

**Key Benchmark indices across the globe**

Index	April 06, 2023	April 05, 2023	Change	% change	Open	High	Low
<b>Nifty</b>	17,599.15	17,557.05	<b>42.10</b>	<b>0.24</b>	17,533.85	17,638.70	17,502.85
<b>Sensex</b>	59,832.97	59,689.31	<b>143.66</b>	<b>0.24</b>	59,627.01	59,950.06	59,520.12
<b>Shanghai Composite</b>	3,324.82 <sup>^</sup>	3,312.63	<b>12.19</b>	<b>0.37</b>	3,312.48	3,328.85	3,308.06
<b>Hang Seng</b>	20,331.20 <sup>#</sup>	20,274.59	<b>56.61</b>	<b>0.28</b>	20,146.22	20,343.86	20,099.48
<b>Kospi</b>	2,491.06 <sup>^</sup>	2,459.23	<b>31.83</b>	<b>1.29</b>	2,478.64	2,493.06	2,473.89
<b>Dow Jones</b>	33,485.29	33,482.72	<b>2.57</b>	<b>0.01</b>	33,407.31	33,525.96	33,325.37
<b>Nasdaq</b>	12,087.96	11,996.86	<b>91.09</b>	<b>0.76</b>	11,939.08	12,098.50	11,898.36
<b>FTSE</b>	7,741.56	7,662.94	<b>78.62</b>	<b>1.02</b>	7,662.94	7,742.11	7,654.54
<b>CAC</b>	7,324.75	7,316.30	<b>8.45</b>	<b>0.12</b>	7,328.57	7,344.34	7,312.61
<b>DAX</b>	15,597.89	15,520.17	<b>77.72</b>	<b>0.50</b>	15,530.20	15,601.49	15,509.09

<sup>^</sup>denotes levels of April 07, 2023 at the time of writing this report, <sup>#</sup> denotes closing levels of April 07, 2023  
Note: NSE and BSE are closed on April 07, 2023 on account of Good Friday holiday

**Key macroeconomic indicators**

Index	April 06, 2023	April 05, 2023
<b>Brent Crude Oil (\$ per barrel)</b>	84.75 <sup>^</sup>	84.99
<b>Gold (\$ per ounce)</b>	2,007.65 <sup>^</sup>	2,020.35
<b>Indian Rupee against US\$</b>	81.90	82.0
<b>India 10 year bond yield (%)</b>	7.21	7.28
<b>US 10 year G-sec (%)</b>	3.30	3.29

<sup>^</sup>denotes levels of April 07, 2023 at the time of writing this report

**FII & DII activity**

Index	April 06, 2023	April 05, 2023
<b>FII activity (Rs. in Crore)</b>	<b>475.81</b>	<b>806.82</b>
<b>DII activity (Rs. in Crore)</b>	<b>997.08</b>	<b>947.21</b>

**Investor sentiments remain upbeat as RBI keeps repo rate unchanged; NBFCs stocks rally..**

- 1) On Thursday, the Indian benchmark indices ended in green as RBI keeps repo rate unchanged as against market expectations of 25 bps hike. The Nifty opened on a negative note but later gained upwards momentum after RBI's Monetary policy and later touched an intraday high of 17,428.05. Finally, the Nifty ended the day up by 38.30 points or 0.22 percent to end at levels of 17,398.05. On the other hand, the Sensex ended the day up by 1,031.43 points or 1.78 percent to end the day at levels of 58,991.52.
- 2) Among the Nifty 50 stocks, the major gainers were Bajaj Finance, Adani Enterprises, Tata Motors, Bajaj Finserv, IndusInd Bank up in the range of 1.57 percent to 3.29 percent. On the other hand, the major losers were HCL Technologies, ONGC, ICICI Bank, Axis Bank, Titan Company down in the range of 0.96 percent to 1.63 percent.
- 3) The broader markets too were upbeat on Thursday. The Nifty Midcap 100 index was up by 0.64 percent and the Nifty Smallcap 100 index was up by 0.78 percent.
- 4) In terms of the sectoral indices performance, the major gainers were Nifty Realty index up by 2.84 percent, Nifty Financial Services 25/50 index up by 0.94 percent, Nifty Auto index up by 0.90 percent, Nifty Healthcare index up by 0.84 percent, Nifty Pharma index up by 0.76 percent, Nifty Metal index up by 0.58 percent.



