

Key Benchmark indices across the globe

Index	Oct. 04, 2023	Prev. close	Change	% change	Open	High	Low
Nifty	19,436.10	19,528.75	92.65	0.47	19,446.30	19,457.80	19,333.60
Sensex	65,226.04	65,512.10	286.06	0.44	65,330.65	65,332.52	64,878.77
Nikkei 225	30,526.88	31,237.94	711.06	2.33	30,765.03	30,830.85	30,487.67
Kospi	2,405.69	2,465.07	59.38	2.47	2,435.78	2,435.78	2,402.84
Dow Jones	33,071.00#	33,002.38	68.62	0.21	33,000.45	33,094.85	32,863.31
Nasdaq	13,180.02#	13,059.47	120.56	0.92	13,092.92	13,186.58	13,072.51
FTSE	7,412.45#	7,470.16	57.71	0.78	7,470.16	7,490.18	7,384.20
CAC	6,996.73#	6,997.05	0.32	-	6,959.52	7,050.69	6,948.03
DAX	15,099.92#	15,085.21	14.71	0.10	14,979.81	15,174.63	14,948.08

denotes Oct. 04, 2023 levels at the time of writing this report

Key macroeconomic indicators

Index	Oct. 04, 2023	Prev. close
Brent Crude Oil (\$ per barrel)	87.01#	90.92
Gold (\$ per ounce)	1,823.06#	1,822.81
Indian Rupee against US\$	83.24	83.22
India 10 year bond yield (%)	7.244	7.235
US 10 year G-sec (%)	4.737#	4.802

denotes Oct. 04, 2023 levels at the time of writing this report

FII & DII activity

	Oct. 04, 2023	Oct. 03, 2023
FII activity (Rs. in Crore)	4,424.02	2,034.14
DII activity (Rs. in Crore)	1,769.49	1,361.02

Rising bond yields affect investor sentiments; PSU banking stocks witness pressure..

- 1) On Wednesday, the Indian benchmark indices ended in the negative terrain led by rise in US bond yields and domestic bond yields. The Nifty opened on a negative note and touched an intraday low of 19,457.80. Finally, the Nifty ended the day down by 92.65 points or 0.47 percent to end at levels of 19,436.10. On the other hand, the Sensex ended the day down by 286.06 points or 0.44 percent to end the day at levels of 65,226.04.
- 2) Among the Nifty 50 stocks, the major gainers were Adani Enterprises, Nestle India, Eicher Motors, Hindustan Unilever, HDFC Bank up in the range of 1.59 percent to 3.23 percent. On the other hand, the major losers were Axis Bank, State Bank of India, NTPC, IndusInd Bank, Bajaj Auto down in the range of 2.20 percent to 4.72 percent.
- 3) The broader markets too were under pressure on Wednesday. The Nifty Midcap 100 index was down by 1.38 percent and the Nifty Smallcap 100 index was down by 1.25 percent.
- 4) In terms of the sectoral indices performance, the major gainers were Nifty IT index up by 0.30 percent, Nifty FMCG index up by 0.22 percent. On the other hand, the major losers were Nifty PSU Bank index down by 2.83 percent, Nifty Realty index down by 1.73 percent, Nifty Healthcare index down by 1.69 percent, Nifty Pharma index down by 1.40 percent, Nifty Metal index down by 1.06 percent.

- 5) On Wednesday, FIIs have net sold equities worth Rs. 4,424.02 Crore. On the other hand, DIIs net bought equities worth Rs. 1,769.49 Crore. In the month of September 2023, FIIs had net sold equities worth Rs. 26,692.16 Crore and DIIs had net bought equities worth Rs. 20,312.65 Crore.

Sectors & Stocks

- 1) Shares of Vascon Engineers Limited ended up by 8.50 percent to Rs. 67 at the NSE on Wednesday. In Q1 FY24, the Company witnessed strong execution across EPC Projects. The Company's projects were operating at an optimum level, which enabled faster project execution and resulted in better revenue generation. The Company is of the view that the execution will gather momentum in coming quarters aided by the healthy Order Book. The Company's Order Book has grown 2x from FY19, with an improving contribution from the Government Sector.

Recently, in August 2023, Vascon Engineers Limited had received Letter of Acceptance amounting to Rs. 605.65 Crores (Six Hundred Five Crores and Sixty Five lakhs (including GST) from Bihar Medical Services & Infrastructure Corporation Limited (A Government of Bihar undertaking), for Construction of Lohia Medical College & Hospital including Hospital and Residential Building, Supaul. The work has been awarded on 'EPC basis'. The work has to be completed within 36 months from the date of receipt of Letter of Acceptance.

- 2) Shares of Navneet Education Limited ended up by 6.28 percent to Rs. 165.75 at the NSE on Wednesday. The Company's press release said that the Company has completed the sale transaction of the Company's immovable property located in Ghuma Taluka, Ahmedabad, Gujarat. The Company in the press release further added that the conveyance deed and all necessary documentation in this regards have been duly signed and registered with the relevant authorities as required.
- 3) Shares of Rico Auto Industries Limited ended up by 6.26 percent to Rs. 87.40 at the NSE on Wednesday. The Company has been one of the pioneers in exporting Critical Components based on the established quality systems and delivery experience of over 25 years to US, Europe, Japan Brazil, Turkey and Southeast Asia. Since 2018, the Company has been focusing on the emerging Electric Vehicles and Hybrid Vehicle Components and supplying to overseas customers like BMW, Toyota etc. The Company has established warehousing facilities and local business representatives to support its overseas customers. Over the next few years, the Company's Management anticipates amplified growth, driven by the increase in demand of components for EVs as well as for ICE Engines, both for Domestic and Exports. The Company's vision is to become the preferred supplier globally for Electric Vehicles, Electrified Vehicles, and other advanced technologies like Hydrogen Fuel cells and also for ICE Engines.
- 4) Shares of Avenue Supermarts Limited ended by 3.60 percent to Rs. 3,860 at the NSE on Wednesday after hitting an intraday high of Rs. 3,909.95. The quarterly update of the Company at the end of Q2 of Financial Year 2023-24 (July 2023 – September 2023) filed with the exchanges was encouraging. The Company's Standalone Revenue from operations for Q2FY24 stood at Rs. 12,307.72 Crore as against Rs. 10,384.66 Crore in Q2FY23. The Standalone Revenue from operations for QE September 30, 2023 given above is subject to limited review by the Statutory Auditors of the Company. The total number of stores as of September 30, 2023 stood at 336.

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

- 1) Indian equities ended in the negative terrain on Wednesday led by weak global cues like rising US bond yields and dollar index. High domestic bond yields too have affected investor sentiments. After the recent fall, we expect stock specific action to continue in the midcaps and smallcaps space. Positive demand outlook led by ongoing festive season would keep bulls in the hunt. Investors will continue to watch global bond yields, rupee movement against the US Dollar, crude oil price movement and domestic economic activity in the festive season.
- 2) Domestically, we suggest investors to remain stock specific and be wary of valuations of companies getting out of comfort zone especially in smallcaps. At the moment, companies in the sectors like FMCG, PSU Banks, Auto, Auto ancillaries, Banking, NBFCs, Consumer Durables, Capital Goods, Defence, Engineering, Real Estate, select companies in the Infrastructure space, Railways can be considered. 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 results suggest that economy is doing well. Results announced by PSU Banks, NBFCs announced indicated good times for Banking and Financial Services sector. Private Banks too had reported good Q1FY24 performance.



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