

Indian benchmark indices come back in green; volatility is expected ahead of F&O expiry..

Index	Today's Close	Prev. close	Change	% change	Open	High	Low
Sensex	58,664.33	58,465.89	198.44	0.34	57,983.95	58,834.95	57,718.34
Nifty	17,503.35	17,416.55	86.80	0.50	17,281.75	17,553.70	17,216.10

- 1) Indian benchmark indices were in positive terrain after being under pressure in last four trading days. The Sensex was up by 198.44 points and ended at levels of 58,664.33. The NSE Nifty was up by 86.80 points or 0.50 percent to end at levels of 17,503.35.
- 2) Among the Sensex 30 stocks, PowerGrid Corporation was up by 3.9 percent, NTPC was up by 2.7 percent, Bharti Airtel up by 2 percent and Tata Steel up by 2 percent. Sun Pharma, Bajaj Finserv, Larsen & Turbo and SBI were the other major gainers. On the other hand, IndusInd Bank and Asian Paints fell by around 2.5 per cent each. Infosys was the other prominent loser.
- 3) The broader markets also ended in positive terrain. The BSE Midcap index was up by 1.6 percent while the Smallcap index was up by 1.8 percent.
- 4) In terms of sectoral performance, BSE Metal and Power indices were up by over 3 per cent each. The Realty, Telecom and Capital Goods indices were up by around 2 percent each.

Sectors and stocks

- 1) Shares of Latent View Analytics made a handsome debut on the India bourses today, listing at Rs. 530 per share on the BSE. This was a 169 per cent premium to the issue price of Rs. 197. The stock finally ended at Rs. 4878.60, up 148.02 percent. Latent View Analytics IPO was received subscription of 339 times. The high networth individual (HNI) portion of the IPO had received nearly 882 times subscription. Retail portion was subscribed by 124x and the institutional investor portion saw over 150x subscription. The Company is among the leading pure-play data analytics services companies in the country. The company functions in areas such as consulting services, data engineering, business analytics and digital solutions. The company serves clients across countries in the United States, Europe, and Asia through its subsidiaries in the United States, Netherlands, Germany, United Kingdom, and Singapore, and its sales offices in San Jose, London, and Singapore. Proceeds from the fresh issue will be used for funding inorganic growth initiatives, working capital requirements of the subsidiary Latent View Analytics Corporation, and investment in subsidiaries to augment their capital base for future growth and general corporate purposes.
- 2) Shares of recently listed companies also witnessed bounceback after being under tremendous pressure. Fino Payments Bank was up by over 12 per cent to Rs 445. One 97 Communications (Paytm) also jumped by 9.9 per cent to Rs 1,495.
- 3) Shares of NRB Bearings hit an over two-year high of Rs. 171.40 after they rallied 12 per cent on the BSE in Tuesday's intra-day trade on strong outlook. The stock has rallied by 25 per cent in the past four trading days. It was trading at its highest level since June 2019. It had hit a record high of Rs. 224 on December 17, 2018. NRB Bearings is a recognised leader in needle roller bearings, conventional cylindrical roller bearings and has developed a new generation of lightweight drawn cup bearings. The company has two manufacturing subsidiaries viz. SNL Bearings Limited (SNL), NRB Bearings (Thailand) Limited (NRBT). For July to September quarter (Q2FY22), NRB Bearings had reported 143 per cent year on year (YoY) jump in profit after tax (PAT) at Rs. 22.57 crore. It had posted PAT of Rs. 9.28 crore in Q2FY21. Revenues of the company also grew 30 per cent YoY to Rs. 242.82 crore from Rs. 186.29 crore in the-year ago quarter. EBITDA margins improved 280 basis points to 17.3 per cent due to better capacity utilisation rate and efficiency. The company said revival and opening-up of economy post pandemic led to normalcy in business; thus the company ended the first half of fiscal year 2022 with revenue growth of 76 per cent. The faster adoption and development of newer products for BS-VI; has also helped in increase the revenue during the period, it added. NRB is in hybrid vehicles across segments for Marquee customers in Europe and USA

and in applications for E-Mobility vehicles across segments, which is the growth driver for exports. "In next 2-3 years, the company have capital expenditure plan of Rs 200 crore, which include setting up of a global Innovation Centre for future electric mobility in Dubai's prestigious DIFC. The capacity expansion in Thailand subsidiary by additional capex investment of Rs 35 crore over the next 2 financial years," the company said.

