

**Key Benchmark indices across the globe**

Index	August 21, 2023	Prev. close	Change	% change	Open	High	Low
<b>Nifty</b>	19,393.60	19,310.15	<b>83.45</b>	<b>0.43</b>	19,320.65	19,425.95	19,296.30
<b>Sensex</b>	65,216.09	64,948.66	<b>267.43</b>	<b>0.41</b>	64,852.70	65,335.82	64,852.70
<b>Nikkei 225</b>	31,565.64	31,450.76	<b>114.88</b>	<b>0.36</b>	31,552.85	31,758.70	31,409.86
<b>Straits Times</b>	3,154.03	3,173.93	<b>19.90</b>	<b>0.63</b>	3,171.68	3,172.91	3,149.22
<b>Kospi</b>	2,508.80	2,504.50	<b>4.30</b>	<b>0.17</b>	2,511.70	2,524.41	2,505.59
<b>Hang Seng</b>	17,623.29	17,950.85	<b>327.56</b>	<b>1.86</b>	17,798.47	17,867.66	17,587.38
<b>Shanghai Composite</b>	3,092.98	3,131.95	<b>38.97</b>	<b>1.26</b>	3,125.99	3,134.96	3,092.98
<b>Dow Jones</b>	34,286.67#	34,500.66	<b>213.00</b>	<b>0.62</b>	34,522.20	34,570.96	34,278.68
<b>Nasdaq</b>	13,339.62#	13,290.78	<b>48.85</b>	<b>0.37</b>	13,347.26	13,448.32	13,332.90
<b>FTSE</b>	7,258.65#	7,262.43	<b>3.78</b>	<b>0.05</b>	7,262.43	7,315.97	7,250.88
<b>CAC</b>	7,195.26#	7,164.11	<b>31.15</b>	<b>0.43</b>	7,165.07	7,259.32	7,165.07
<b>DAX</b>	15,593.16#	15,574.26	<b>18.90</b>	<b>0.12</b>	15,573.95	15,710.21	15,571.82

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

**Key macroeconomic indicators**

Index	August 21, 2023	August 18, 2023
<b>Brent Crude Oil (\$ per barrel)</b>	85.13#	84.80
<b>Gold (\$ per ounce)</b>	1,889.58#	1,888.19
<b>Indian Rupee against US\$</b>	83.10	83.11
<b>India 10 year bond yield (%)</b>	7.22	7.21
<b>US 10 year G-sec (%)</b>	4.34#	4.25

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

**FII & DII activity**

Index	August 21, 2023	August 18, 2023
<b>FII activity (INR in Crore)</b>	<b>1,901.10</b>	<b>266.98</b>
<b>DII activity (INR in Crore)</b>	<b>626.25</b>	<b>339.18</b>

**Indian benchmark indices end in green; midcaps and smallcaps continue to witness buoyancy..**

- 1) On Monday, the Indian benchmark indices ended in the positive terrain. The Nifty opened on a positive note and later touched an intraday high of 19,425.95. Finally, the Nifty ended the day up by 83.45 points or 0.43 percent to end at levels of 19,393.60. On the other hand, the Sensex ended the day up by 267.43 points or 0.41 percent to end the day at levels of 65,216.09.
- 2) Among the Nifty 50 stocks, the major gainers were Bajaj Finance, Power Grid Corporation of India, Adani Ports and Special Economic Zone, Adani Enterprises, Hindalco Industries up in the range of 2.09 percent to 2.75 percent. On the other hand, the major losers were Jio Financial Services, Reliance Industries, Mahindra & Mahindra, Britannia Industries, Bajaj Auto down in the range of 0.36 percent to 5.00 percent.
- 3) The broader markets were upbeat on Monday. The Nifty Midcap 100 index was up by 0.82 percent and the Nifty Smallcap 100 index was up by 0.63 percent.

- 4) In terms of the sectoral indices performance, the major gainers were Nifty Metal Bank index up by 1.30 percent, Nifty IT index up by 1.09 percent, Nifty Realty index up by 0.99 percent, Nifty FMCG index up by 0.65 percent. On the other hand, the major losers were Nifty PSU Bank index down by 0.64 percent, Nifty Media index down by 0.29 percent.
- 5) On Monday, FIIs have net sold equities worth INR 1,901.10 Crore. On the other hand, DIIs net bought equities worth INR 626.25 Crore. Month till date, FIIs have net sold equities worth Rs. 12,826.94 Crore and DIIs have net bought equities worth Rs. 9,872.11 Crore. In the month of July 2023, FIIs had net bought equities worth INR 13,922.01 Crore and DIIs had net sold equities worth INR 1,184.33 Crore.

