

**Key Benchmark indices across the globe**

Index	July 04, 2023	Prev. close	Change	% change	Open	High	Low
<b>Nifty</b>	19,389.00	19,322.55	<b>66.45</b>	<b>0.34</b>	19,406.60	19,434.15	19,300.00
<b>Sensex</b>	65,479.05	65,205.05	<b>274.00</b>	<b>0.42</b>	65,503.85	65,672.97	65,171.06
<b>Nikkei 225</b>	33,422.52	33,753.33	<b>330.81</b>	<b>0.99</b>	33,512.26	33,576.45	33,338.78
<b>Straits Times</b>	3,203.77	3,207.10	<b>3.33</b>	<b>0.10</b>	3,204.45	3,209.23	3,197.01
<b>Kospi</b>	2,593.31	2,602.47	<b>9.16</b>	<b>0.35</b>	2,604.72	2,607.66	2,591.86
<b>Hang Seng</b>	19,415.68	19,306.59	<b>109.09</b>	<b>0.56</b>	19,289.06	19,449.11	19,253.22
<b>Shanghai Composite</b>	3,245.35	3,243.98	<b>1.37</b>	<b>0.04</b>	3,241.23	3,246.96	3,233.99
<b>Dow Jones</b>	34,418.47#	34,407.60	<b>10.87</b>	<b>0.03</b>	34,303.53	34,465.60	34,286.54
<b>Nasdaq</b>	13,816.77#	13,787.92	<b>28.85</b>	<b>0.21</b>	13,798.70	13,839.09	13,773.41
<b>FTSE</b>	7,523.89#	7,527.26	<b>3.37</b>	<b>0.04</b>	7,527.26	7,547.38	7,518.55
<b>CAC</b>	7,371.70#	7,386.70	<b>15.00</b>	<b>0.20</b>	7,390.91	7,401.46	7,371.61
<b>DAX</b>	16,037.20#	16,081.04	<b>43.84</b>	<b>0.27</b>	16,082.93	16,103.95	16,023.72

#denotes levels of July 04, 2023 at the time of writing this report

**Key macroeconomic indicators**

Index	July 04, 2023	July 03, 2023
<b>Brent Crude Oil (\$ per barrel)</b>	76.12#	74.65
<b>Gold (\$ per ounce)</b>	1,927.81#	1,921.43
<b>Indian Rupee against US\$</b>	82.02	81.96
<b>India 10 year bond yield (%)</b>	7.12	7.12
<b>US 10 year G-sec (%)</b>	3.86#	3.82

#denotes levels of July 04, 2023 at the time of writing this report

**FII & DII activity**

Index	July 04, 2023	July 03, 2023
<b>FII activity (Rs. in Crore)</b>	<b>2,134.33</b>	<b>1,995.92</b>
<b>DII activity (Rs. in Crore)</b>	<b>785.48</b>	<b>337.80</b>

**Indian equities witness buoyancy; stock specific action continues..**

- 1) On Tuesday, the Indian benchmark indices ended in a positive terrain. The Nifty opened on a positive note and later touched an intraday of 19,434.15. Finally, the Nifty ended the day up by 66.45 points or 0.34 percent to end at levels of 19,389.00. On the other hand, the Sensex ended the day up by 486.49 points or 0.75 percent to end the day at levels of 65,205.05.
- 2) Among the Nifty 50 stocks, the major gainers were Bajaj Finance, Bajaj Finserv, Hero Motocorp, Tech Mahindra, Sun Pharma up in the range of 2.01 percent to 7.30 percent. On the other hand, the major losers were Eicher Motors, Bharti Airtel, Grasim Industries, Axis Bank, Reliance Industries down in the range of 1.06 percent to 6.06 percent.
- 3) The broader markets were mixed on Tuesday. The Nifty Midcap 100 index was down by 0.20 percent and the Nifty Smallcap 100 index was up by 0.25 percent.

- 4) In terms of the sectoral indices performance, the major gainers were Nifty PSU Bank index up by 1.89 percent, Nifty IT index up by 1.04 percent, Nifty Media index up by 0.82 percent, Nifty Financial Services index up by 0.79 percent, Nifty Financial Services 25/50 index up by 0.72 percent, Nifty Pharma index up by 0.45 percent, Nifty Bank index up by 0.32 percent.
- 5) On Tuesday, FIIs have net bought equities worth Rs. 2,134.33 Crore. On the other hand, DIIs net sold equities worth Rs. 785.48 Crore. In the month of June 2023, FIIs have net bought equities worth Rs. 27,250.01 Crore and DIIs have net bought equities worth Rs. 4,458.23 Crore.

## Sectors & Stocks

- 1) Shares of Genus Power Infrastructures Limited (Genus) ended up by 8.89 percent to Rs. 140.80 at the NSE on Tuesday. The Company is the largest manufacturer of “smart meters” and has an integrated manufacturing facility that has supported its widespread installation of meters across India. With an in-house R&D centre and deep experience in Operations & Maintenance (O&M) of smart meters, Genus is a market leader in India in the metering business.

The Company has announced the signing of definitive agreements with Gem View Investment Pte Ltd, an affiliate of GIC, Singapore (“GIC”) for: Setting up of a Platform (“Platform”) for undertaking Advanced Metering Infrastructure Service Provider (“AMISP”) concessions. GIC will hold 74% (seventy four percent) stake while Genus will hold 26% (twenty six percent) stake in the Platform. The partners have committed to an initial pipeline with a capital outlay of (approx.) USD 2,000,000,000 (USD Two billion). Genus would be the exclusive supplier to the Platform for smart meters and associated services; and

Investment by Chiswick Investment Pte Ltd, an affiliate of GIC, of up to INR 519,00,00,000 (INR Five Hundred and nineteen crores) by way of a preferential allotment of warrants which shall constitute (if and when GIC elects to exercise such warrants) 15% (fifteen percent) of the issued and paid-up share capital of Genus on a fully diluted/as converted basis.