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- 5) On Thursday, FIIs net bought equities worth Rs. 475.81 Crore. On the other hand, DIIs net sold equities worth Rs. 997.08 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 Indian Energy Exchange Limited ended up by 10.55 percent to Rs. 150.90 at the NSE on Thursday. Indian Energy Exchange (IEX) is India's premier energy exchange providing a nationwide, automated trading platform for physical delivery of electricity, renewable energy and certificates including renewable energy certificates as well as the energy saving certificates. The exchange platform enables efficient price discovery and increases the accessibility and transparency of the energy market in India while also enhancing the speed and efficiency of trade execution. The Exchange is ISO Certified for quality management, Information security management and environment management since August 2016. The Exchange is a publicly listed company with NSE and BSE since October 2017 and is approved and regulated by Central Electricity Regulatory Commission since 27 June 2008.

The Indian Energy Exchange, India's premier energy exchange achieved 9212 MU overall volume in March 2023, including green market trade of 391 MU, 8.69 lac RECs (equivalent to 869 MU) and 22,881 ESCerts (equivalent to 23 MU). The overall volume during the month was higher 12% on MoM basis, while it declined 4% on YoY basis. The price during March 2023 was Rs.5.25/unit, lower 23% on MoM basis, due to cooler weather conditions. While high temperatures and increased demand are expected in the coming months, supply side liquidity should improve due to the various conducive policy and regulatory initiatives announced by the Government to increase coal and gas-based generation. These are likely to result in improved sellside availability on the Exchange, leading to competitive prices and higher clearance for Discoms & Open Access consumers. IEX achieved 26052 MU volume across all segments during Q4 FY '23, growing 7% over the previous quarter. Cumulatively for the fiscal year 2023, IEX traded 96.8 BU, a degrowth of 5% YoY basis, despite a highly constrained sell-side liquidity, which led to the price increasing by 35% on YoY basis. The energy met in the country during March '23 stood at 128 BU, declining 2% on YoY basis, as per data published by GRID-INDIA.

- 2) Shares of Cholamandalam Investment & Finance Company Limited ended up by 7.31 percent to Rs. 839.90 at the NSE on Thursday. The Company's quarterly business update press release said "Disbursements for Q4 FY 23 stood approximately at Rs.21,020 Crore as against Rs. 12,718 Crore in Q4 of FY22 which is a growth of 65% and for FY 23 stood approximately at Rs.66,532 Crore as against Rs.35,490 Crore which is a growth of 87%. Disbursements in Vehicle Finance business grew by 39% to approximately Rs.12,190 Crore in Q4 of FY 23 and by 56% in FY 23 to approximately Rs.39,699 Crore. LAP business grew disbursements by 48% to approximately Rs.2,762 Crore in Q4 of FY 23 and by 68% to approximately Rs.9,299 Cr in FY 23. Disbursements in Home Loans stood at Rs.1,405 Crore for Q4 of FY 23 and Rs.3,830 Crore in FY 23 which is a growth of 156% and 102% respectively YoY.

Disbursements in MSME business stood at Rs.2,104 Cr for Q4 of FY 23 and Rs.6,388 Cr in FY 23 which is a growth of 127% and 232% respectively YoY. Disbursements in CSEL business launched last year stood at Rs.2,363 Cr for Q4 of FY 23 and Rs.6,865 Cr in FY 23. Disbursements in SBPL business launched last year stood at Rs.196 Cr for Q4 of FY 23 and Rs.451 Cr in FY 23. Collection Efficiency on billing at an overall level stood at 130% in Q4 of FY 23.