## Sectors & Stocks

- 1) Shares of Data Patterns (India) Limited ended up by 9.90 percent to INR 2,372.20 at the NSE after hitting an intraday high of Rs. 2,415 on Monday. Data Patterns (India) Limited is a vertically integrated Defence and Aerospace electronics solutions provider catering to the indigenously developed defence products industry. Data Patterns' core competencies include design and development across electronic hardware, software, firmware, mechanical, product prototype besides its testing, validation and verification. Its involvement has been across Radars, Electronic Warfare Suites, Communications, Avionics, Small Satellites, Automated Test Equipment, COTS and programmes catering to Tejas Light Combat Aircraft, Light Utility Helicopter, BrahMos and other Communication & Electronic Intelligence Systems. The company works closely with the defence PSUs such as Hindustan Aeronautics Ltd and Bharat Electronics Ltd as well as government organisations involved in defence and space research like DRDO and ISRO.

Commenting on the company's performance, Mr. Srinivasagopalan Rangarajan, Chairman & Managing Director, Data Patterns (India) Limited said, "We are pleased to announce another strong quarter with impressive results. I'm also happy to share that, out of Rs.500cr raised in QIP, we have started our product development endeavours in line with the Offer document, for Radars, Communication Systems, Electronic Warfare and Satellite. The focus on product development will allow Data Patterns to address the growing 'Made in India' Defence opportunities."

- 2) Shares of BLS International Services Limited ended up by 9.06 percent to INR 282.35 at the NSE on Monday. BLS International Services Ltd. is a trusted global tech-enabled services partner for governments and citizens, having an impeccable reputation for setting benchmarks in the domain of visa, passport, consular, citizen, e-governance, attestation, biometric, e-visa and retail services since 2005. The company is recognized as "India's Most Valuable Companies" by Business Today Magazine, "Best under a Billion' company" by Forbes Asia, and ranked among "Fortune India's Next 500 companies". The company works with over 46 client governments including Diplomatic Missions, Embassies & Consulates, and leverages technology and processes that ensure data security. The Company now has an extensive network of more than 50,000 centers globally with a robust strength of over 60,000 employees and associates that provides consular, biometrics, and citizen services. BLS has processed over 220 Million applications to date globally.

BLS International FZE ("BLS FZE"), subsidiary of the Company is in process to subscribe 100% share capital of BLS International Travel & Tourism, a company incorporated under the law of Saudi Arabia, consequent to the subscription of 100% share capital of BLS International Travel & Tourism ("Saudi Arabia") will become Step Down Subsidiary and Wholly Owned Subsidiary of the Company ("SDS-WOS").

Mr. Shikhar Aggarwal – Joint Managing Director of the Company in Q1FY24 analyst concall had said "The company's performance in the first quarter of FY24 was in line with the expectations, maintaining the upward trend of growth seen in previous quarters. The on-going revival of the travel and tourism industry worldwide is driving an increase in the number of visa applications. This, along with higher realization, is leading to continuous month-by-month growth in our visa business. I am thrilled to announce that the Ministry of Foreign Affairs, Spain, has once again chosen BLS International as the global visa contractor for the visa application outsourcing. This marks the second time in a row that we have been trusted with this significant responsibility. The contract covers a wide range of regions, including Europe, America, Latin America, CIS, Africa, Middle East, and APEC, among others. BLS International has been serving the Spanish government since 2016 and operates 122 visa application centers. We process almost 2 million applications from the Spanish government every year. And this number is expected to increase further."

He further added "What's more exciting is that we have also been outsourced a national visa for the first time, which will lead to further growth in volume and opening up offices in newer geographies. As normally is the case under the contract, BLS will also be providing different kinds of additional value-added services, including SMSs, couriers, mobile, biometrics, etc."

- 3) Shares of KEC International Limited ended up by 5.12 percent to INR 656.40 at the NSE on Monday. KEC International is a global infrastructure Engineering, Procurement and Construction (EPC) major. It has presence in the verticals of Power Transmission and Distribution, Railways, Civil, Urban Infrastructure, Solar, Oil & Gas Pipelines, and Cables. The Company is currently executing infrastructure projects in 30+ countries and has a footprint in 110+ countries (includes EPC, Supply of Towers and Cables). It is the flagship Company of the RPG Group.

