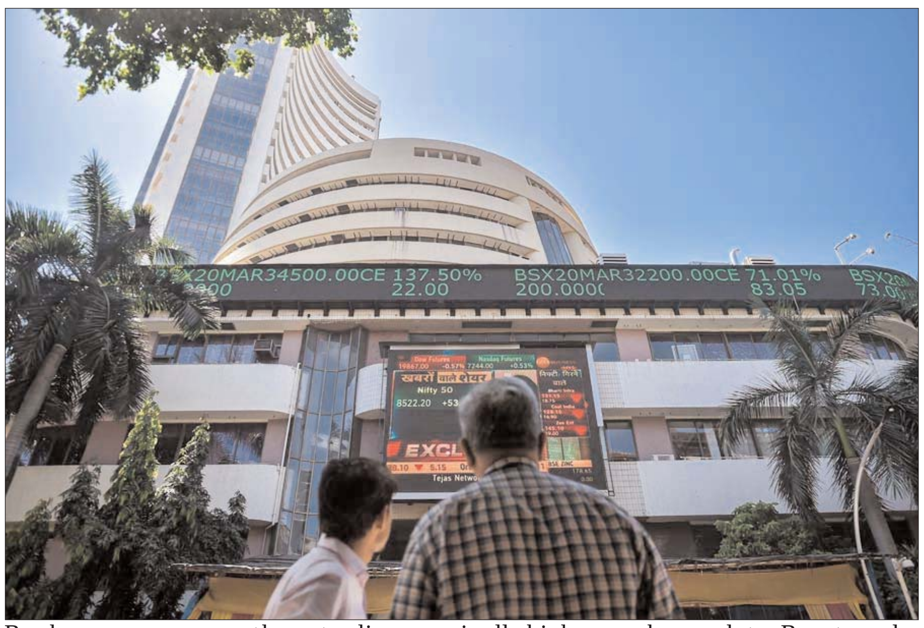
Sensex, Nifty close marginally lower amid thin year-end trading, foreign fund outflows weigh

NEW DELHI, FEB 14: Stock markets ended marginally lower on Tuesday amid thin year-end trading as persistent foreign fund outflows and a muted trend in global equities weighed on investors' sentiment.



Falling for the fifth consecutive day, the 30-share BSE Sensex dipped 20.46 points or 0.02 per cent to settle at 84,675.08. During the day, it hit a high of 84,806.99 and a low of 84,470.94, gyrating 336.05 points.

Ending the day on a flat note, the 50-share NSE Nifty slipped 3.25 points or 0.01 per cent to 25,938.85.

From the 30-Sensex firms, Eternal, Infosys, Asian Paints, UltraTech Cement, Bajaj Finance, HCL Tech and Titan were among the biggest laggards.

However, Tata Steel, Mahindra & Mahindra, Bajaj Finserv and Axis Bank were among the biggest gainers.

In Asian markets, Hong Kong's Hang Seng index settled in positive territory, while South Korea's Kospi, Japan's Nikkei 225 index and Shanghai's SSE Composite index ended lower.

Markets in Europe were trading marginally higher.

US markets ended lower on Monday.

Foreign Institutional Investors (FIIs) offloaded equities worth Rs 2,759.89 crore on Monday, while Domestic Institutional Investors (DIIs) bought stocks worth Rs 2,643.85 crore, according to exchange data. Brent crude, the global oil benchmark, climbed 0.47 per cent to USD 62.23 per barrel.

On Monday, the Sensex declined by 345.91 points or 0.41 per cent to settle at 84,695.54. The Nifty edged lower by 100.20 points or 0.38 per cent to 25,942.10. (PTI)

Ola Electric receives Govt certification for 4680 Bharat Cell powered Roadster X+ bike

NEW DELHI, FEB 14: NEW DELHI, Dec 30: Ola Electric on Tuesday said its flagship electric motorcycle, the Roadster X+, powered by its indigenously developed 4680 Bharat Cell battery pack, has received Government certification and will start deliveries of the model.

