

Key Benchmark indices across the globe

Index	June 14, 2023	June 13, 2023	Change	% change	Open	High	Low
Nifty	18,755.90	18,716.15	39.75	0.21	18,744.60	18,769.70	18,690.00
Sensex	63,228.51	63,143.16	85.35	0.14	63,115.48	63,274.03	63,013.51
Shanghai Composite	3,228.99	3,233.67	4.68	0.14	3,238.12	3,248.46	3,226.77
Hang Seng	19,408.42	19,521.42	113.00	0.58	19,547.58	19,641.16	19,352.34
Kospi	2,619.08	2,637.95	18.87	0.72	2,640.81	2,642.86	2,614.25
Dow Jones	34,105.11#	34,212.12	107.01	0.31	34,085.11	34,154.09	34,011.34
Nasdaq	13,638.70#	13,573.32	65.38	0.48	13,571.16	13,661.25	13,545.26
FTSE	7,602.74#	7,594.78	7.96	0.10	7,594.78	7,639.79	7,579.27
CAC	7,328.53#	7,290.80	37.73	0.51	7,290.94	7,358.99	7,288.46
DAX	16,310.79#	16,230.68	80.11	0.49	16,219.09	16,336.27	16,217.45

#denotes levels of June 14, 2023 at the time of writing this report

Key macroeconomic indicators

Index	June 14, 2023	June 13, 2023
Brent Crude Oil (\$ per barrel)	73.79#	74.29
Gold (\$ per ounce)	1,957.20#	1,943.33
Indian Rupee against US\$	82.10	82.38
India 10 year bond yield (%)	7.01	7.00
US 10 year G-sec (%)	3.79#	3.84

#denotes levels of June 14, 2023 at the time of writing this report

FII & DII activity

Index	June 14, 2023	June 13, 2023
FII activity (Rs. in Crore)	1,714.72	1,677.60
DII activity (Rs. in Crore)	654.77	203.32

Domestic bourses end in the positive terrain ; US Fed meet outcome will dictate market trend..

- 1) On Wednesday, the Indian benchmark indices ended in the positive terrain as investors cheered India's WPI inflation data which was lowest since November 2015 at -3.48 percent (lowest in seven-and-a-half years) and cooling down of US Consumer Price Index (CPI). The Nifty opened on a positive note and later touched an intraday high of 18,769.70. Finally, the Nifty ended the day, up by 39.75 points or 0.21 percent to end at levels of 18,755.90. On the other hand, the Sensex ended the day up by 85.35 points or 0.14 percent to end the day at levels of 63,228.51.
- 2) Among the Nifty 50 stocks, the major gainers were Tata Consumer Products, Grasim Industries, JSW Steel, Tata Steel, Power Grid Corporation of India up in the range of 1.53 percent to 5.17 percent. On the other hand, the major losers were IndusInd Bank, Bajaj Finance, Bharti Airtel, Axis Bank, Hero Motocorp down in the range of 0.83 percent to 1.06 percent.
- 3) The broader markets too were upbeat on Wednesday. The Nifty Midcap 100 index was up by 0.21 percent and the Nifty Smallcap 100 index was up by 0.12 percent.
- 4) In terms of the sectoral indices performance, the major gainers were Nifty Metal index up by 1.42 percent, Nifty Oil & Gas index up by 0.91 percent, Nifty FMCG index up by 0.59 percent, Nifty Consumer Durables index up by 0.46

percent. On the other hand, the major losers were Nifty Media index down by 0.56 percent, Nifty Financial Services 25/50 index down by 0.37 percent, Nifty Financial Services index down by 0.26 percent.

- 5) On Wednesday, FIIs have net bought equities worth Rs. 1,714.72 Crore. On the other hand, DIIs net sold equities worth Rs. 654.77 Crore. Month till date, FIIs have net bought equities worth Rs. 3,006.48 Crore and DIIs have net bought equities worth Rs. 3,946.30 Crore. In the month of May 2023, FIIs have net bought equities worth Rs. 27,856.48 Crore and DIIs have net sold equities worth Rs. 3,306.35 Crore.

Sectors & Stocks

- 1) Shares of Galaxy Surfactants Limited ended up by 6.37 percent to Rs. 2,868 at the NSE on Wednesday. Incorporated in 1986, Galaxy Surfactants Ltd is a leading manufacturer of Performance Surfactants and Specialty Care products with over 210+ product grades. These products are used in consumer-centric Home and Personal care products like hair care, oral care, skincare, cosmetics, soap, shampoo, lotion, detergent, cleaning products etc. Preferred suppliers to leading MNC's, Regional and Local FMCG brands. The Company's key customers include Unilever, Reckitt Benckiser, P&G, L'OREAL, Himalaya, Colgate Palmolive, CavinKare etc. Company has its manufacturing facilities located in India (5), Egypt (1) and USA (1).