- 4) Shares of Raymond hit a 21-month high, as they rallied 14 per cent to Rs. 576.25 on the BSE in Tuesday's intra-day trade on back of heavy volumes. The stock was trading at its highest level since February 2020. It had hit a record high of Rs. 1,152 on May 2, 2018. Raymond is the largest integrated manufacturer of worsted fabric in the world is a leading Indian lifestyle textile and branded apparel company with interests in engineering such as files power tools auto-components) FMCG and realty. Raymond has some of the leading brands within its portfolio 'Raymond Ready to Wear', 'Park Avenue', 'ColorPlus', 'Parx', 'Raymond Made to Measure' amongst others. The company's branded textiles segment accounted 47 per cent of total revenue. In July-September quarter (Q2FY22), the segment reported strong growth of 214 per cent year on year to Rs 722 crore, driven due to improvement in both primary sales as well as secondary sales. The segment posted healthy EBITDA margin of 16.8 per cent mainly driven by operational efficiencies.

Key recent major developments..

- 1) The United States said on Tuesday it would release 50 million barrels of oil from strategic reserves in a coordinated move with China, India, South Korea, Japan and Britain to cool prices after OPEC+ producers rebuffed calls for more crude. The White House issued the statement after a source in the U.S. administration said Washington had been hashing out a plan with major Asian energy consumers to drive down prices from near three-year highs. Britain had not previously been mentioned. U.S. President Joe Biden, facing low approval ratings amid rising inflation ahead of next year's congressional elections, has repeatedly called on the Organization of the Petroleum Exporting Countries and its allies, known as OPEC+, to pump more oil.
- 2) Today, the foreign institutional investors (FIIs) were net sellers of equities worth Rs. 4,477.06 crore thus taking the total net selling to nearly Rs. 17,915.33 crore so far this month in the cash segment. This is following Rs. 25,572 crore worth selling in October 2021.
- 3) The inflows though systematic investment plans or SIPs in the mutual fund industry reached close to Rs. 67,000 crore in the first seven months of the ongoing fiscal. This comes following an inflow of Rs. 96,080 crore through the route in 2020-21, data with the Association of Mutual Funds in India (Amfi) showed.
- 4) The government has raised the goods and services tax (GST) on finished goods such as garments, textiles, and footwear from 5% to 12% with effect from January 2022. The Central Board of Indirect Taxes and Customs (CBIC) announced this on November 18. From January 2022, the GST rate on fabrics will be raised to 12 percent from 5 percent, and the GST rate on garments of any value has been raised to 12 percent, compared to the previous rate of 5 percent on items priced up to Rs. 1,000. Textiles (including woven fabrics, synthetic yarn, pile fabrics, blankets, tents, accessories such as tablecloths or serviettes, rugs and tapestries) have also seen their rates raised from 5% to 12%, while footwear of any value has seen its rate raised from 5% (up to Rs 1,000/pair) to 12%.
- 5) Prime Minister Narendra Modi on November 19 announced that the government would repeal the Farm Laws enacted by Parliament in September 2020. Although they were passed in Parliament, the laws were not implemented due to the protests in states like Punjab and Haryana at the Delhi borders.
- 6) The Department of Investment and Public Asset Management (DIPAM) has invited bids to sell six assets of Bharat Sanchar Nigam Ltd (BSNL) and Mahanagar Telephone Nigam Ltd (MTNL) through its new asset monetisation portal. "Non core asset monetisation commences with the first set of six properties of BSNL/ MTNL bid out on the MSTC portal," DIPAM Secretary Tuhin Kanta Pandey tweeted. The government is planning to sell land parcels worth over Rs 600 crore in the first phase through the new online bidding platform. This will be the first sale of assets through the new e-bidding platform developed by state-run MSTC. created for monetisation by the NITI Aayog. The idea is to put idle land parcels of state-owned entities to use, and realise their value. The effort is on the lines of the National Monetisation Pipeline (NMP) -where the government aims to monetise underutilised assets, but would only include non-core assets. Unlike the NMP, in case of PSUs' land sale, the ownership of assets will be transferred. Sale of non-core assets such as land parcels or real estate of over Rs. 100 crore is being managed by DIPAM, and is similar to the pipeline of core assets.
- 7) Vehicle registration in October including all segments fell 5.33 per cent year-on-year. The fall was a sharper 26.63 per cent when compared to October 2019, Federation of Automobile Dealers Association said in a statement on Thursday. A total of 1,364,526 units were retailed during the month compared to 1,441,299 units in October 2020.