- 3) Shares of Mahindra & Mahindra Financial Services Limited ended up by 5.22 percent to Rs. 252 at the NSE on Thursday. The company's Monthly update press release said "In March 2023, we estimate the overall disbursement at ~ Rs. 5,600 crores delivering a 42% Y-o-Y growth. The Q4FY2023 disbursements at ~ Rs. 13,750 crores registered a growth of 50% Y-o-Y. FY2023 disbursement was approximately at Rs. 49,500 crores registering a Y-o-Y growth of 80%. Healthy disbursement trends during FY2023 have led to Business Assets at ~ Rs. 82,300 crores, growth of ~ 7% over December 2022 and ~ 27% over March 2022. The Collection Efficiency (CE) was at 105% for March 2023. The current quarter's CE was at 99% (100% for Q4FY2022). Stage-3 expected at 4.6% (5.9% as at December 2022) and Stage-2 expected at 6.7% (8.4% as at December 2022) have continued to improve. Compared to Stage-3 assets, Gross Non-Performing Assets ('GNPA') (as per Income Recognition, Asset Classification and Provisioning norms) are estimated to be higher by ~ Rs. 1,200 crores, requiring no additional provisions over and above the Expected Credit Loss ('ECL') provision for FY2023. The company continued to maintain comfortable liquidity chest of about 3 months' requirement."

## Key recent developments

- 1) The Monetary Policy Committee (MPC) of Reserve Bank of India (RBI) at its meeting on April 6, 2023 decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.50 percent. The standing deposit facility (SDF) rate remains unchanged at 6.25 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 6.75



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per cent. The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns with the target, while supporting growth. These decisions were in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth. While the policy rate has been increased by a cumulative 250 basis points since May 2022, which is still working through the system, the RBI said that there can be no room for letting down the guard on price stability. Taking these factors into account, the MPC decided to keep the policy repo rate unchanged at 6.50 per cent in this meeting, with readiness to act, should the situation so warrant. The MPC will continue to keep a strong vigil on the evolving inflation and growth outlook and will not hesitate to take further action as may be required in its future meetings. The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns with the target, while supporting growth.

Economic activity remained resilient in Q4. Rabi foodgrains production is expected to increase by 6.2 per cent in 2022-23. The index of industrial production (IIP) expanded by 5.2 per cent in January while the output of eight core industries rose even faster by 8.9 per cent in January and 6.0 per cent in February, indicative of the strength of industrial activity. In the services sector, domestic air passenger traffic, port freight traffic, e-way bills and toll collections posted healthy growth in Q4, while railway freight traffic registered a modest growth. Purchasing managers' indices (PMIs) pointed towards sustained expansion in both manufacturing and services in March. (Source: Reserve Bank of India)

Amongst urban demand indicators, passenger vehicle sales recorded strong growth in February while consumer durables contracted in January. Among rural demand indicators, tractor and two-wheeler sales were robust in February. As regards investment activity, growth in steel consumption and cement output accelerated in February. Merchandise exports and non-oil non-gold imports contracted in February while the strong growth in services exports continued. (Source: Reserve Bank of India)

The RBI's Governor said "Looking ahead, the higher rabi production has brightened the prospects for agriculture sector and rural demand. The steady growth in contact-intensive services should be positive for urban demand. The government's focus on capital expenditure, capacity utilisation above long-period average and moderating commodity prices should bolster manufacturing and investment activity. The drag from net external demand may continue due to increased global headwinds. The protracted geopolitical tensions and global financial market volatility pose downside risks to the outlook. Taking all these factors into consideration, real GDP growth for 2023-24 is projected at 6.5 per cent, with Q1 at 7.8 per cent; Q2 at 6.2 per cent; Q3 at 6.1 per cent; and Q4 at 5.9 per cent. The risks are evenly balanced. (Source: Reserve Bank of India)

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

- 1) On Thursday, Indian benchmark indices ended on a high as RBI kept repo rates unchanged which was a sigh of relief for investors and was taken positively by the street participants. The broader markets too were upbeat. Investors reacted to good provisional numbers announced by NBFCs and Private sector banks. Going ahead, all eyes would be on Q4FY23 earnings season especially BFSI companies considering the global turmoil. The management commentary in Q4FY23 earnings season amidst global concerns will be keenly tracked.
- 2) 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. 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.
- 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, Private Banks and select IT companies are reasonable. 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. It may be noted that majority of the Companies had delivered decent set of numbers in Q3FY23 results considering global concerns. The quarterly business updates announced by companies indicate that Q4FY23 earnings season for majority of the Companies is likely to be good.



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