

Key Benchmark indices across the globe

Index	May 03, 2023	May 02, 2023	Change	% change	Open	High	Low
Nifty	18,089.85	18,147.65	57.80	0.32	18,113.80	18,116.35	18,042.40
Sensex	61,193.30	61,354.71	161.41	0.26	61,274.96	61,274.96	61,024.44
Shanghai Composite	3,323.27	3,285.88	37.39	1.13	3,283.12	3,324.88	3,283.12
Nikkei 225	29,157.95	29,123.18	34.77	0.12	29,278.80	29,278.80	29,083.13
Kospi	2,501.40	2,524.39	22.99	0.92	2,510.19	2,514.37	2,497.83
Dow Jones#	33,653.53	33,684.53	31.00	0.09	33,731.37	33,763.07	33,607.63
Nasdaq #	12,114.32	12,080.51	33.81	0.28	12,097.04	12,152.91	12,092.72
FTSE#	7,788.40	7,773.03	15.37	0.20	7,773.03	7,819.66	7,773.03
CAC#	7,401.13	7,383.20	17.93	0.24	7,410.56	7,445.95	7,399.91
DAX#	15,816.13	15,726.94	89.19	0.57	15,774.02	15,868.88	15,745.98

#denotes levels of May 03, 2023 at the time of writing this report

Key macroeconomic indicators

Index	May 03, 2023	May 02, 2023
Brent Crude Oil (\$ per barrel)	71.85#	75.32
Gold (\$ per ounce)	2,024.29#	2016.28
Indian Rupee against US\$	81.82	81.88
India 10 year bond yield (%)	7.01	7.11
US 10 year G-sec (%)	3.37#	3.44

#denotes levels of May 03, 2023 at the time of writing this report

FII & DII activity

Index	May 03, 2023	May 02, 2023
FII activity (Rs. in Crore)	1,338.00	1,997.35
DII activity (Rs. in Crore)	583.99	394.05

Indian equities come under pressure; all eyes on US Fed meet..

- 1) On Wednesday, the Indian benchmark indices came under pressure led by weak global cues ahead of the US Fed meet. The Nifty opened on a negative note and later touched an intraday low of 18,042.40. Finally, the Nifty ended the day, down by 57.80 points to end at levels of 18,089.85. On the other hand, the Sensex ended the day down by 161.41 points or 0.26 percent to end the day at levels of 61,193.30.
- 2) Among the Nifty 50 stocks, the major gainers were Hindustan Unilever, Asian Paints, Tata Motors, UltraTech Cement, ITC up in the range of 0.59 percent to 1.37 percent. On the other hand, the major losers were Adani Enterprises, Adani Ports, ONGC, UPL, Bharti Airtel down in the range of 1.51 percent to 4.47 percent.
- 3) The broader markets were mixed on Wednesday. The Nifty Midcap 100 index was up by 0.26 percent and the Nifty Smallcap 100 index was down by 0.07 percent.
- 4) In terms of the sectoral indices performance, the major gainers were Nifty FMCG index up by 0.78 percent, Nifty Realty index up by 0.28 percent, Nifty Media index up 0.28 percent. On the other hand, the major losers were Nifty IT index down by 1 percent, Nifty PSU Bank index down by 0.98 percent, Nifty Metal index down by 0.98 percent, Nifty Oil & Gas index down by 0.77 percent.

- 5) On Wednesday, FIIs have net bought equities worth Rs. 1,338.0 Crore. On the other hand, DIIs net sold equities worth Rs. 583.99 Crore. In the month of April 2023, FIIs have net bought equities worth Rs. 5,711.80 Crore and DIIs have net bought equities worth Rs. 2,216.57 Crore. In the month of March 2023, FIIs have net bought equities worth Rs. 1,997.70 Crore. On the other hand, DIIs have net bought equities worth Rs. 30,548.77 Crore. In the month of February 2023, FIIs have net sold equities worth Rs. 11,090.64 Crore and DIIs net bought equities worth Rs. 19,239.28 Crore.

Sectors & Stocks

- 1) Shares of Engineers India Limited (EIL) ended up by 13.39 percent to Rs. 93.60 at the NSE on Wednesday. EIL is a leading engineering consultancy and EPC company. EIL's business operations span the hydrocarbon value chain as well as diversified areas of Metallurgy, Infrastructure, Bio Fuels & Green Hydrogen.

Earlier, pursuant to the long-standing relationship, Oil India Limited (OIL) and Engineers India limited (EIL) inked a Memorandum of Agreement (MoA) on February 14, 2023. It is envisaged that through the MoA, Oil India will engage EIL to carry out niche technological studies and feasibility reports for the Upstream, Midstream and the Downstream value chain including HSE aspects pertaining to statutory and regulatory compliances.

- 2) Shares of Rail Vikas Nigam Limited (RVNL) ended up by 9.97 percent to Rs. 130.10 at the NSE on Wednesday. Rail Vikas Nigam Limited (RVNL), a Central Public Sector Enterprises of Ministry of Railways, has been granted Navratna Status. RVNL was incorporated as PSU on 24th January, 2003, with the twin objectives of implementation of projects relating to creation and augmentation of capacities of rail infrastructure on fast track basis and raising of extra budgetary resources for SPV projects. RVNL has been assigned the functions of undertaking project development and execution of works covering the full project lifecycle, creating project-specific SPVs for individual works if required, and handing over completed railway projects to the concerned zonal railway for operation and maintenance.