KEC International Limited, a global infrastructure EPC major, an RPG Group Company, has secured new orders of INR 1,007 crores across its various businesses: Civil: The business has secured a prestigious order for Design, Engineering, Procurement and Construction of a Multispeciality Hospital in India. Transmission & Distribution (T&D): The business has secured a substantial order for a 380 kV Overhead Transmission line project in the Middle East. Cables: The business has secured orders for supply of various types of cables in India and overseas. Mr. Vimal Kejriwal, MD & CEO, KEC International Ltd. commented, "We are pleased with the continuous inflow of orders, especially in our T&D and Civil businesses. In line with our strategy, the civil business has expanded its presence by securing a breakthrough order for building a Multispeciality Hospital in Eastern India. The T&D order in the Middle East region has significantly enhanced our order book in the international T&D market. With the above orders, our YTD order intake stands at a record level of over Rs. 5,500 crores, a strong growth of ~15% vis-à-vis last year."

- 4) Shares of PNB Housing Finance Limited ended up by 3.41 percent to INR 657 at the NSE after hitting an intraday high of Rs. 688 on Monday. The Company through its focussed and multi-pronged resolution strategy has successfully resolved and fully recovered its large corporate Non-Performing account of INR 784 crore (~1.3% of Loan Asset as on 30th June 2023). The account has been resolved on 19 th August 2023 through an ARC sale under Swiss Challenge method as per the Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021. As on 30th June 2023, the Gross NPA of the Company stood at INR 2,270 crore (3.76% of Loan Asset) and Loan Asset was INR 60,395 crore.
- 5) Shares of ABB India Limited ended up by 0.93 percent to INR 4,319.30 at the NSE on Monday. ABB India has secured an order from Reliance Life Sciences to deploy automation and control solutions for their new biosimilars and plasma proteins manufacturing facilities in Nashik, Maharashtra. The scope encompasses complete automation of the manufacturing process using ABB's flagship Distributed Control System (DCS), Remote I/O systems, Batch Recipe Management, and MES Integration. Reliance Life Sciences will harness ABB technology to attain operational excellence, reduce time to market, and ensure strict quality control of their manufacturing processes. By deploying ABB's DCS operating on the latest Windows version, Reliance Life Sciences can reduce the total cost of ownership. ABB's DCS solution provides an integration platform that helps in monitoring different plant sections and streamlining maintenance.

"We are proud to partner with Reliance Life Sciences on this critical project. This collaboration will reinforce our position in the pharma and life sciences market, where, as a technology provider, we see tremendous potential for growth and innovation," said G. Balaji, SVP, Head of Energy Industries, ABB India. "With India rapidly progressing as a prominent biopharmaceutical manufacturing hub, we find ourselves well-poised to ride the wave of the industrial revolution driven by the adoption of automation in these segments, which is pivotal for large-scale production with quality assurance."

## Key developments

- 1) The US bond-market selloff resumed Monday, driving 10-year yields to a 16-year high, as the persistently resilient economy has investors positioning for interest rates to remain elevated even after the Federal Reserve winds up its hikes. The moves pushed up yields on typical Treasuries as well as those that provide extra payouts to cover inflation, signaling that investors are bracing for the risk that monetary policy will remain elevated.

The yield on 10-year inflation-protected Treasuries on Monday pushed over 2% for the first time since 2009, extending its ascent from year-to-date lows near 1%. Not long after, the yield on 10-year Treasuries without that protection surpassed October's peak, climbing as much as 9 basis points to 4.35%, a level last seen in late 2007.

The jump extends the major shift that has raced through the bond market over the past two weeks as the odds of a recession recede and large federal budget deficits increase the supply of Treasury debt. That's driven investors to sharply push up rates on longer-term debt, which had tumbled deeply below short-term ones on fears that the economy was poised for a contraction. (Source: Bloomberg)



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

- 1) On Monday, Indian benchmark indices ended in green. Buoyancy was witnessed in the midcaps and smallcaps space. The rise in the US treasury bond yields led by expectations of rate hike by US Fed will act as a headwind for global markets. Domestically, we expect stock specific action likely to continue in the broader markets. After the recent rally, profit booking is also not ruled out. Domestically, we suggest investors to remain stock specific and be wary of valuations of companies getting out of comfort zone especially in smallcaps. At the moment, companies in the sectors like Banking, NBFCs, Capital Goods, Defence, Engineering, Real Estate, select companies in the Infrastructure space, Railways can be considered.
  
- 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. 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. Results announced by PSU Banks, NBFCs announced indicated good times for Banking and Financial Services sector. Private Banks too had reported good Q1FY24 performance.



## 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.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

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, 2014.

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](mailto:research@ajcon.net), [akash@ajcon.net](mailto:akash@ajcon.net)

CIN: L74140MH1986PLC041941

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

**Website:** [www.ajcononline.com](http://www.ajcononline.com)

### **Registered and Corporate office**

408 - (4<sup>th</sup> 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