The Roadster X+ (9.1 kWh) has been approved under the Central Motor Vehicle Rules (CMVR), 1989 by the International Centre for Automotive Technology (iCAT), Manesar, a Government testing agency, the company said in a statement.

"With this certification, Ola Electric will now begin deliveries of the Roadster X+ (9.1kWh), marking a significant milestone as it becomes the first electric motorcycle in India to be certified with a completely in-house developed 4680 Bharat Cell battery pack," it added.

With the certification of the Roadster X+ (9.1 kWh), Ola Electric has now extended the use of its in-house developed 4680 Bharat Cell technology across its two-wheeler portfolio, spanning both electric scooters and motorcycles, the company said.

Commenting on the development, an Ola Electric spokesperson said, "The Government certification of the Roadster X+ is a major milestone in Ola Electric's journey towards building end-to-end EV technology in India."

With the Roadster X+ (9.1kWh) , the spokesperson said, "We are delivering an unmatched range along with superior performance, safety, and reliability, powered entirely by our own cell and battery technology. This is a defining step towards accelerating EV adoption in India's motorcycle-dominated 2W market."

The certification has been issued following rigorous vehicle-level safety, electrical, performance, and environmental testing, as notified by the Ministry of Road Transport and Highways (MoRTH) for certification of Battery Operated Vehicles (BoV) in the electric two-wheeler category, the company said.

The comprehensive validation programme included critical tests such as constructional and functional safety, range, gradeability, noise, electromagnetic compatibility (EMC), and braking performance, ensuring compliance with the highest regulatory and safety standards, it added.

In addition to the vehicle-level certification, this 9.1 kWh high energy density battery pack built on the company's in-house developed 4680 Bharat Cells has recently received ARAI certification under AIS-156 Amendment 4, Ola Electric noted.

The battery pack successfully cleared stringent safety and durability tests including water immersion, thermal runaway and fire safety tests, and mechanical tests covering vibration and mechanical shock, reinforcing Ola Electric's strong focus on battery safety and robustness,the company said. (PTI)

After 125 bps cut, regulatory relaxations, all eyes on more growth push, rupee mgmt from RBI in 2026

MUMBAI, FEB 14: The Reserve Bank cut its key rates at four of the six monetary policy reviews of 2025 by a cumulative 1.25 per cent, courtesy inflation touching record lows, in what the newly appointed Governor Sanjay Malhotra called as a "rare Goldilocks period" for the economy.

Malhotra cut the key rates right from his first policy announcement in February to support growth, and also slashed key rates by 0.50 per cent in June as it saw the space created by lower inflation.

Completing a year in office, the career bureaucrat-turned-central banker termed it as a "rare goldilocks period" for India, with growth exceeding 8 per cent despite headwinds like the US tariffs and geopolitical changes, and inflation under 1 per cent.

He also made it clear that growth will soften going ahead, and inflation will inch up closer to the RBI's target of 4 per cent.

Amid concerns on the nominal GDP growth remaining low, Malhotra said the Reserve Bank of India's (RBI's) actions are dictated by the real GDP arrived at after subtracting the inflation levels.

Actual inflation outcomes came much lower than the RBI's projections on price rise, leading to some voices of concern on the central bank's forecasting, and Poonam Gupta, an academic who got inducted during the year, said there are no systemic biases in the estimation.

The RBI's actions on rates, accompanied with explicit expectations of borrowing costs going down, came as a jolt for banks, which were impacted by narrowing in the net interest margins (NIMs) and a subsequent dent to core incomes. Tempering the impact were central bank's moves on ensuring adequate liquidity in the system and more importantly, regulatory relaxations.

At his maiden press outing in February after announcing a 0.25 per cent cut in rates, Malhotra underlined that while financial stability is important, the "cost of regulations" should also be taken on board and committed to lessen the impact of RBI's moves.