The transactions are subject to the approval of Genus shareholders and fulfilment of customary closing conditions to the satisfaction of the GIC affiliates.

This represents the largest transaction in the smart metering space in the country and positions Genus at the forefront of the smart metering revolution underway in the country. With these transactions, Genus would supplement its manufacturing and execution prowess with access to capital. Genus will scale up the deployment of energy “smart meters” across India, supporting energy security and transition through grid optimization and efficiency.

According to the Company's press release, Government of India (“GoI”) is implementing the National Smart Metering Project, under the Revamped Distribution Sector Scheme (RDSS), with a plan to install 250,000,000 (Two hundred and fifty million) meters by 2025 with an estimated investment of USD 30,000,000,000 (USD Thirty billion). With technical and commercial losses exceeding 15% (fifteen percent) for all major Indian utilities leading to high financial losses, smart metering projects under the RDSS scheme are conceptualised to reduce such losses, improve operational efficiency of DISCOMs and improve their financial sustainability by providing results linked financial assistance. Smart meters are also at the core of operationalizing the recently announced Time of the Day Metering (ToD) announced by GoI. AMISP concessions are awarded by various state utilities under RDSS with a concession life of upto 10 (ten) years and concessionaires receive a monthly service charge during this period for installing and maintaining meters and the associated infrastructure.

- 2) Shares of Bajaj Finance Limited ended up by 7.30 percent to Rs. 7,868 at the NSE on Tuesday. The rally was led by encouraging Q1FY24 business update. According to the Company's press release: Customer franchise as of 30 June 2023 stood at 72.98 MM as compared to 60.30 MM as of 30 June 2022. The Company recorded highest ever quarterly increase in its customer franchise of 3.84 MM in Q1 FY24. New loans booked during Q1 FY24 grew by 34% to 9.94 MM as compared to 7.42 MM in Q1 FY23. Assets under management (AUM) grew by 32% to approximately ₹ 270,050 crore as of 30 June 2023 as compared to ₹ 204,018 crore as of 30 June 2022. The Company recorded highest ever quarterly increase in its AUM of approximately ₹ 22,700 crore in Q1 FY24. AUM mix remained stable in Q1 FY24. Consolidated net liquidity surplus stood at approximately ₹ 12,700 crore as of 30 June 2023. The Company's liquidity position remains strong. Deposits book stood at approximately ₹ 49,900 crore as of 30 June 2023 as compared to ₹ 34,102 crore as of 30 June 2022, a YoY growth of 46%



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- 3) Shares of Bank of India ended up by 3.88 percent to Rs. 80.30 at the NSE on Tuesday. In Q4FY23, the Bank witnessed good performance on all major fronts but could have improved on overall advances growth as well which looks muted on QoQ basis. In Q4FY23, there was a jump in slippages in the Agriculture segment and not from lumpy accounts in the Corporate book. Gross NPA ratio had improved to 7.31 percent in Q4FY23 (9.98 percent in Q4FY22) as against 7.66 percent in Q3FY23. Net NPA ratio had improved to 1.66 percent in Q4FY23 (2.34 percent in Q4FY22) as against 1.61 percent in Q3FY23. The Bank's MD & CEO in Q4FY23 analyst meet was of the view that Gross NPA and Net NPA would be lower in FY24 as the Bank would be aggressive on recoveries, One Time Settlement (OTS) would be there and Upgradation of NPA accounts as well. He further added, that Bank is hopeful that some of the agriculture accounts which slipped in Q4FY23 would be upgraded in Q1FY24 as KCC renewals will come in. According to the Bank's management, the Bank's aim to keep Gross NPA ratio to be less than 7 percent and Net NPAs below 1.5 percent in FY24. The Bank expects upgradations of NPAs, OTS and will be aggressive on recoveries in FY24 which will further improve its asset quality. The Bank expects pick up in overall credit growth and has given guidance of 11 to 12 percent considering the base has increased. The Bank's Corporate book is also holding up well with significant exposure to ratings A& above. The treasury performance in Q4FY23 was also good considering the macroeconomic headwinds and is expected to remain good in the coming quarters. The Bank's digital journey is on track and is expected to report good numbers from the digital channels soon.

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

- 1) On Tuesday, Indian benchmark indices ended in green led by FII buying. We expect stock specific action likely to continue. After the recent rally, profit booking is not ruled out. Domestically, we suggest investors to remain stock specific and be wary of valuations of companies getting out of comfort zone. At the moment, companies in the sectors like NBFCs, Banking, Capital Goods, select companies in the Infrastructure space, Railways and Defence.
- 2) 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. Domestically, the economy is doing well which is evident from the recent GST collection data, increase in investment led spending and other indicators like passenger air traffic, hotel occupancy, power consumption, auto sales, coal production data etc. Encouraging Q1FY24 business updates of some companies suggest that economy is doing well. Earlier, Q4FY23 earnings season was also decent. Results announced by PSU Banks, NBFCs announced indicated good times for Banking and Financial Services sector. Private Banks too had reported decent Q4FY23 performance. However, IT giants had reported weak performance but IT midcaps had delivered good Q4FY23 performance.
- 3) Recent inflation data was good with India's WPI inflation data lowest since November 2015 at -3.48 percent (lowest in seven-and-a-half years). India's retail inflation data had fallen to a 25 month low in May 2023 and Index of Industrial Production (IIP) data which stood at 4.2 per cent in April 2023 as against 1.1 percent in March 2023 which lifted 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.



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