The fall in the YoY sales widens the gap with the October 19 volumes when 1,860,098 units were sold. Alluding to the 42-day festive period (October 7 to November 17), the dealer body said, it was the worst festive season for the automobile market in a decade with overall retail sales dropping by 20 per cent YoY and 20.82 per cent compared to 2019. "We have witnessed the worst festive season in the last decade. Semiconductor shortage which was already a full blown crisis showed its true colours when in spite of an above healthy demand, we could not cater to customer's needs," said Vinkesh Gulati, president, Federation of Automobile Dealers Association (FADA). While SUVs and luxury cars saw a huge shortage, demand for the entry level cars was subdued as customers in this segment are wary of spending and are prioritizing saving for emergencies.

Global markets

- 1) Today, the European markets started on a subdued note led by fresh Covid related restrictions announced in select countries. Asian peer indices too were under pressure.
- 2) Globally, there are concerns over rising COVID-19 cases in Europe, US, and increasing US bond yields. Germany warned on Friday it may need to move to a full lockdown after Austria said it would reimpose strict measures to tackle rising infections.
- 3) Earlier, investors took confidence from the discussion between US president Joe Biden and his Chinese counterpart Xi Jinping. In a virtual meeting, Biden urged Xi not to allow competition between the two economic powers and closely linked trading partners to escalate into a conflict.

Ajcon Global's observations and view

- 1) Indian equities came back in green today. At the moment there are headwinds like weak global cues, valuation concerns, intense FPI selling and strengthening US dollar. Volatility is expected ahead of F&O expiry on Thursday.
- 2) Before the correction started, the sentiments were strong led by good Q2FY22 earnings season and management commentary, good economic activity witnessed in the festive season of Navratri and Diwali, good manufacturing PMI data, strong October 2021 GST collections, good IIP data and IMF's forecast of India's GDP growth at 9.5 per cent in 2021 and at 8.5 per cent in 2022 and good spike in retail participation from Tier II and Tier III cities as people have become more financial literate in COVID-19 crisis. However, RBI measures to gradually reduce liquidity can remain an overhang.
- 3) There is a strong line up of IPOs. We suggest investors to be careful about the forthcoming IPOs and understand the fundamentals before riding the boom based on risk reward profile. However, IPOs of sectors in limelight like E-Commerce, Digital, Speciality chemicals, Companies business model suited to new age, companies having business model which caters to the demands of Electric Vehicles would always gain maximum attention. However, investors have to be careful with expensive IPOs.
- 4) It is advisable to stay away from companies which have ran ahead of fundamentals and valued beyond logic. It would be prudent to stay with quality names at decent valuations and not get carried away. It is advisable for investors to look out for stock specific opportunities at decent valuations considering growth outlook and management pedigree. Always remember, corrections in a bull market will keep markets healthy.
- 5) With Q2FY22 earnings season behind us, investors will track global cues like inflation data across the globe, US treasury yields, COVID-19 cases especially in Europe and US, crude oil price movement and developments in China.



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CIN:L74140MH1986PLC041941

SEBI registration Number: INH000001170 as per SEBI (Research Analysts) Regulations, 2014.

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