

Key Benchmark indices across the globe

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Index	Sep. 05, 2023	Sep. 04, 2023	Change	% change	Open	High	Low
Nifty	19,574.90	19,528.80	46.10	0.24	19,564.65	19,587.05	19,525.75
Sensex	65,780.26	65,628.14	152.12	0.23	65,671.60	65,831.70	65,601.47
Shanghai Composite	3,154.37	3,177.06	22.69	0.72	3,169.74	3,169.74	3,150.08
Hang Seng	18,456.91	18,844.16	387.25	2.10	18,717.42	18,725.50	18,431.72
Kospi	2,582.18	2,584.55	2.37	0.09	2,578.91	2,586.65	2,575.19
Dow Jones	34,686.76#	34,837.71	150.95	0.43	34,818.55	34,871.26	34,677.77
Nasdaq	14,028.55#	14,031.82	3.27	0.02	13,994.54	14,059.68	13,945.65
FTSE	7,437.93#	7,452.76	14.83	0.20	7,452.76	7,481.35	7,389.80
CAC	7,254.72#	7,279.51	24.79	0.34	7,241.20	7,288.35	7,183.80
DAX	15,771.71#	15,824.85	53.14	0.34	15,729.78	15,838.44	15,691.49

#denotes levels of Sep. 05, 2023 at the time of writing this report

Key macroeconomic indicators

Index	Sep. 05, 2023	Sep. 04, 2023
Brent Crude Oil (\$ per barrel)	90.43#	89.00
Gold (\$ per ounce)	1,926.92#	1,938.19
Indian Rupee against US\$	83.04	82.74
India 10 year bond yield (%)	7.21	7.20
US 10 year G-sec (%)	4.26#	4.21

#denotes levels of Sep. 05, 2023 at the time of writing this report

FII & DII activity

Index	Sep .05, 2023	Sep. 04, 2023
FII activity (Rs. In Crore)	1,725.11	3,367.67
DII activity (Rs. in Crore)	1,077.86	2,563.48

Domestic bourses end in positive terrain; stock specific action continues..

- 1) On Tuesday, the Indian benchmark indices ended in the positive terrain. The Nifty opened on a positive note and touched an intraday high of 19,587.05. Finally, the Nifty ended the day up by 46.10 points or 0.24 percent to end at levels of 19,574.90. On the other hand, the Sensex ended the day, up by 152.12 points or 0.23 percent to end the day at levels of 65,780.26.
- 2) Among the Nifty 50 stocks, the major gainers were Apollo Hospitals, Coal India, Sun Pharmaceutical Industries, Bharat Petroleum Corporation, ITC up in the range of 1.52 percent to 3.22 percent. On the other hand, the major losers were UltraTech Cement, Dr. Reddy's Laboratories, SBI Life Insurance Company, Maruti Suzuki India, Eicher Motors down in the range of 0.73 percent to 1.49 percent.
- 3) The broader markets too were upbeat on Tuesday. The Nifty Midcap 100 index was up by 1.06 percent and the Nifty Smallcap 100 index was up by 0.84 percent.
- 4) In terms of the sectoral indices performance, the major gainers were Nifty Media index up by 3.19 percent, Nifty Healthcare index up by 1.55 percent, Nifty Pharma index up by 1.10 percent, Nifty Realty index up by 1.06 percent. On the other hand, the major losers were Nifty Financial Services 25/50 index down by 0.21 percent, Nifty Financial Services index down by 0.17 percent, Nifty Bank index down by 0.10 percent.



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- 5) On Tuesday, FIIs net sold equities worth Rs. 1,725.11 Crore. On the other hand, DIIs net bought equities worth Rs. 1,077.86 Crore. In the month of August 2023, FIIs have net sold equities worth Rs. 20,620.65 Crore. On the other hand, DIIs have net bought equities worth Rs. 25,016.95 Crore.