Commenting on FY23 performance Mr. U. Shekhar, Managing Director, Galaxy Surfactants Limited said, "This has been a good year for us. While the volume decline is a cause of concern, we do see the situation improving in FY24. The decline in Raw material prices, freight rates and improved availability not only aided our performance in FY23 but shall also enable recovery in demand going ahead in FY24. The India story is here to stay, and we consciously believe this momentum shall continue for years to come. The geopolitical headwinds and strengthening Dollar did impact consumption in Europe and Africa Middle East Turkey; but with the situation slowly but steadily improving on the ground, we see growth in these markets in the coming 1-2 Quarters. In addition, the uptick in premium consumption seen in India was a major positive for our Specialty as well as Performance Surfactants. This further aided our performance this year. To conclude, while global headwinds did impact our volumes adversely this year, we strongly believe the structural story of Home and Personal Care consumption remains intact. FY 2023-24 will be all about sustainable volume-led growth; capitalising on emerging trends through our innovations, growing our existing businesses sustainably and ensuring sustainable volume-led growth for both segments."

- 2) Shares of Tata Consumer Products Limited ended up by 5.17 percent to Rs. 862.25 at the NSE on Wednesday. Tata Consumer Products Limited is a focused consumer products company uniting the principal food and beverage interests of the Tata Group under one umbrella. The Company's portfolio of products includes tea, coffee, water, RTD, salt, pulses, spices, ready-to-cook and ready-to-eat offerings, breakfast cereals, snacks and mini meals. Tata Consumer Products is the 2nd largest branded tea company in the world. Its key beverage brands include Tata Tea, Tetley, Eight O'Clock Coffee, Tata Coffee Grand, Himalayan Natural Mineral Water, Tata Copper+ and Tata Gluco+. Its foods portfolio includes brands such as Tata Salt, Tata Sampann and Tata Soufull. In India, Tata Consumer Products has a reach of over 201 million households, giving it an unparalleled ability to leverage the Tata brand in consumer products.

Commenting on the Company's performance in FY23, Mr. Sunil D'Souza, Managing Director & CEO of Tata Consumer Products said "We delivered strong topline growth of 11% while balancing margins in an extremely volatile macro environment this fiscal. Importantly, we delivered a strong earnings growth of 28%. During the quarter, we saw early signs of green shoots in our branded tea business, with the interventions we put in place starting to yield positive results. In our other core business of salt, we continued to execute strongly and have gained market share despite pricing actions taken to mitigate inflation. Our innovation across categories has picked up pace significantly with the number of new product launches in FY23 being almost 2X of FY22. Our growth businesses (Tata Sampann, Tata Soufull, and NourishCo) continued their strong growth trajectory and have increased their salience significantly over the past couple of years, accounting for 15% of India business this fiscal. Tata Starbucks recorded a strong performance, hitting a 4-digit topline along with achieving its highest-ever number of annual store additions. We reached new milestones in our Sales & Distribution expansion and are on track to achieving a total reach of 4 mn outlets by this year as per our earlier guidance. We are embedding digital transformation across the business and will be using this to drive decision-making in areas such as new product development, procurement, and revenue growth management. Our transformation journey to becoming a leading FMCG company is on track and we will continue to stay focused on driving profitable growth along with building futureready capabilities."

- 3) Shares of APL Apollo Tubes Limited ended up by 4.20 percent to Rs. 1,348.05 at the NSE on Wednesday. APL Apollo Tubes is India's leading structural steel tube manufacturer. Since the company's inception in 1986, APL Apollo has developed pioneering products that have transformed the market landscape, setting the bar with innovative solutions for the customers and latest technologies in steel tube manufacturing. Headquartered at Delhi NCR, the Company



operates 11 manufacturing facilities with a total capacity of 3.6 million tons. It has a pan-India presence with units strategically located in Sikandarabad (UP), Hyderabad, Bangalore, Hosur (Tamil Nadu), Raipur (Chhattisgarh), Dujana (UP), Malur (Karnataka) and Murbad (Maharashtra).

APL Apollo's multi-product offerings include over 1,500 varieties for multiple building material structural steel applications. With state-of-the-art-manufacturing facilities, APL Apollo serves as a 'one-stop shop' for a wide spectrum of products, catering to an array of industry applications such as urban infrastructure and real estate, rural housing, commercial construction, greenhouse structures and engineering applications. The Company's vast 3-tier distribution network of over 800 Distributors is spread across India, with presence in over 300 towns and cities.

