

Key Benchmark indices across the globe

Index	April 05, 2023	April 03, 2023	Change	% change	Open	High	Low
Nifty	17,557.05	17,398.05	159.00	0.91	17,422.30	17,570.55	17,402.70
Sensex	59,689.31	59,106.44	582.87	0.99	59,094.71	59,747.12	59,094.40
Straits Times	3,318.87	3,311.12#	7.75	0.23	3,312.13	3,331.66	3,301.09
Nikkei 225	27,813.26	28,287.42#	474.16	1.70	28,111.04	28,133.57	27,788.77
Kospi	2,495.21	2,480.51#	14.70	0.59	2,482.61	2,497.61	2,478.67
Dow Jones	33,419.71*	33,402.38#	17.33	0.05	33,399.81	33,543.84	33,381.33
Nasdaq	11,968.54*	12,126.33#	157.79	1.30	12,081.76	12,086.75	11,943.94
FTSE	7,653.32*	7,634.52#	18.80	0.25	7,634.52	7,678.45	7,634.26
CAC	7,313.20*	7,344.96#	31.76	0.43	7,350.03	7,359.40	7,300.33
DAX	15,512.01*	15,603.47#	91.46	0.59	15,611.68	15,627.29	15,482.88

*denotes at the time of writing this report, #denotes closing levels of April 04, 2023

Note: NSE and BSE were closed on April 04, 2023 on account of Mahavir Jayanti holiday

Key macroeconomic indicators

Index	April 05, 2023	April 03, 2023
Brent Crude Oil (\$ per barrel)	84.68*	84.94#
Gold (\$ per ounce)	2,019.95*	2,019.97#
Indian Rupee against US\$	82.00	82.34
India 10 year bond yield (%)	7.28	7.32
US 10 year G-sec (%)	3.28*	3.34#

*denotes levels at the time of writing this report, #denotes closing levels of April 04, 2023

FII & DII activity

	April 05, 2023	April 03, 2023
FII activity (Rs. in Crore)	806.82	321.93
DII activity (Rs. in Crore)	947.21	328.24

Investor sentiments remain upbeat; all eyes on RBI's stance in the Monetary policy..

- 1) On Wednesday, the Indian benchmark indices ended in the positive terrain. The Nifty opened on a positive note and touched an intraday high of 17,570.55. Finally, the Nifty ended the day up by 159 points or 0.91 percent to end at levels of 17,557.05. On the other hand, the Sensex ended the day up by 582.87 points or 0.99 percent to end the day at levels of 59,689.31.
- 2) Among the Nifty 50 stocks, the major gainers were Larsen & Toubro, HDFC, HDFC Bank, ITC, Hindustan Unilever up in the range of 1.89 percent to 4.09 percent. On the other hand, the major losers were Eicher Motors, Mahindra & Mahindra, IndusInd Bank, NTPC, Adani Enterprises down in the range of 0.93 percent to 2.14 percent.
- 3) The broader markets were mixed on Wednesday. The Nifty Midcap 100 index was down by 0.02 percent and the Nifty Smallcap 100 index was up by 0.72 percent.
- 4) In terms of the sectoral indices performance, the major gainers were Nifty FMCG index up by 1.36 percent, Nifty IT index up by 1.20 percent, Nifty Financial Services index up by 1.14 percent, Nifty Financial Services 25/50 index up by 0.98 percent, Nifty Pharma index up by 0.94 percent.



- 5) On Wednesday, FIIs net bought equities worth Rs. 806.82 Crore. On the other hand, DIIs net sold equities worth Rs. 947.21 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. In the month of January 2023, FIIs had net sold equities worth Rs. 41,464.73 Crore and DIIs net bought equities worth Rs. 33,411.85 Crore.

Sectors & Stocks

- 1) Shares of Jindal Saw Limited ended up by 7.95 percent to Rs. 160.85 at the NSE on Wednesday. Jindal Saw has a business model that is well diversified in terms of strategic locations, markets, products, industries and customers. The business model designed to create a hedge against simultaneous risks and adverse macros, which allows it to operate and perform in difficult economic and geopolitical circumstances. The Company's domestic and exports markets are well balanced, and its businesses operate through four strategic business divisions including SAW Pipes, DI Pipes & Fittings, Seamless Pipes & Tubes and Mining & Pellets. JSAW has geographically diversified operations spread across Kosi Kalan (Uttar Pradesh), Mundra (Gujarat), Nashik (Maharashtra), Indore (Madhya Pradesh) and Bellary, (Karnataka). The Company has further increased its presence in Bhilwara (Rajasthan), where, apart from having low grade iron ore mine, it has also implemented an iron ore beneficiation and a pellet plant. JSAW has a healthy product portfolio with presence across major segments of the pipe industry viz. LSAW pipes, HSAW pipes, DI pipes, seamless pipes & tubes, anti-corrosion coated pipes, hot-pulled induction bends etc. Company's revenue is well balanced across various products with no single product contributing more than 30% to revenue. Most of the products contribute between 10% to ~30% of total revenue, thus providing diversification to cash flows and mitigation against market volatility related to any single product. JSAW has strong presence in overseas market and most of the exports take place with Latin American countries and MENA region. ~50% of the Company's revenues come from the water supply and sanitation (WSS) which is growing rapidly in India and globally. The Company's exposure to Oil & Gas sector accounts for only one third of the total revenue. Due to its diversified portfolio, the Company has been able to protect itself from the volatility in the Oil & Gas sector. JSAW has Government as well as private sector clients in sectors and have strong domestic and international presence across various segments of pipes.
- 2) Shares of L&T Technology Services Limited (LTTS) ended up by 6.14 percent to Rs. 3,646.30 at the NSE on Wednesday. L&T Technology Services Limited (LTTS) is a listed subsidiary of Larsen & Toubro Limited focused on Engineering and R&D (ER&D) services. The Company offers consultancy, design, development and testing services across the product and process development life cycle. The Company's customer base includes 69 Fortune 500 companies and 57 of the world's top ER&D companies, across industrial products, medical devices, transportation, telecom & hi-tech, and the process industries. Headquartered in India, we have over 21,600 employees spread across 22 global design centers, 28 global sales offices and 91 innovation labs as of December 31, 2022.