What followed through the year was a slew of relaxations. The crescendo was the October policy announcement with 22 regulatory measures, including some initiatives uncharacteristic of an otherwise conservative institution.

Some, like allowing banks to fund India Inc's global acquisitions or going back on the "forms of business" regulation draft under which the RBI had mulled preventing banks from having other entities engaged in same activities or tweaks on the infra finance front, led to the obvious questions on financial stability.

However, Malhotra justified this and affirmed that financial stability is the foremost priority for the central bank and spoke of the need to ensure that regulations are not impeding economic growth and added that sufficient precautions have been built into the new relaxations. Interestingly, the announcement on acquisition finance came within weeks of SBI Chairman C S Setty publicly pitching for such a move.

The RBI also climbed down on its previously mulled draft on project finance requiring banks to set aside up to 5 per cent provisions on loans. The move was flagged as a challenge by bankers, but the RBI brass had maintained that this was "conservative" given the previous experiences with lending to the segment.

Apart from the regulatory relaxations, banks got a big breather in the form of almost no major supervisory action from the RBI this year, a departure from the central bank's actions under Malhotra's predecessor Shaktikanta Das, where even major lenders were slapped with cease-and-desist orders.

Malhotra's focus seems to be around customer centricity and quicker redressal of issues, which has shone in a slew of speeches and comments. From a regulatory perspective, the RBI executed a huge exercise of consolidating regulations into master directions and repealing irrelevant rules as well. The fate of Tata Sons vis-à-vis listing even after the passage of the September 2025 deadline to do so is key unanswered questions as the year ends.

One of the biggest challenges for the RBI, which completed 90 years of existence in 2025, was the rupee breaching the 90 to a dollar mark. The central bank, which maintains that market interventions are guided by an aim to reduce volatilities and not defend a level, sold over USD 38 billion of forex in the first nine months of the year as the domestic currency depreciated against the greenback.

Malhotra has pointed to the over USD 690 billion in forex reserves and a manageable current account deficit as one of the key strengths going forward, but given the sharp movements in the currency lately, experts opine that the rupee will continue to be a more challenging aspect for the central bank.

Apart from the rupee, other measures to accelerate growth using both the monetary and other tools will be the key aspects to watch out for in 2026. Governor Malhotra is of the opinion that inflation will stay low or manageable, and the policy rates will be low for a prolonged period. (PTI)

India inflation likely to remain low in 2026, new CPI series on anvil

NEW DELHI, FEB 14: India is preparing to rejig methodology for computing CPI and revamp monetary policy mandate for targeting retail inflation in 2026 after a year of benign price situation due to subdued food cost and GST reduction.

Consumer Price Index (CPI) based retail inflation remained in the Reserve Bank's comfort zone (2-6 per cent) and is likely to stay that way in the next year also, keeping open the possibility of at least one more reduction in rates by the central bank in the coming months.

Besides cooling food prices, the decision of the government to reduce GST rates on about 400 items in September helped in further improving the price situation in the country.

The wholesale price index (WPI), too, showed clear signs of easing of inflationary pressures through 2025. Early months recorded positive but declining WPI inflation, reflecting softening price pressures especially in food and fuel categories.

By June, WPI entered deflation and the downward trend continued with negative prints in July and October.

CPI, or headline inflation, started declining in November 2024, and since then it has remained in the Reserve Bank's comfort zone (2-4 per cent) till June 2025. Thereafter, it has slipped below 2 per cent.

Food inflation, which constitutes about 48 per cent of the CPI, started declining from about 6 per cent in January and entered the negative territory in June. It was at (-) 3.91 in November, according to the latest data.

With inflation breaching the RBI's lower band target of 2 per cent, the debate around the government's mandate to the central bank to keep inflation within the target of 2-4 per cent assumes significance.