The grant of "Navratna" status to RVNL leads to enhanced delegation of powers, more operational freedom and financial autonomy which will give huge impetus to RVNL's progress, particularly so, when RVNL is extending its footprints in sectors beyond Railways and even in projects abroad.

The contribution of the Company in building of rail infrastructure in the Country is amply demonstrated by its remarkable performance and presence in 26 locations across the country with 34 functional project implementation Unit (PIU). RVNL is executing all types of Railway Infrastructure works such as New Line, Gauge Conversion, Doubling/3rd Line/4th Line, Railway Electrification, Workshops, Hill Railway Projects, Institutional Buildings, Mega Bridges, Metro Railway, etc.

Recently, 'RVNL-SCC JV' emerged as the Lowest Bidder (L1) for 'Planning, Design and construction of main Canal and Structures including associated distribution system to provide Irrigation facility to 41903 ha. area through Piped Irrigation network for Upper High-Level Canal of Mahi Bajaj Sagar Project, Banswara (Raj) on Engineering, Procurement and Construction (E.P.C.) single Responsibility turnkey basis, including 10 years O&M.' The cost of project is Rs. 2,248.95 Crore (RVNL Share is 51% and SCC Share is 49%).

- 3) Shares of Bharat Heavy Electricals Limited (BHEL) ended up by 6.43 percent to Rs. 86.85 at the NSE on Wednesday. BHEL is India's largest engineering and manufacturing enterprise in the energy and infrastructure sector. Established in 1964, BHEL is a leading power equipment manufacturer globally and one of the earliest and leading contributors towards building an Aatmanirbhar Bharat. The company is engaged in the design, engineering, manufacture, construction, testing, commissioning and servicing of a wide range of products and services for the core sectors of the economy. BHEL serves its customers with a comprehensive portfolio of products, systems and services in the areas of power-thermal, hydro, gas, nuclear & solar PV; transmission; transportation; defence & aerospace; oil & gas and new areas like BESS and EV chargers.

BHEL is a name to reckon with in various sectors of Indian capital goods industry. This is evident from supply of traction equipment for significant number of locomotives & EMUs of Indian Railways; commissioning of 225+ electric substations and 6 major HVDC projects in the country; being the largest manufacturer and supplier of power transformers and electrical AC machines in the country, and 1.2GW+ solar portfolio spread across the country.

BHEL plays a crucial role in the strategic sectors of the nation, being the sole Indian supplier for many technology intensive products and systems. BHEL is the only supplier of nuclear steam turbines in the country; the only company associated with all three stages of India's Nuclear Power programme; a major supplier of critical equipment and



services in defence & aerospace sector for over three decades; and a trusted supplier of naval guns to Indian navy for their warships.

With key focus on project execution, the worldwide installed base of power generating equipment supplied by BHEL has exceeded exceeds 194 GW, making it the undisputed leader amongst Indian power plant equipment manufacturers. Having installed more than 1000 thermal, hydro, nuclear, gas and solar PV based power generating sets in the country, the company is actively engaged in building strong foundations for cleaner and greener energy generation and usage in future with critical technologies coal to methanol.

With its vast portfolio of 1,32,000+ MW of coal-based power plants installed in the country (~57%), BHEL is the undisputed market leader in thermal utility projects as well as a lead player for R&M of old sets for achieving efficient upgradation and increase in lifespan as well as reliability. The company with its experience of working with a wide range of customers, offers ready availability of spares and quality services along with comprehensive R&M for thermal as well as hydro sets.

The Company's outstanding Order book as on 31st December, 2022 stood at Rs. 1,03,694 Crore. (Power: 83%, Industry: 13%, Exports: 4%). The Company had registered good performance in the Q3FY23 result.

Ajcon Global's view on Indian equities in the near term

- 1) On Wednesday, Indian benchmark indices ended in red ahead of the US Fed meet. Today, action was witnessed in PSU stocks. Stock specific action was witnessed in other sectors too based on Q4FY23 earnings performance.
- 2) Going forward, investors will take cues from the outcome of US Fed meet and ongoing Q4FY23 earnings season. Overall, the Q4FY23 earnings season has been mixed so far. Earlier, IT giants reported weak performance. However, IT midcaps have delivered good Q4FY23 performance. Results announced by PSU Banks, NBFCs announced till date indicates good times for Banking and Financial Services sector. Private Banks too have reported decent Q4FY23 performance announced till date.
- 3) We have faith in the India story and believe that the domestic economy is strongly placed as compared to the global peers which will attract investors. At the moment, companies in the sectors like Banking, NBFCs, Capital Goods, select companies in the Infrastructure space, Railways, Defence and select companies in the new age business segment can be considered. In addition select companies in Diagnostics and Pharma sector can be considered as COVID-19 cases have started increasing in India.
- 4) Globally, with US economy slowing down, US Fed may not be so aggressive in hiking interest rates. Earlier, US inflation fell to 5 percent in March 2023 and is at the lowest point in almost 2 years. The efforts made globally by authorities to restore confidence amongst the investors after the recent turmoil in the US and European Banking system has also yielded results in the form of some improvement in the investor sentiments. While the global central banks especially in US and Europe are grappling with issues like balancing inflation and growth; however, Reserve Bank of India is balancing inflation and growth in a good manner. In addition, the Indian Banking has proved to be resilient to global factors and macroeconomic headwinds. This will infuse confidence amongst investor community which will attract FIIs inflows. Street participants will continue to watch global bond yields as it will dictate treasury performance of Banks, rupee movement against the US Dollar, crude oil price movement, economic activity in China, developments related to tussle between China and Taiwan, key implications of ongoing war between Russia and Ukraine.



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