

Key Benchmark indices across the globe

Index	Oct. 09, 2023	Prev. close	Change	% change	Open	High	Low
Nifty	19,512.35	19,653.50	141.15	0.72	19,539.45	19,588.95	19,480.50
Sensex	65,512.39	65,995.63	483.24	0.73	65,560.07	65,789.98	65,434.61
Nikkei 225	30,994.67	31,075.36	80.69	0.26	31,003.95	31,160.45	30,928.16
Kospi	2,408.73	2,403.60	5.13	0.21	2,408.81	2,421.18	2,403.92
Dow Jones	33,332.46#	33,407.58	75.12	0.22	33,282.76	33,417.51	33,253.69
Nasdaq	13,316.57#	13,431.34	114.77	0.85	13,327.53	13,374.26	13,277.48
FTSE	7,486.94#	7,494.58	7.64	0.10	7,494.58	7,540.57	7,473.19
CAC	7,013.43#	7,060.15	46.72	0.67	7,041.38	7,057.81	6,980.33
DAX	15,110.57#	15,229.77	119.20	0.79	15,143.29	15,201.06	15,077.66

denotes Oct. 09, 2023 levels at the time of writing this report

Key macroeconomic indicators

Index	Oct. 09, 2023	Prev. close
Brent Crude Oil (\$ per barrel)	88.07#	84.58
Gold (\$ per ounce)	1,852.35#	1,832.26
Indian Rupee against US\$	83.27	83.26
India 10 year bond yield (%)	7.39	7.34
US 10 year G-sec (%)	4.78#	4.72

denotes Oct. 09, 2023 levels at the time of writing this report

FII & DII activity

	Oct. 09, 2023	Prev. close
FII activity (Rs. in Crore)	997.76	90.29
DII activity (Rs. in Crore)	2,661.27	783.25

Indian equities witness significant pressure led by war between Israel and Palestine; PSU Banking stocks come under pressure..

- 1) On Monday, the Indian benchmark indices ended in the negative terrain led by war between Israel and Palestine which has raised high uncertainty regarding the outcome of the war and has led to rise in the crude oil prices affecting investor sentiments. The Nifty opened on a negative note and touched an intraday low of 19,480.50. Finally, the Nifty ended the day down by 141.15 points or 0.72 percent to end at levels of 19,512.35. On the other hand, the Sensex ended the day down by 0.73 percent to end the day at levels of 65,512.39.
- 2) Among the Nifty 50 stocks, the major gainers were Dr. Reddy's Laboratories, HCL Technologies, Tata Consumer Products, ONGC, Hindustan Unilever up in the range of 0.34 percent to 1.13 percent. On the other hand, the major losers were Adani Ports and Special Economic Zone, HDFC Life Insurance Company, Hero Motocorp, Mahindra & Mahindra, Tata Steel down in the range of 2.03 percent to 5.09 percent.
- 3) The broader markets too were under pressure on Monday. The Nifty Midcap 100 index was down by 1.34 percent and the Nifty Smallcap 100 index was down by 1.78 percent.
- 4) In terms of the sectoral indices performance, the major losers were Nifty PSU Bank index down by 3.09 percent, Nifty Media index down by 2.18 percent, Nifty Consumer Durables index down by 1.47 percent, Nifty Metal index down by 1.44 percent, Nifty Financial Services 25/50 index up by 1.16 percent.

- 5) On Monday, FIIs have net sold equities worth Rs. 997.76 Crore. On the other hand, DIIs net bought equities worth Rs. 2,661.27 Crore. Month till date, FIIs have net sold equities worth Rs. 9,410.41 Crore and DIIs have net bought equities worth Rs. 7,096.44 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 ITI Limited ended up by 10.34 percent to Rs. 211.85 at the NSE on Monday. ITI Limited, country's premier telecom company and multi-unit central public sector undertaking, is a total solutions provider in telecommunications segment. The company has state-of-art manufacturing facilities in six locations (Bengaluru, Naini, Raebareli, Mankapur, Srinagar and Palakkad) along with an in-house R&D centre in Bengaluru and marketing, sales & projects (MSP) offices spread across the country. The company offers complete range of telecom products covering the whole spectrum of switching, transmission, and access & subscriber premises equipment. Besides offering the latest telecom solutions and customized support to a variety of business, ITI Ltd has dedicated Network System Unit (NSU) for carrying out installation and commissioning of equipment and for undertaking turnkey projects. ITI Ltd is focused on manufacturing of diversified products in defense and railway sectors and the manufacturing of solar equipment, NGN products, GPON, LED lighting systems, optical products, along with other allied products like HDPE, OFC, , smart cards, encryptors for defense , Wi-Fi etc. The company is also consolidating more of its diversifications into defense, IOT, E-governance, IT projects and services sector to gain competitive edge. The company is also successfully running state-of-art Data Centre at Bengaluru unit and offering its services to government institutions/departments, banks etc.

