

**Indian equities rally led by buying across the board as stock pickers become active..**

Index	Today's Close	Prev. close	Change	% change	Open	High	Low
<b>Sensex</b>	57,911.68	57,037.50	<b>874.18</b>	<b>1.53</b>	57,458.60	<b>57,991.53</b>	57,311.86
<b>Nifty</b>	17,392.60	17,136.55	<b>256.05</b>	<b>1.49</b>	17,234.60	<b>17,414.70</b>	17,215.50

- 1) Indian benchmark indices were upbeat today led by value buying. However, there are headwinds like intensification of war between Ukraine and Russia, concerns over high inflation led by high crude oil prices and commodity prices, rising bond yields globally and rupee depreciation.
- 2) The Sensex was up by 874.18 points or 1.53 percent to end at levels of 57,911.68. On the other hand, the Nifty was up by 256.05 points or 1.49 percent to end at levels of 17,392.60. Among the Sensex 30 stocks, M&M, HDFC, Asian Paints, Reliance Industries, Maruti Suzuki, Sun Pharma, Kotak Bank, TCS, and Bajaj Finserv were up in the range of 2 per cent and 3 per cent.
- 3) In terms of sectoral performance, the BSE Auto index was up by 2.14 per cent, BSE Consumer Discretionary Goods & Services was up by 1.60 per cent, BSE Finance was up by 1.54 per cent, BSE Industrials was up by 1.45 per cent and BSE IT index was up by 1.45 per cent. BSE Metal index was the only loser down marginally by 0.06 percent.
- 4) The broader markets too were upbeat today. The BSE Smallcap index was up by 1.33 per cent and the BSE Midcap index gained by 1.28 per cent.
- 5) Today, FIIs sold equities worth Rs. 713.69 Crore. On the other hand, DIIs bought equities worth Rs. 2,823.43 Crore. Month till date, FIIs sold equities worth Rs. 26,744.47 Crore. On the other hand, DIIs bought equities worth Rs. 18,564.13 Crore. In the month of March 2022, FIIs sold equities worth Rs. 43,281 Crore. On the other hand, DIIs bought equities worth Rs. 39,677 Crore in March 2022.

**Sectors and stocks**

- 1) Reliance Industries Limited touched a market cap of Rs. 18.85 trillion intra-day today after the stock price of the company touched a new high of Rs. 2,789.10. The stock surpassed its previous high of Rs. 2,750 that it touched on October 19, 2021.
- 2) Shares of Angel One hit an all-time high of Rs. 1,950.05 on the BSE in Thursday's intra-day trade and finally closed up by 18.07 percent at Rs. 1,918.70 led by robust performance in Q4FY22 result. Commenting on Q4FY22 performance, Mr. Narayan Gangadhar, Chief Executive Officer said, "I am thrilled to inform you that Angel One experienced its best-ever quarter in Q4 '22, across our operational and financial metrics. We had the highest gross client addition, best quarterly orders, record-high quarterly revenue and profitability, as we surpassed the 9 million client mark. Our client-centric approach continues to dominate our product offerings that provide superior journeys. A reflection of this is visible from the fact that we ranked 2nd in incremental active clients on NSE during the last couple of months. Q4 '22 witnessed a few major releases of our Super-App as we put it into advanced beta and validation phase. The first look will be delivered in this quarter. As we ruggedized our back-end services, with the ultimate aim to up client experience, we experienced continuous improvement in our NPS and sustained our top notch Playstore ratings. Over the last few quarters, on-boarding some of the best tech and digital talent has helped us achieve these enhancements and breakthroughs. This is just a precursor to our overall plan to attain market leadership. These are the assets who create and deliver a superior experience to our clients thus making our business robust, resilient and competitive.
- 3) Shares of VRL Logistics touched 52 week high of Rs. 658.80 on the BSE in Thursday's intra-day trade and closed the day up by 9.18 per cent to Rs. 619.90 on strong business outlook. The stock of the Company surpassed its previous high of Rs. 591.50 touched on February 7, 2022. In the past three days, the stock has rallied by around 20 per cent after VRL Logistics signed Memorandum of Understanding (MoU) on April 18, 2022 with Ratna Cements (Yadwad) for transfer of the Wind Power (Sale of Power) undertaking along with all underlying assets and liabilities as a going concern on a slump sale basis. The management of the company is looking to dispose off this undertak-



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ing considering the limited balance life of the said machines as also to focus on its Goods Transport business which is the major business segment, VRL Logistics said. In the past one month, VRL Logistics has outperformed the market by rallying nearly 33 percent.

