

Key Benchmark indices across the globe

Index	Sep. 21, 2023	Prev. close	Change	% change	Open	High	Low
Nifty	19,742.35	19,901.40	159.05	0.80	19,840.55	19,848.75	19,709.95
Sensex	66,230.24	66,800.84	570.60	0.85	66,608.67	66,608.67	66,128.71
Nikkei 225	32,571.03	33,023.78	452.75	1.39	32,865.56	32,939.89	32,550.65
Kospi	2,514.97	2,559.74	44.77	1.78	2,544.81	2,549.63	2,514.96
Shanghai Composite	3,084.70	3,108.57	23.87	0.77	3,103.18	3,113.49	3,084.70
Dow Jones	34,252.01#	34,440.88	188.87	0.55	34,301.59	34,378.30	34,186.80
Nasdaq	13,333.03#	13,469.13	136.10	1.01	13,328.06	13,362.23	13,269.12
FTSE	7,690.06#	7,731.65	41.59	0.54	7,731.65	7,746.53	7,674.70
CAC	7,215.93#	7,330.79	114.86	1.57	7,252.41	7,270.06	7,199.11
DAX	15,587.18#	15,781.59	194.41	1.23	15,650.98	15,696.66	15,548.69

denotes Sep. 21, 2023 levels at the time of writing this report

Key macroeconomic indicators

Index	Sep. 21, 2023	Sep. 20, 2023
Brent Crude Oil (\$ per barrel)	94.36#	93.53
Gold (\$ per ounce)	1,918.16#	1,929.68
Indian Rupee against US\$	83.09	83.09
India 10 year bond yield (%)	7.14	7.15
US 10 year G-sec (%)	4.48#	4.35

denotes Sep. 21, 2023 levels at the time of writing this report

FII & DII activity

Index	Sep. 21, 2023	Sep. 20, 2023
FII activity (Rs. in Crore)	3,007.36	3,110.69
DII activity (Rs. in Crore)	1,158.14	573.02

Selling witnessed across the board; PSU banking stocks come under pressure..

- 1) On Thursday, the Indian benchmark indices ended in the negative terrain led by US Fed hawkish outlook. The Nifty opened on a positive note and later gave up all the gains and touched an intraday low of 19,709.95. Finally, the Nifty ended the day down by 159.05 points or 0.80 percent to end at levels of 19,742.35. On the other hand, the Sensex ended the day down by 570.60 points or 0.85 percent to end the day at levels of 66,230.24.
- 2) Among the Nifty 50 stocks, the major gainers were Adani Ports and Special Economic Zone, Tech Mahindra, Dr. Reddy's Laboratories, Asian Paints, Bharti Airtel up in the range 1.02 percent to 1.74 percent. On the other hand, the major losers were Mahindra & Mahindra, ICICI Bank, Cipla, State Bank of India, IndusInd Bank down in the range of 2.04 percent to 2.88 percent.
- 3) The broader markets were under pressure on Thursday. The Nifty Midcap 100 index was down by 0.89 percent and the Nifty Smallcap 100 index was down by 1.34 percent.
- 4) In terms of the sectoral indices performance, the major losers were Nifty PSU Bank index down by 2.28 percent, Nifty Auto index down by 1.69 percent, Nifty Bank index down by 1.68 percent, Nifty Private Bank index down by 1.53 percent, Nifty Financial Services index down by 1.44 percent.

- 5) On Thursday, FIIs have net sold equities worth Rs. 3,007.36 Crore. On the other hand, DIIs net bought equities worth Rs.1,158.14 Crore. Month till date, FIIs have net sold equities worth Rs. 16,934.65 Crore. On the other hand, DIIs have net bought equities worth Rs. 11,368.10. In the month of August 2023, FIIs had net sold equities worth Rs. 20,620.65 Crore and DIIs had net bought equities worth Rs. 25,016.95 Crore.

Sectors & Stocks

- 1) Shares of KSB Limited ended up by 13.45 percent to Rs. 3,120 at the NSE on Thursday. KSB Limited - Founded in 1960 in India is a part of KSB SE & Co KGaA., - one of the world's leading suppliers of pumps, valves and systems. Combining innovative technology and excellent service to provide intelligent solutions, the company has been offering innovative and sturdy solutions to cater to the myriad needs of the Indian Customer may it be in power, oil, building services, process engineering, water treatment, water transport, etc. The activities of KSB's in-house research centre focus on the areas of hydraulics, sealing technology, materials, production technology and automation. Summarising the Q2'23 performance, Mr. Farrokh Bhatena, Vice President of Sales and Marketing, KSB Limited said, "KSB showcased remarkable performance and significant developments during the second quarter of 2023. We aim to maintain a strong performance in the rest of the year too, driven by a healthy Order Intake of 6165 Mio INR in Q2 2023. We remain optimistic about the demand situation as a consistent upward trend is seen in our export business, which will strengthen our position in the global market. Additionally, our Solar division has witnessed significant growth, propelling us toward a future focused on attaining sustainable solutions. We have also successfully implemented warehouse management across all our plants. These efforts will positively impact overall operational efficiency and profitability. As we move forward, KSB remains committed to excellence, sustainability and creating lasting value for all stakeholders."
- 2) Shares of Syrma SGS Technology Limited ended up by 3.68 percent to Rs. 539.30 at the NSE on Thursday. Recently, the Company has forayed into the lucrative Electro-Medical Devices market by acquiring Majority Stake in Johari Digital Healthcare Limited ("JDHL"). JDHL has a strong reputation as an end-to-end design-focused manufacturer of electro-medical devices, focusing on therapeutic areas such as aesthetics, diagnostics, physiotherapy, life sciences among others. JDHL's facility is FDA / MDSAP compliant, ensuring the highest quality and safety standards, and meeting the regulatory requirements in the US, Australia, Canada, Brazil and Japan. JDHL also has multiple FDA 510(k) approvals in place for its various products. This acquisition will enhance Syrma SGS's capabilities and offerings in the electro-medical devices segment and create business synergies across multiple areas. Syrma SGS expects the acquisition to be accretive to its earnings and cash flow.

Key recent developments

- 1) The U.S. Federal Reserve held interest rates steady on Wednesday but stiffened a hawkish monetary policy stance that its officials increasingly believe can succeed in lowering inflation without wrecking the economy or leading to large job losses. The Fed's benchmark overnight interest rate may still be lifted one more time this year to a peak 5.50%-5.75% range, according to updated quarterly projections released by the U.S. central bank, and rates kept significantly tighter through 2024 than previously expected. (Source: Reuters).

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

- 1) Indian equities ended in the negative terrain on Thursday led by weak global cues. Pressure was witnessed across the board. After the recent fall, we expect stock specific action continued in the midcaps and smallcaps space. Positive demand outlook led by ongoing festive season would keep bulls in the hunt. Investors would also watch progress of rainfall in September 2023 after deficit rainfall in August 2023. Diplomatic tensions between Canada and India would also be keenly watched. Investors 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 and economic activity in China after the recent trade data.
- 2) 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 Auto, Auto ancillaries, 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. Results announced by PSU Banks, NBFCs announced indicated good times for Banking and Financial Services sector. Private Banks too had reported good Q1FY24 performance.



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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