

Key Benchmark indices across the globe

Index	April 20, 2023	April 19, 2023	Change	% change	Open	High	Low
Nifty	17,624.45	17,618.75	5.70	0.03	17,638.60	17,684.45	17,584.35
Sensex	59,632.35	59,567.80	64.55	0.11	59,586.61	59,836.79	59,489.98
Shanghai Composite	3,367.03	3,370.13	3.10	0.09	3,367.05	3,371.37	3,344.02
Nikkei 225	28,657.57	28,606.76	50.81	0.18	28,472.00	28,694.25	28,442.45
Kospi	2,563.11	2,575.08	11.97	0.47	2,566.06	2,573.94	2,552.06
Dow Jones	33,857.08#	33,897.01	39.93	0.12	33,741.49	33,862.07	33,677.74
Nasdaq	12,118.76#	12,157.23	38.46	0.32	12,039.08	12,130.21	12,037.97
FTSE	7,902.61#	7,898.77	3.84	0.05	7,898.77	7,902.95	7,876.35
CAC	7,538.71#	7,549.44	10.73	0.14	7,541.68	7,546.07	7,506.92
DAX	15,795.97#	15,895.20	99.23	0.63	15,864.15	15,883.31	15,734.25

denotes April 20, 2023 levels at the time of writing this report

Key macroeconomic indicators

Index	April 20, 2023	April 19, 2023
Brent Crude Oil (\$ per barrel)	81.62#	83.12
Gold (\$ per ounce)	2,006.47#	1,993.26
Indian Rupee against US\$	82.15	82.23
India 10 year bond yield (%)	7.22	7.23
US 10 year G-sec (%)	3.54#	3.60

#denotes levels of April 20, 2023 at the time of writing this report

FII & DII activity

Index	April 20, 2023	April 19, 2023
FII activity (Rs. in Crore)	1,169.32	13.17
DII activity (Rs. in Crore)	832.72	110.42

Hotel stocks rally; domestic bourses end in the positive terrain..

- 1) On Thursday, the Indian benchmark indices ended in a positive terrain but were lacklustre. The Nifty opened on a positive note and touched an intraday high of 17,684.45. Finally, the Nifty ended the day up by 5.70 points or 0.03 percent to end at levels of 17,624.45. On the other hand, the Sensex ended the day up by 64.55 points or 0.11 percent to end the day at levels of 59,632.35.
- 2) Among the Nifty 50 stocks, the major gainers were NTPC, Adani Ports, Asian Paints, Bajaj Auto, Tata Motors up in the range of 1.30 percent to 1.50 percent. On the other hand, the major losers were Divis Lab, Hindustan Unilever, Dr. Reddy's Laboratories, Eicher Motors, Hindalco Industries down in the range of 1.03 percent to 4.03 percent.
- 3) The broader markets too ended in the positive terrain on Thursday. The Nifty Midcap 100 index was up by 0.03 percent and the Nifty Smallcap 100 index was up by 0.15 percent.
- 4) In terms of the sectoral indices performance, the major gainers were Nifty Consumer Durables index up by 0.36 percent, Nifty Private Bank index up by 0.31 percent, Nifty Bank index up by 0.27 percent, Nifty Auto index up by 0.23 percent. On the other hand, the major losers were Nifty Pharma index down by 1.11 percent, Nifty Healthcare index down by 0.89 percent, Nifty Realty index down by 0.43 percent, Nifty Metal index down by 0.39 percent.

- 5) On Thursday, FIIs net sold equities worth Rs. 1,169.32 Crore. On the other hand, DIIs net bought equities worth Rs. 832.72 Crore. Month till date, FIIs have net bought equities worth Rs. 2,433.43 Crore. On the other hand, DIIs have net sold equities worth Rs. 1,290.34 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 Titagarh Wagons Limited ended up by 10.37 percent to Rs. 331.50 at the NSE on Thursday. Recently, the consortium of Bharat Heavy Electricals Limited and Titagarh Wagons Limited (BHEL-TWL Consortium) were awarded an order for 80 nos. Vande Bharat trainsets in the mega tender of Indian Railways. Comprehensive maintenance of the same for 35 years in accordance with the terms and conditions of the Agreement. Equip, upgrade, operate and maintain the exclusive place provided in the Manufacturing Unit at ICF Chennai and Two Depots assigned by Indian Railways. Order has been given to supply 80 Trainsets at the rate of Rs 120 crs/Trainset (excluding taxes & duties).