### **Key recent major developments..**

- 1) Global bonds added to this year's epic rout as traders brace for the Federal Reserve to raise interest rates at the most aggressive pace since 1982. The policy-sensitive two-year yield climbed as much as six basis points on Friday to 2.74%, the highest since late 2018, after Fed Chair Jerome Powell said "it is appropriate in my view to be moving a little more quickly." That shrank the premium 10-year notes offer over two-year securities, sending the yield gap below 20 basis points. "I think there's something in the idea of front-end loading," Powell said during an International Monetary Fund panel discussion, adding that a half-percentage point hike in May "is on the table." (Bloomberg)
- 2) Globally, in a key development, G7 finance ministers said they have provided and pledged together with international community additional support to Ukraine exceeding \$24 billion for 2022 and beyond, adding that they were prepared to do more as needed. In a statement, the ministers said they regretted Russia's participation in international forums, including G20, International Monetary Fund and World Bank meetings this week. "International organisations and multilateral fora should no longer conduct their activities with Russia in a business-as-usual manner," the ministers said. (Reuters)
- 3) Earlier, Ukrainian President Volodymyr Zelensky has said in a video address "Russian forces have begun the battle for the Donbas region, but Ukraine will defend itself. "Now we can say that Russian troops have started the battle for Donbas, for which they have been preparing for a long time. A very large part of the entire Russian army is now focused on this offense," Zelensky said. "No matter how many Russian troops are driven there, we will fight," he added.
- 4) The International Monetary Fund, in its latest World Economic Outlook report, has slashed its forecast for India's FY23 gross domestic product growth to 8.2 per cent, saying that higher commodity prices will weigh on private consumption and investment. This was one of the steepest cuts for emerging economies compared to the IMF's January WEO forecasts. Saying that global economic prospects have worsened significantly due to commodity price volatility and disruption of supply chains caused by the war in Europe, IMF cut its global growth outlook for calendar year 2022 to 3.6 per cent from 4.4 per cent, and said that both Russia and Ukraine could experience large GDP contractions.
- 5) Domestically, "Thermal plants across the country are grappling with a coal shortage as the power demand in the states has increased, and a number of states are not able to bridge the gap between demand and supply because of insufficient coal stocks at thermal plants," All India Power Engineers Federation (AIPEF) spokesperson VK Gupta said in a statement. Gupta stated that coal shortages indicate a power crisis in the making. As per Central Electricity Authority's (CEA) latest daily coal report, the coal stock at 81 out of a total of 150 thermal power stations using domestic coal is critical as per guidelines, the statement said.
- 6) Domestically, the wholesale price inflation hit a four-month high of 14.55 percent in March, data released on Monday showed. "The high rate of inflation in March, 2022 is primarily due to rise in prices of crude petroleum and natural gas, mineral oils, basic metals, etc., due to disruption in the global supply chain caused by the Russia-Ukraine conflict." the Commerce and Industry Ministry said in a statement.
- 7) Globally, in a key development, Russia on Saturday announced it was banning entry to Prime Minister Boris Johnson and several other top UK officials, after London imposed sanctions on Russia over its military operation in Ukraine. "This step was taken as a response to London's unbridled information and political campaign aimed at isolating Russia internationally, creating conditions for restricting our country and strangling the domestic economy," the foreign ministry said in a statement. "The British leadership is deliberately aggravating the situation surrounding Ukraine, pumping the Kyiv regime with lethal weapons and coordinating similar efforts on the behalf of NATO," the ministry said.
- 8) Last week, the Japanese yen weakened past the 126 yen per dollar mark on Wednesday for the first time since 2002, while the euro was pinned at a one-month low as investors bought the U.S. currency after hawkish comments by Federal Reserve officials. The prospect of fast and aggressive U.S. interest rate hikes and growing market expectations that the Bank of Japan will keep rates ultra-low in the near term have fueled the Japanese currency's declines against the dollar. (Source: Reuters)