Sectors & Stocks

- 1) Shares of Precision Camshafts Limited ended up by 15.14 percent to Rs. 300 at the NSE on Tuesday. The Company provides one stop solution for niche machined components including Camshafts, Balancer Shafts and Injectors. It has integrated electric drivelines and power solutions for heavy equipment. The Company has a global footprint and is a leading supplier to marquee global OEMS. The Company had witnessed good performance in Q1FY24 result.
- 2) Shares of Raymond Limited ended up by 9.42 percent to Rs. 2,164 at the NSE on Tuesday. The Company had witnessed good performance in the Q1FY24 result. The Company reported the strongest first quarter performance both in terms of revenue and EBITDA. The company continued to demonstrate consistent profitable growth despite subdued consumer demand and challenging market conditions. The continued focus on casualization and premiumization in the Branded Apparel segment enabled a topline growth of 16% along with a steady growth showcased by its Branded Textile business in comparison to the same quarter last year. The real estate business continues to witness a strong demand for its offerings with a recent launch in July-23 of premium residential project at Thane with RERA carpet area of about 1 million square feet with a revenue potential of over Rs. 2,000 Crore. The consumer demand for its real estate project at Thane continues to be encouraging.

Commenting on the performance, Gautam Hari Singhania, Chairman & Managing Director, Raymond Limited said; "This was a momentous quarter for us as the Raymond group became net debt free post the sale of our FMCG business. During the seasonally weak first quarter and subdued consumer demand, the company has recorded a strong and steady performance across businesses. The quarter witnessed a lesser number of wedding days compared to the corresponding quarter last year that was a dampener for consumer demand. However, going forward we are optimistic as festive and wedding season will set in during the second half of the year giving an impetus to the consumer demand across the country. The silver lining for the quarter was our recent value unlocking initiative of Lifestyle business demerger which is under progress. Post demerger, we will have two independent consumer facing net debt free listed entities for Lifestyle and Real Estate businesses and there is significant liquidity surplus of over Rs. 1,500 Crore at the Group level to drive future growth."

- 3) Shares of NBCC (India) Limited ended up by 5.54 percent to Rs. 59.10 after hitting an intraday high of Rs. 61.15 at the NSE on Tuesday. NBCC (India) Limited has signed MoU with Kerala State Housing Board for the Development of 17.9 acres of land parcel of Kerala State Housing Board at Marine Drive, Kochi, Kerala. The Broad consideration or size of the order(s)/contract(s) is Rs. 2000 Cr. (Approx).
- 4) Shares of Bank of India ended up by 4.47 percent to Rs. 93.40 at the NSE on Tuesday. In Q1FY24, the Bank witnessed good performance on all major fronts. We are happy to see the Bank performing in line with our expectations. The Bank expects strong credit growth in the Corporate led by strong pipeline and fresh sanctions. 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 expects upgradations of NPAs, OTS and will be aggressive on recoveries in FY24 which will further improve its asset quality. The treasury performance is also good 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. The concept of town hall meetings, deliberations with customers, top executives and CGMS, GMs visiting zonal offices has started to yield good results.

Key developments

- 1) The S&P Global India Services Purchasing Managers' Index (PMI) declined to 60.1 in August from 62.3 in July. The figure stood at 58.5 in June. "Indian services companies achieved a remarkable milestone in August, as they welcomed a series-record surge in new export business. Several regions contributed to the upturn, including Asia Pacific, Europe, North America and West Asia," Pollyanna De Lima, economics associate director at S&P Global Market Intelligence, said.

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

- 1) Indian equities ended in the positive terrain on Tuesday. Stock specific action was witnessed in the midcaps and smallcaps space. Sentiments have turned positive led by good GDP data and Manufacturing PMI data, positive demand outlook led by upcoming festive season despite deficit rainfall in August 2023. We expect markets to remain stock specific in the near term. However, deficit rainfall and rising crude oil prices can play a spoilsport. We believe deficit rainfall in August



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can affect agriculture output which will result in subdued farmers' income. According to India Meteorological Department (IMD), even if the rainfall in September was to remain on the higher side, the June-September seasonal rainfall average is expected to be below normal for the season. This may result in some impact on sectors like Auto, Banking etc. Earlier, Chief Economic Advisor V Anantha Nageswaran was of the view that the economy is expected to grow at 6.5 per cent in the current fiscal notwithstanding deficient monsoon rains.

- 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 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.
- 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.



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