Earlier, the consortium of Ramkrishna Forgings Limited and Titagarh Wagons Limited (RKFL-TWL Consortium) had received the Letter of Award (LOA) dated 5 April, 2023 from the Ministry of Railways, Government of India w.r.t "Manufacturing and Supply of Forged Wheels under long term agreement under Aatma Nirbhar Bharat". The nature of order/contract was manufacturing and supplying of 15,40,000 Forged Wheels of different rolling stocks to the Railways over a period of 20 (twenty) years in accordance with the terms and conditions of Agreement.

- 2) Shares of Lemon Tree Hotels Limited ended up by 4.58 percent to Rs. 86.75 at the NSE on Thursday led by expectations of good demand outlook in holiday season considering summer vacation in schools. Mr. Patanjali Keswani, Chairman and Managing Director of the Company in Q3FY23 concall had said "Q3 FY23 occupancy increased by 133 bps and gross ARR increased by 17% over Q2 FY23. The total revenue for the quarter stood at INR 234.1 crore, which is 19% over Q2 FY23 and 15% up versus Q3 FY20. The net EBITDA margin for the company in Q3 FY23 was industry-leading at 54.3%, which is 648 bps above Q2 FY23 and 1,265 bps above Q3 FY20. The PAT for Q3 FY23 stands for INR 48.6 crore, which is 151% over Q2 FY23 and 338% up versus Q3 FY20. Q3 FY23 has been the best ever quarter for the company with most key metrics such as gross ARR, total revenue, EBITDA, EBITDA margin percentage, PBT and PAT growing significantly."

He further added "We are confident in the company's ability to sustain this growth even more in the coming quarters by focusing on the following growth levers: opening of Aurika, MIAL in Q3 next year; accelerated growth in our management and franchise portfolio with proportionate increase in fee-based income; further improvement in gross ARR and occupancy for the LTH portfolio and a significant increase in ARR and occupancy in the Keys portfolio post renovations. We are pleased to share that we have expanded our presence with the signing of 7 new hotels in the cities of Thekkady, Haridwar, Jamshedpur, Dehradun, Chandausi, Banswara and Tezpur. And operationalized 3 hotels in this quarter, namely Lemon Tree Hotel in Kalina, Mumbai; Lemon Tree Hotel in Mukteshwar and Keys Lite by Lemon Tree in Vishakapatnam, which were in the pipeline in Q2 FY23. Our total fee from managed hotels in the 9 months of FY23 stood at INR 25.1 crore, which is 94% up versus the nine months of FY20."

- 3) Shares of Cummins India Limited ended up by 3.93 percent to Rs. 1,560 at the NSE on Thursday. Cummins India Limited, part of the Cummins Group in India, is headquartered in Pune since 1962 and is the country's leading manufacturer of diesel and natural gas engines for power generation, industrial and automotive markets. Cummins India Limited has a country-wide network of 20 dealerships with over 450 service points that provides products, services, and after-market solutions for uptime of Cummins equipment and engines to customers in India, Nepal, and Bhutan.

Commenting on Q3FY23 performance of the Company, Ashwath Ram, Managing Director, Cummins India Limited, said: The demand momentum we saw in the earlier quarters continued across segments, including international markets during the quarter. With moderation in commodity costs, oil, and other industrial raw material coupled with easing inflation, the buoyant tax collections economy continues to sustain growth momentum. CIL services a broad spectrum of the economy, and we see continued demand from end markets like data centers, commercial real estate, rental, infrastructure, healthcare, and telecom, etc., Besides, Industrial sectors like mining, railways, construction, etc., demand is holding up. For the quarter ended December 31, 2022, CIL reported record quarterly revenue driven by strong domestic and export revenue coupled with prudent cost management resulting in record quarterly profit. We continue to see supply chain challenges, especially for specific electronic and other components. With geopolitical risk



and inflation likely to slow down developed markets, we remain cautiously optimistic about the short to medium-term demand outlook.