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- 9) Globally, US inflation jumped at its fastest pace in more than 40 years, with costs for food, gasoline, housing and other necessities squeezing American consumers and wiping out the pay raises that many people have received. The Labour Department said on Tuesday that its consumer price index jumped 8.5 per cent in March from 12 months earlier the biggest year-over-year increase since December 1981. Prices have been driven up by bottlenecked supply chains, robust consumer demand and disruptions to global food and energy markets worsened by Russia's war against Ukraine. The government's report also showed that inflation rose 1.2 per cent from February to March, up from a 0.8 per cent increase from January to February. The March inflation numbers were the first to capture the full surge in gasoline prices that followed Russia's invasion of Ukraine on February 24.
- 10) Domestically, CPI inflation spiked to a 17-month high in March led by a big jump in prices of food and manufactured goods, official data showed. According to data released by the Ministry of Statistics and Programme Implementation (MoSPI) on Tuesday, inflation based on the Consumer Price Index (CPI) rose to 6.95% in March from 6.07% in the previous month.
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- 12) Earlier, the Monetary Policy Committee (MPC) voted unanimously to keep the policy repo rate unchanged at 4 per cent. The MPC also decided unanimously to remain accommodative while focussing on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth. The marginal standing facility (MSF) rate and the Bank rate remain unchanged at 4.25 per cent. Further, RBI decided to restore the width of the Liquidity Adjustment Facility (LAF) corridor to 50 basis points, the position that prevailed before the pandemic. The floor of the corridor will now be provided by the newly instituted standing deposit facility (SDF), which will be placed 25 basis points below the repo rate, i.e., at 3.75 per cent.

**Ajcon Global's observations and view..**

- 1) Indian equities were upbeat today led by buying across the board. However, there are headwinds like intensification of war between Ukraine and Russia, concerns of high inflation across the globe, rising bond yields globally and rupee depreciation.
- 2) There are other headwinds like increase in COVID-19 cases in China and lockdown in the city of Shanghai to curb COVID-19 cases which is affecting investor sentiments.
- 3) It is advisable for investors to look out for stock specific opportunities considering growth outlook and management pedigree amidst the ongoing crisis. History has proved that after any crisis, equities recover strongly and give stellar returns.
- 4) It would be advisable to avoid companies having exposure to Russia, Ukraine and Eastern European countries for the time being. Additionally, companies dependent on crude oil and crude oil derivatives will face margin pressure. Supply chain disruptions would also pose a challenge for companies and hence investors need to be careful in selection of stocks.
- 5) Always remember, steep corrections and crash in a structural bull market will keep markets healthy. Structurally, Indian economy is poised to do well after major reforms like thrust on digital economy after demonetisation, implementation of GST, RERA, Insolvency and Bankruptcy Code, reforms in power, one of its kind Union Budget announced last year which focused on investment led spending to drive growth with impetus on Privatisation, thrust on Aatmanirbhar Bharat resulting into Production Linked Incentive (PLI) schemes for various sectors, reforms in Direct Taxes, thrust on renewables sector, Ethanol blending, scrapping policy etc. India today has emerged as a potential destination for investment.
- 6) There is a strong line up of IPOs and focus would be on LIC IPO considering its scale. We suggest investors to be careful about the forthcoming IPOs and understand the fundamentals based on risk reward profile. No doubt, IPOs of sectors in limelight like E-Commerce, Insurance, companies engaged in Digital space, Speciality chemicals, Companies business model suited to new age, companies having business model which caters to the demands of Electric



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Vehicles would always gain maximum attention. However, investors need to be careful with expensive IPOs whose valuations are beyond logic. The carnage witnessed in some of the recently listed companies makes a case for investors to be more cautious.

- 7) Before the significant correction led by war between Russia and Ukraine in Ukraine, the domestic sentiments were upbeat as in third wave of COVID-19 led by Omicron variant did not have a major impact on the economy, growth-oriented Union Budget presented by the Finance Minister (we believe the Budget is growth oriented with significant focus on capex - emphasis is laid on Agriculture, MSMEs, Housing, Digital ecosystem, Defence, Electric Vehicles and Solar Power). In addition, factors like good growth in merchandise exports, RBI's dovish stance in its Monetary Policy, good GDP data, robust GST collections, PLI incentives in various sectors, strong vaccination drive, faster than expected economic recovery in Unlock phase, strong Q3FY22 earnings season and management commentary and good spike in retail participation from Tier II and Tier III cities have supported the bulls.
- 8) All eyes would be on Q4FY22 earnings season (focus would be on management commentary with regards to demand outlook, how companies are dealing with input cost pressures and supply chain disruptions) which will drive market direction.
- 9) We expect volatility to continue led by global macroeconomic factors which are affecting companies Q4FY22 performance.



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