The Reserve Bank has already issued a consultation paper with regards to the inflation targeting regime. The government will come out with a new framework effective April 1, 2025, with the current five years regime set to end in March.

Meanwhile, the government is working on a new CPI series with base year (2024 = 100) which will witness a comprehensive revision of coverage, item basket, weights and methodology used in index compilation.

The exercise being done after more than a decade is aimed at substantially improving the representativeness, reliability, accuracy, and overall quality of the inflation data. The new series will be released in February.

On inflationary expectations, RBI Governor Sanjay Malhotra opined that the headline inflation is projected to be close to the 4 per cent target in H1:2026-27. Excluding precious metals, inflation is likely to be much lower, as has been the trend since the beginning of 2024.

Further, good agricultural production, low food prices and exceptionally benign international commodity price outlook suggest that the CPI for the full year (2025-26) is likely to be around 2 per cent, half of what was projected at the beginning of the year.

With inflation remaining in control, the Reserve Bank has cumulatively reduced the short-term benchmark lending rate (repo) by 125 basis since February 2025.

"The most important aspect of inflation in 2026 will be the new index and its composition, which can drive any realistic forecasts as this should be in place in February 2026," Bank of Baroda Chief Economist Madan Sabnavis said.

"Assuming a normal monsoon, we can expect inflation to be very much under control in 2026.

While the extremely low inflation numbers witnessed in 2025 will get reversed as the low base will result in higher numbers, on the whole it can be expected to be in the range of 4-4.5 per cent," he said.

This will not afford scope for any more rate cuts and hence February can be the final month when a rate call decision can be taken. Core inflation should ideally moderate as the GST impact fully plays through, Sabnavis added.

ICRA Chief Economist Aditi Nayar said the divergence in the WPI and the CPI is driven by differences in the weighing pattern as well as the coverage of these indices.

While the food segment has been in the deflationary zone across the wholesale and retail segments, services and non-food goods have prevented the CPI from falling in the deflationary zone, she said.

Rupee rises 14 paise to close at 89.84 against US dollar

MUMBAI, FEB 14: The rupee rose 14 paise to close at 89.84 (provisional) against the greenback on Tuesday primarily on account of dollar selling by the Reserve Bank.

Strong industrial output numbers supported the local unit, but a stronger greenback, higher global crude oil prices, and foreign fund outflows prevented sharper gains, forex traders said.

At the interbank foreign exchange, the rupee opened at 89.98 against the dollar and traded in the range of 89.72-89.98 during the day. The local unit eventually settled at 89.84 (provisional), up 14 paise from its previous close.

The rupee depreciated 8 paise to close at 89.98 against the US dollar on Monday.

"The rupee remained on the weaker side since morning, but later yielded to the constant selling by the RBI, which took it up to 89.72 before buyers came back and bought dollars. The rupee has been gravitating between 89.50 and 90 in the last few days, with the RBI for now protecting 90, but they will buy (dollars) at 89/89.20 to cover their short positions," Anil Kumar Bhansali, Head of Treasury and Executive Director, Finrex Treasury Advisors LLP, said.

He further cited strong Index of Industrial Production (IIP) data, which was released on Monday.

"The IIP came at a 25-month high of 6.7 per cent for November against expectations of 2.5 per cent and last month's growth of 0.5 per cent. The growth during the year has been 3.30 per cent against 2.70 per cent in the last month," he said.

Meanwhile, the dollar index, which gauges the greenback's strength against a basket of six currencies, was trading marginally higher by 0.06 per cent to 97.99.

Brent crude, the global oil benchmark, was trading 0.47 per cent higher at USD 62.23 per barrel in futures trade, amid thin year-end trading and ongoing concerns about global demand.

On the domestic equity market front, the 30-share Sensex ended 20.46 points lower at 84,675.08, while the Nifty slipped 3.25 points to 25,938.85.