Recently on January 19 2023, the Company had announced that LTTS has been selected as a strategic engineering partner to Airbus for providing Advanced Engineering Capabilities and Digital Manufacturing Services under a multi-year contract. Under this agreement, LTTS will support Airbus in key verticals and technology areas for its ongoing Commercial and Innovation programs. The development is a major step forward in the long-standing partnership between LTTS and Airbus. LTTS is a strategic engineering supplier for Airbus globally and for its India subsidiary, providing engineering services across verticals like engineering, avionics and digital. The Company is also a part of the industry-leading 'Skywise Partner Program,' and earlier in 2022, was recognized as a Global Strategic Engineering Supplier under the Airbus EMES3 (Engineering, Manufacturing Engineering and Services Strategic Suppliers) program.

Earlier on January 12 2023, the Company had announced that LTTS had agreed to acquire the Smart World & Communication (SWC) Business of L&T, enabling LTTS to combine synergies and take offerings in Next-Gen Communications, Sustainable Spaces and Cybersecurity to the global market. Smart World & Communication was founded in 2016 to cater to the demands in smart cities, address opportunities and provide smart solutions in the areas of end-to-end communications, city surveillance and intelligent traffic management system for the Government as well as enterprises. It has an employee base of over 700 engineers from diversified technology domains and has crossed an annual revenue of INR 1,000 Crores. Amit Chadha, CEO & Managing Director, L&T Technology Services said "The acquisition of SWC is a progression of LTTS' 6 Big Bets strategy with a direct bearing on 5G, Digital Products & AI, and Sustainability. SWC's capabilities will enhance LTTS' differentiation in the exciting field of next-gen communications with cutting edge solutions around 5G networks, sustainable spaces, along with a full stack of cybersecurity solutions to our global clientele. The combined team of LTTS and SWC will take these offerings incubated in India to the World while bringing best practices to Indian and global customers. On behalf of all employees at LTTS, I express my gratitude to



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the L&T management for putting their confidence in us and extend a warm welcome to all our colleagues at SWC. Look forward to doing exciting transformational programs together”.

- 3) Shares of Larsen & Toubro Limited ended up by 4.09 percent to Rs. 2,259 at the NSE on Wednesday. Larsen & Toubro is an Indian multinational engaged in EPC Projects, Hi-Tech Manufacturing and Services. It operates in over 50 countries worldwide. A strong, customer-focused approach and the constant quest for top-class quality has enabled L&T to attain and sustain leadership in its major lines of business for eight decades.

The Hydrocarbon Business (L&T Energy Hydrocarbon – LTEH) of Larsen & Toubro (L&T) has recently secured multiple offshore packages from a prestigious client in the Middle East. The scope of work comprises engineering, procurement, construction & installation for various new offshore facilities and integration with existing installations. Commenting on the order wins, Mr. Subramanian Sarma, Whole-Time Director and Senior Executive Vice President, said, “LTEH Offshore has consistently demonstrated timely project delivery deploying end-to-end capabilities, including design, fabrication, and installation of large process platforms, living quarters, subsea systems, piping and other T&I works. Securing these repeat orders indicate customer satisfaction and is a testimony to customer’s faith in the team's dedicated efforts towards developing and nurturing these capabilities.”

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

- 1) On Wednesday, Indian benchmark indices ended in a positive terrain. The investor sentiments have been upbeat led by good numbers in provisional Q4FY23 business updates announced by few companies especially NBFCs and Private Banks till date. In addition, the windfall tax cut on crude oil has also aided investor sentiments. Going ahead, all eyes would be on RBI's stance in the Monetary policy and Q4FY23 earnings season. The management commentary in Q4FY23 earnings season amidst global concerns will be keenly tracked.
- 2) Globally, the investors have digested the interest rate hike of 25 bps by the US Fed. However, going forward, it needs to be seen how US inflation numbers pan out. The efforts made globally by the US authorities to restore confidence amongst the investors after the recent turmoil in the US Banking system has yielded results in the form of some improvement in the investor sentiments. In addition, after the UBS - Credit Suisse deal, investors have gained some sigh of relief in the near term. However, investors will be mindful of the all the developments related to Banking system in US and Europe.
- 3) 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 ongoing war between Russia and Ukraine and its financial implications on the western world.
- 4) Domestically, valuation of certain companies especially PSU Banks and select IT companies have turned attractive post the recent fall in Indian equity markets. 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 Capital Goods, select companies in the Infrastructure space, Railways, Defence, Banking, NBFCs and select companies in the new age business segment can be considered. Indian economy is performing strongly as indicated by good activity in manufacturing and services industry, good air passenger traffic, electricity and coal consumption data, coal production data, robust GST collections, strong direct tax collections and good economic activity amidst macroeconomic challenges.



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For research related queries contact:

Mr. Akash Jain – Vice President (Research) at, research@ajcon.net, akash@ajcon.net

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Website: www.ajcononline.com

Registered and Corporate office

408 - (4th Floor), Express Zone, "A" Wing, Cello – Sonal Realty, Near Oberoi Mall and Patel's, Western Express Highway, Goregaon (East), Mumbai – 400063. Tel: 91-22-67160400, Fax: 022-28722062