The Company recently announced that the company has signed MoUs with its top distributors for sale of 2.4mn tons of structural steel tubes in FY24. These MoUs do not include sale from exports division, OEM division and sale of coated products from new Raipur plant, which are newly launched.

Commenting on Q4FY23 and FY23 result, Mr. Sanjay Gupta - Chairman of the Company said "The Company reported its highest ever quarterly sales volume and EBITDA in Q4FY23. The value added products contributed 56% to our overall sales volume in FY23. Moreover the ramp up from our greenfield plant in Raipur will support sales volume and EBITDA growth in coming quarters. We continue to remain prudent with our working capital management which remains best in the building material sector."

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

- 1) On Wednesday, Indian benchmark indices ended in the positive terrain. Globally, investor sentiments were upbeat after cooling down of US Consumer Price Index (CPI). Domestically, Investors have cheered India's WPI inflation data which was lowest since November 2015 at -3.48 percent (lowest in seven-and-a-half years). Earlier, India's retail inflation data had fallen to a 25 month low in May 2023 and Index of Industrial Production (IIP) data which stood at 4.2 per cent in April 2023 as against 1.1 percent in March 2023 which lifted investor sentiments and supported the rally. After the recent rally, profit booking cannot be ruled out.
- 2) Going forward, global investors would keep an eye on the outcome of upcoming US Fed meet after cooling down of US CPI. We suggest investors to remain stock specific and be wary of valuations of companies getting out of comfort zone. At the moment, companies in the sectors like NBFCs, Banking, Capital Goods, select companies in the Infrastructure space, Railways and Defence. Select companies in the new age business segment can also be considered as they have seen good improvement in performance in Q4FY23.
- 3) 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, manufacturing PMI and Services PMI data, and other indicators like passenger air traffic, hotel occupancy, power consumption, auto sales, coal production data etc. Q4FY23 earnings season has been decent. IT giants had reported weak performance but IT midcaps have delivered good Q4FY23 performance. Results announced by PSU Banks, NBFCs announced indicates good times for Banking and Financial Services sector. Private Banks too had reported decent Q4FY23 performance.
- 4) 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.



Disclaimer

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Ajcon Global Services Limited is a SEBI registered Research Analyst entity bearing registration Number INH000001170 under SEBI (Research Analysts) Regulations, 2014.

Individuals employed as research analyst by Ajcon Global Services Limited or their associates are not allowed to deal or trade in securities that the research analyst recommends within thirty days before and within five days after the publication of a research report as prescribed under SEBI Research Analyst Regulations.

Subject to the restrictions mentioned in above paragraph, We and our affiliates, officers, directors, employees and their relative may: (a) from time to time, have long or short positions acting as a principal in, and buy or sell the securities or derivatives thereof, of Company mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage.

Ajcon Global Services Limited is a fully integrated stock broking, investment banking, merchant banking, corporate advisory, commodity and currency broking Company. It may therefore have commercial relationship for the above said services with the Company covered in this Report. Ajcon Global Services Limited research analysts responsible for the preparation of the research report may interact with trading desk personnel, sales personnel and other parties for gathering, applying and interpreting information.

Ajcon Global Services Limited encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Ajcon Global Services Limited or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Ajcon Global Services Limited nor Research Analysts have any material conflict of interest at the time of publication of this report.

Ajcon Global Services Limited or its associates may have commercial transactions with the Company mentioned in the research report with respect to advisory services.

The information and opinions in this report have been prepared by Ajcon Global Services Limited and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Ajcon Global Services Limited While we would endeavour to update the information herein on a reasonable basis, Ajcon Global Services Limited is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Ajcon Global Services Limited from doing so. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Ajcon Global Services Limited will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Ajcon Global Services Limited accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Ajcon Global Services Limited or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

It is confirmed that Akash Jain – MBA (Financial Markets) or any other Research Analysts of this report has not received any compensation from the company mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.



Ajcon Global Services Limited or its subsidiaries collectively or Directors including their relatives, Research Analysts, do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Ajcon Global Services Limited may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Neither the Research Analysts nor Ajcon Global Services Limited have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on Ajcon Global Services Limited by any Regulatory Authority impacting Equity Research Analysis activities.

Analyst Certification

I, Akash Jain - MBA (Financial Markets), research analyst, author and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. I also certify that no part of compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view (s) in this report.

For research related queries contact:

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

CIN:L74140MH1986PLC041941

SEBI registration Number: INH000001170 as per SEBI (Research Analysts) Regulations, 2014.

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