Foreign institutional investors offloaded equities worth Rs 2,759.89 crore on Monday, according to exchange data. (PTI)

Regulator's path-breaking tariff reform spurs CNG, piped gas price cuts

NEW DELHI, FEB 14: India's natural gas market has started showing tangible consumer benefits from the Petroleum and Natural Gas Regulatory Board's (PNGRB) recent overhaul of pipeline tariffs, with city gas operators starting to cut CNG and piped cooking gas (PNG) prices.

While Think Gas has already announced reductions in CNG and domestic PNG prices across multiple states ahead of the new tariff regime taking effect on January 1 2026, other city gas operators are likely to announce rate cuts in the coming days.

PNGRB on December 16 announced ratioanlised tariff structure for pipelines that move natural gas – the feedstock for generating electricity, producing fertiliser, making CNG and used as fuel in household kitchens.

This makes natural gas transportation simpler, fairer and more cost-effective for consumers and the city gas distribution sector.

Under the revised regime, effective January 1, 2026, the number of distance-based tariff zones has been reduced from three to two – up to 300 km and beyond – with a single lower Zone-1 rate (around Rs 54 per million British thermal unit) now applied nationwide for CNG and domestic PNG customers regardless of distance from the gas source, according to PNGRB.

This marks a departure from the earlier three-tier system that charged progressively higher rates for longer distances, and is expected to trim delivered gas costs by thousands of crores annually and directly translate into lower prices for end users.

The reform underpins the 'One Nation, One Grid, One Tariff' vision, reduces regional disparities in transportation costs, and aligns natural gas more competitively with other fuels, thereby supporting wider adoption of cleaner energy.

Think Gas announced an up to Rs 2.50 per kg cut in CNG prices for customers in Uttar Pradesh, Bihar and Punjab and domestic PNG by around Rs 3 per standard cubic metre, reflecting lower transportation costs under the revised unified tariff framework.

The firm has also planned cuts of up to Rs 5 per scm in other regions and voluntary price reductions in states not yet grid-connected as part of its consumer-centric pricing strategy.

Industry stakeholders welcomed the development as a direct outcome of PNGRB's forward-looking regulatory steps to simplify gas transmission charges and reduce zonal disparities.

The Association of City Gas Distribution Entities (ACE) praised PNGRB's Unified Tariff (UFT) order of December 16. Its Director General Subhash Kumar said the reform is a landmark move that will boost accessibility and affordability of natural gas, support cleaner fuel adoption, and strengthen investor confidence while safeguarding consumer interests.

In a statement, he said this step could end up being a path-breaking significant milestone towards enhancing the affordability and accessibility of natural gas for households and transport consumers, promoting the adoption of cleaner fuels, helping India to meet its commitments on environment front at global for a by increasing the share of natural gas (a fuel known to have 13 to 32 per cent lower carbon footprint compared to diesel, petrol and LPG) in the national energy mix.

The simplification of the Unified Tariff structure, rationalisation of tariff zones, and introduction of operational measures for improved monitoring and transparency reflect PNGRB's balanced regulatory approach – safeguarding consumer interests while ensuring the financial sustainability of pipeline infrastructure and reinforcing investor confidence, he said.

These measures, he observed, will substantially improve operational ease for CGD entities and stakeholders across the gas value chain.

ACE also underscored PNGRB's consultative approach, highlighting its invitation for stakeholder input on a comprehensive review of the Access Code for Natural Gas Pipelines aimed at harmonising access, capacity booking and interoperability provisions.

The association reiterated its commitment to supporting PNGRB for the orderly, sustainable development of the natural gas and city gas distribution sector.

"The approach of PNGRB to make such major enabling policy decisions, after due consultations, with a view to promote gas consumers' views and enabling ease of business will definitely help realise the vision of Prime Minister of India for gas to have 15 per cent share in national energy mix," he said.

Natural gas currently makes up for just over 6 per cent of the energy basket. (PTI)