

Key Benchmark indices across the globe

Index	June 21, 2023	Prev. close	Change	% change	Open	High	Low
Nifty	18,856.85	18,816.70	40.15	0.21	18,849.40	18,875.90	18,794.85
Sensex	63,523.15	63,327.70	195.45	0.31	63,467.46	63,588.31	63,315.62
Shanghai Composite	3,197.90	3,240.36	42.46	1.33	3,230.11	3,236.36	3,197.90
Hang Seng	19,218.35	19,607.08	388.73	2.02	19,305.24	19,377.69	19,174.16
Kospi	2,582.63	2,604.91	22.28	0.86	2,599.19	2,600.97	2,579.52
Dow Jones	34,041.20#	34,053.87	12.67	0.04	33,959.92	34,053.10	33,876.17
Nasdaq	13,465.34#	13,667.29	201.95	1.48	13,620.73	13,638.57	13,465.16
FTSE	7,556.82#	7,569.31	12.49	0.17	7,569.31	7,577.60	7,520.92
CAC	7,252.86#	7,294.17	41.31	0.57	7,273.89	7,297.85	7,246.86
DAX	16,005.63#	16,111.32	105.69	0.66	16,082.75	16,145.29	16,002.27

#denotes levels of June 21, 2023 at the time of writing this report

Key macroeconomic indicators

Index	June 21, 2023	June 20, 2023
Brent Crude Oil (\$ per barrel)	77.03#	75.90
Gold (\$ per ounce)	1,931.25#	1,935.91
Indian Rupee against US\$	82.04	82.13
India 10 year bond yield (%)	7.07	7.06
US 10 year G-sec (%)	3.78#	3.73

#denotes levels of June 21, 2023 at the time of writing this report

FII & DII activity

Index	June 21, 2023	June 20, 2023
FII activity (Rs. in Crore)	4,013.10	1,942.62
DII activity (Rs. in Crore)	550.36	1,972.51

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

- 1) On Wednesday, the Indian benchmark indices ended in the positive terrain. The Nifty opened on a and later erased all the losses to touch an intraday high of 18,875.70. Finally, the Nifty ended the day up by 40.15 points or 0.21 percent to end at levels of 18,856.85. On the other hand, the Sensex ended the day up by 195.45 points or 0.31 percent to end the day at levels of 63,523.15.
- 2) Among the Nifty 50 stocks, the major gainers were Power Grid Corporation of India, Oil & Natural Gas Corporation, Adani Ports and Special Economic Zone, HDFC Bank, HDFC up in the range of 1.67 percent to 3.78 percent. On the other hand, the major losers were JSW Steel, Hindalco Industries, Divis Laboratories, Mahindra & Mahindra, ITC down in the range of 1.05 percent to 1.93 percent.
- 3) The broader markets too were upbeat on Wednesday. The Nifty Midcap 100 index was up by 0.81 percent and the Nifty Smallcap 100 index was up by 0.07 percent.
- 4) In terms of the sectoral indices performance, the major gainers were Nifty Financial Services 25/50 index up by 1.02 percent, Nifty Financial services index up by 0.68 percent, Nifty Media index up by 0.55 percent, Nifty PSU Bank index up by 0.44 percent. On the other hand, the major losers were Nifty Metal index down by 0.94 percent, Nifty FMCG index down by 0.44 percent, Nifty Realty index down by 0.33 percent, Nifty Healthcare index down by 0.06 percent.