Mr. Ashwath Ram - Managing Director of the Company in Q3FY23 concall had said "We are happy to announce that Cummins India Limited reported the highest quarterly revenue and profit for the second quarter in a row due to strong demand in the domestic and export markets. He further added "In this quarter, we saw growth across the board. It was in power generation, industrial business and in distribution. Some of it, of course, continues to be the infrastructure segments all are recovering well. The second aspect was that exports continued to hold in the quarter. So, the growth we saw in the previous quarter compared to the previous year that continues to hold. So all in all, I can say that with all the growth and the pricing actions, etc. we had taken, we saw relatively better growth compared to the previous year."

- 4) Shares of Sona BLW Precision Forgings Limited ended up by 2.74 percent to Rs. 477.90 at the NSE on Thursday. Sona BLW Precision Forgings Limited (Sona Comstar) is one of the world's leading automotive technology companies. It was founded in 1995 and has its headquarters in Gurugram, India. Sona Comstar has emerged as a global supplier with nine manufacturing and assembly facilities across India, USA, Mexico and China. Sona Comstar offers its customers cutting-edge products that enable faster adoption of greener and safer mobility in India and globally. It is the leading global supplier of driveline solutions for Battery Electric Vehicles (BEV), Passenger Vehicles, Commercial Vehicles and Off-highway Vehicles.

Sona Comstar is India's leading traction motor and motor-controllers supplier to electric two-wheelers (e2Ws). Sona Comstar was formed by the merger of Sona BLW and Comstar Automotive in 2019. Since then, the company has invested significantly in technology, software, capex and people, focused on the Electric Vehicle (EV) segment, completed technological partnerships and a strategic acquisition, and became India's largest EV component supplier.

The Company registered good performance registered by the Company in the Q3FY23 result. Earlier, commenting on the performance in the Q3FY23 result, Mr. Vivek Vikram Singh, MD & Group CEO, said: "We delivered our highest quarterly revenue, EBITDA and net profit in Q3 FY23. Our revenue grew 39% y-o-y in the last quarter, driven by the scale-up of revenue from new programs. Our BEV revenue was higher by 29% y-o-y, representing 26% of overall revenues. Despite the continued high steel prices, the EBITDA margin improved by 80 bps y-o-y to 27.2%, driving EBITDA growth of 43% and PAT growth of 45%. We continue to progress on all our key strategic priorities. We won the largest single new order in our history, an EV driveline program which is a big step forward for us in both business development and technology, as this is a new product called an Electronic Differential Lock (EDL). This win demonstrates our ability to keep adding new and higher-value-added products for our customers. We also made our first acquisition since 2019, and with NOVELIC, we have added a third pillar of Sensors and Software to our business."

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

- 1) On Thursday, Indian benchmark indices ended in the positive terrain. Hotel stocks were in limelight today considering the holiday season led by summer vacation in schools. Stock specific action was witnessed in different sectors as well. Overall, the markets have been lacklustre as Q4FY23 earnings season has started on weak note as IT giants have reported performance. However, the quarterly business updates of PSU Banks, Private Banks, NBFCs announced till date indicates good times for Banking and Financial Services sector. All eyes would be on ongoing Q4FY23 earnings season and management commentary which will drive market direction
- 2) 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. In addition select companies in Diagnostics and Pharma sector can be considered as COVID-19 cases have started increasing in India. The quarterly business updates announced by companies indicate that Q4FY23 earnings season for majority of the Companies is likely to be good.
- 3) Globally, US markets and the European markets were under pressure at the time of writing this report led by concerns that US Fed may go for a rate hike considering the good employment data. Earlier, US inflation fell to 5 percent in March 2023 and is at the lowest point in almost 2 years. The efforts made globally by authorities to restore confidence amongst the investors after the recent turmoil in the US and European Banking system has also yielded results in the form of some improvement in the investor sentiments. 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.



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- 4) 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 tussle between China and Taiwan, key implications of ongoing war between Russia and Ukraine.



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