ITI Limited, a Central PSU under Ministry of Communication had recently announced in Sep. 2023 that it has developed its own branded Laptop and Micro PC in the market that match international quality and performance. Branded as 'SMAASH', the products have already been deployed in the market, and ITI Limited has won many tenders competing against MNC brands like Acer, HP, Dell and Lenovo. The two flagship products - Laptop and Micro PC have been designed in association with Intel Corporation with which an MOU has been signed for design and manufacturing. ITI Limited's Micro PC - a GREEN solution product does the computation like any other PC with very less Carbon Footprint and considerably reduces e-waste. It consumes less power as compared to conventional PCs, is of small size, has no moving parts like fan, and has a long life. In essence, SMAASH products save electricity, cost, and workspace.

- 2) Shares of CARE Ratings Limited ended up by 8.91 percent to Rs. 930 at the NSE on Monday. Recently, the Board of Directors of the Company had in-principally approved transfer of existing business from CARE Advisory Research and Training Limited to CARE Risk Solutions Private Limited, both wholly owned subsidiaries of the Company, by way of slump sale as a 'going concern'. Further, the Board of Directors of the CARE Advisory Research and Training Limited ("CART") and CARE Risk Solutions Private Limited ("CRSPL") at their respective meetings held on September 30, 2023, had approved transfer of CART's existing business to CRSPL, by way of slump sale basis as a going concern. The Business Transfer Agreement has been executed between CART and CRSPL.
- 3) Shares of Adani Ports and Special Economic Limited closed down by 5.09 percent to Rs. 788.50 at the NSE on Monday. The Company's Media Statement on "Haifa Port, Israel" filed with the exchanges said "At a time like this, our thoughts continue to be with the people of Israel. We are closely monitoring the action on ground which is concentrated in South Israel, whereas Haifa port is situated in the North. We have taken measures to ensure safety of our employees and all of them are safe. We remain fully alert and prepared with a business continuity plan that will enable us to respond effectively to any eventuality. The overall contribution of Haifa in APSEZ's numbers is relatively small at 3% of the total cargo volume. For the current financial year (Apr 23-Mar 24), we have guided for Haifa Cargo volumes range of 10-12 MMT and APSEZ's total cargo volume guidance of 370-390 MMT. In the initial six months (Apr-Sep 23), APSEZ's total cargo volume was ~203 MMT, of which the Haifa share is ~6 MMT. We stay confident of APSEZs business performance."

Key recent developments

- 1) OPEC raised its world oil demand forecasts for the medium and long term in an annual outlook, and said \$14 trillion of investment is needed to meet this demand even as renewable fuel use grows and more electric cars take to the road. The view from the Organization of the Petroleum Exporting Countries, in its 2023 World Oil Outlook released on Monday, contrasts with that of other forecasters, including the International Energy Agency (IEA), that say demand might peak this decade. Another decade or more of rising consumption would be a boost for OPEC, whose 13 members depend on oil income. The group says oil should be part of the energy transition, and it cited decisions by some governments and companies to slow their retreat from fossil fuels. "Recent developments have led the OPEC team to reassess just what each energy can deliver, with a focus on pragmatic and realistic options and solutions," OPEC Secretary General Haitham Al Ghais wrote in the foreword to the report. "Calls to stop investments in new oil projects

are misguided and could lead to energy and economic chaos," he added, putting the required oil sector investment at \$14 trillion out to 2045, up from \$12.1 trillion estimated last year. OPEC expects world oil demand to reach 116 million barrels a day (bpd) by 2045, around 6 million bpd higher than expected in last year's report, with growth led by China, India, other Asian nations, and Africa and the Middle East. (Source: Reuters)

- 2) Hon'ble Minister of Petroleum and Natural Gas, Minister of Housing and Urban Affairs – Shri. Hardeep Singh Puri said on Monday that "India, the world's third-biggest oil importer, is watching the ongoing conflict in the Middle East closely". Oil prices rose over \$3 a barrel on Monday as military clashes between Israel and the Palestinian Islamist group Hamas deepened political uncertainty across the Middle East and raised concerns about supplies. "The place where action is taking place is in many respects the centre of global energy... as we go along we will navigate through this," Puri told reporters at an industry event in New Delhi. Global uncertainties of such nature encourage people to use sustainable, cleaner fuels, Puri said, adding that \$100 per barrel crude oil prices was unsustainable. Higher oil prices typically lead to surge in inflation and hurts growth in large-scale importer like India. Last week, India had urged oil producers to show "sensitivity" towards consuming countries, hit by prices largely trading above \$90 a barrel since Saudi Arabia and Russia decided to extend voluntary cuts to year-end. (Source: Reuters)

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

- 1) Indian equities ended in the negative terrain on Monday led by war between Israel and Palestine which led to rise in crude oil prices. At the moment, some caution is warranted as uncertainty regarding the outcome of the war will affect investor sentiments. At the time of writing this report, both US and European equity indices were trading on a weak note.
- 2) We expect stock specific action to continue on declines. Positive demand outlook led by ongoing festive season would keep bulls in the hunt. Investors will keenly watch the war situation between Israel and Palestine, global bond yields, rupee movement against the US Dollar, crude oil price movement, domestic economic activity in the festive season and Q2FY24 earnings season.
- 3) Domestically, we suggest investors to remain stock specific and be wary of valuations of companies which are out of comfort zone especially in the smallcaps pack. At the moment, companies in the sectors like FMCG, PSU Banks, 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. The recent business updates announced by few Banks, NBFCs and companies in other sectors were encouraging.



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