- 5) On Wednesday, FIIs have net bought equities worth Rs. 4,013.10 Crore. On the other hand, DIIs too net bought equities worth Rs. 550.36 Crore. Month till date, FIIs have net bought equities worth Rs. 7,926.35 Crore and DIIs have net bought equities worth Rs. 6,487.42 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 Piramal Enterprises Limited ended up by 14.23 percent to Rs. 957.85 at the NSE on Wednesday. Piramal Enterprises Limited (PEL) is a diversified Non-Banking Financial Company (NBFC) with presence in Retail and Wholesale Lending, Alternative funds and Life Insurance businesses. PEL has built a technology platform, which is driven by artificial intelligence (AI), with innovative financial solutions that cater to the needs of varied industry verticals. PEL has steered dynamic business growth over the three decades of its existence, staying focused on both organic as well as inorganic growth strategy. Commenting on Q4FY23/FY23 performance, Mr. Ajay Piramal, Chairman, Piramal Enterprises Ltd., said, "We are pleased with our resilient performance amid macroeconomic and geopolitical headwinds. India continues to remain a relative "bright spot" in the world and will likely contribute significantly to global growth in the coming years. In Retail, we have achieved substantial growth and this business now contributes to 50% of our AUM. We are consciously pivoting to a technology-led multi-product strategy to continue building a large diversified NBFC. As we continue to expand our retail lending business, we are also investing in manpower, branch infrastructure, technology and analytics for its future growth. In Wholesale, we have reduced our Wholesale 1.0* AUM by 33% YoY. Our Stage 2 + 3 AUM has reduced by 39% QoQ and we are focused on further bringing these down. We remain focused on ensuring sustained value creation for all stakeholders." Note: (*) Wholesale 1.0 refers to wholesale loans excluding the loans sanctioned under Wholesale 2.0".
- 2) Shares of Shriram Finance Limited ended up by 11.31 percent to Rs. 1,736 at the NSE on Wednesday. Shriram Finance Limited is the flagship company of the Shriram group which has significant presence in Consumer Finance, Life Insurance, General Insurance, Housing Finance, Stock Broking and Distribution businesses. Shriram Finance Limited is India's largest retail asset financing Non-Banking Finance Company (NBFC) with Assets under Management (AUM) of Rs. 1.85 trillion as on Q4FY23. Shriram City Union Finance Limited and Shriram Capital Limited were amalgamated with Shriram Transport Finance Company Limited and the name of Shriram Transport Finance Company Limited has been changed to Shriram Finance Limited with effect from November 30, 2022. Established in 1979, Shriram Finance is holistic finance provider catering to the needs of Small Road Transport Operators and small business owners and is a leader in organised financing of pre-owned commercial vehicles and two wheelers. It has vertically integrated business model and offers financing number of products which include passenger commercial vehicles, loans to micro and small and medium enterprises (MSMEs), tractors & farm equipment, gold, personal loans and working capital loans etc. Over last 44 years, it has developed strong competencies in the areas of loan origination, valuation of pre-owned commercial vehicles and other assets, and collections. It has a pan India presence with network of over 2,922 outlets and an employee strength of more than 64,052 servicing over 73.24 lakhs of customers.
- 3) Shares of Saregama India Limited ended up by 8.90 percent to Rs. 408 at the NSE on Wednesday. Saregama India Limited, formerly known as The Gramophone Company of India Ltd is a RP-Sanjiv Goenka Group (RPSG) company owning the largest music archives in India and one of the biggest in the world. The ownership of nearly 50 per cent of all the music ever recorded in India also makes Saregama the most authoritative repository of the country's musical heritage. Saregama has also expanded into other branches of entertainment - film & series production, live events, and music-based consumer products.

Commenting on performance in Q4FY23 result, Avarna Jain, Vice Chairperson Saregama India, said "The digital boom propelled by Govt's progressive policies and growing income levels is resulting in a huge content demand in the country. Saregama with its enviable legacy and investments in technology, new content and personnel is well set to lead this content demand cycle, and create immense value for its stakeholders". Vikram Mehra, MD Saregama India, said "The company is committed to building efficiencies to deliver strong fiscal performance while it continues to diversify its range of businesses. We look forward to the best utilization of new generation technology like Artificial Intelligence and Data Analytics to augment the growth in all respects. We are excited to have marquee projects lined up for release in the coming year which will further strengthen our position as key player in the entertainment sector"

Key developments

- 1) The Federal Reserve's fight to lower inflation back to its 2% target "has a long way to go," Federal Reserve Chair Jerome Powell said on Wednesday in testimony prepared for delivery to the House Financial Services Committee. Investors broadly expect increases to resume at the Fed's July meeting, after the Fed last week paused a 15-month hiking cycle. (Source: Reuters)



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

- 1) On Wednesday, Indian benchmark indices ended in the positive terrain. Stock specific action was witnessed in midcaps and smallcaps space. At the time of writing this report, both US and European indices were under pressure as Federal Reserve Chair Jerome Powell comments on controlling inflation affected investor sentiments.
- 2) Domestically, 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) Recent inflation data was good with India's WPI inflation data lowest since November 2015 at -3.48 percent (lowest in seven-and-a-half years). 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. 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.



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