

**Key Benchmark indices across the globe**

| Index                     | August 23, 2023 | Prev. close | Change        | % change    | Open      | High      | Low       |
|---------------------------|-----------------|-------------|---------------|-------------|-----------|-----------|-----------|
| <b>Nifty</b>              | 19,444.00       | 19,396.45   | <b>47.55</b>  | <b>0.25</b> | 19,439.20 | 19,472.05 | 19,366.60 |
| <b>Sensex</b>             | 65,433.30       | 65,220.03   | <b>213.27</b> | <b>0.33</b> | 65,300.93 | 65,504.71 | 65,108.51 |
| <b>Nikkei 225</b>         | 32,010.26       | 31,856.71   | <b>153.55</b> | <b>0.48</b> | 31,717.91 | 32,039.60 | 31,717.91 |
| <b>Straits Times</b>      | 3,174.18        | 3,159.88    | <b>14.30</b>  | <b>0.45</b> | 3,153.59  | 3,182.95  | 3,147.22  |
| <b>Kospi</b>              | 2,505.50        | 2,515.74    | <b>10.24</b>  | <b>0.41</b> | 2,510.00  | 2,517.51  | 2,499.89  |
| <b>Hang Seng</b>          | 17,845.92       | 17,791.01   | <b>54.91</b>  | <b>0.31</b> | 17,762.76 | 18,000.53 | 17,730.79 |
| <b>Shanghai Composite</b> | 3,078.40        | 3,120.33    | <b>41.93</b>  | <b>1.36</b> | 3,116.27  | 3,116.38  | 3,077.61  |
| <b>Dow Jones</b>          | 34,453.73#      | 34,288.83   | <b>164.90</b> | <b>0.48</b> | 34,345.88 | 34,464.72 | 34,321.00 |
| <b>Nasdaq</b>             | 13,711.54#      | 13,505.87   | <b>205.67</b> | <b>1.52</b> | 13,532.43 | 13,721.12 | 13,532.43 |
| <b>FTSE</b>               | 7,320.53#       | 7,270.76    | <b>49.77</b>  | <b>0.68</b> | 7,270.76  | 7,348.84  | 7,270.76  |
| <b>CAC</b>                | 7,246.62#       | 7,240.88    | <b>5.74</b>   | <b>0.08</b> | 7,265.98  | 7,295.36  | 7,224.07  |
| <b>DAX</b>                | 15,728.41#      | 15,705.62   | <b>22.79</b>  | <b>0.14</b> | 15,761.25 | 15,820.95 | 15,672.43 |

#denotes levels of August 23, 2023 at the time of writing this report

**Key macroeconomic indicators**

| Index                                  | August 23, 2023 | August 22, 2023 |
|--|-----------------|-----------------|
| <b>Brent Crude Oil (\$ per barrel)</b> | 83.21#          | 84.03           |
| <b>Gold (\$ per ounce)</b>             | 1,919.24#       | 1,897.47        |
| <b>Indian Rupee against US\$</b>       | 82.69           | 83.10           |
| <b>India 10 year bond yield (%)</b>    | 7.19            | 7.22            |
| <b>US 10 year G-sec (%)</b>            | 4.21#           | 4.33            |

#denotes levels of August 23, 2023 at the time of writing this report

**FII & DII activity**

| Index                              | August 23, 2023 | August 22, 2023 |
|------------------------------------|-----------------|-----------------|
| <b>FII activity (INR in Crore)</b> | <b>614.32</b>   | <b>495.17</b>   |
| <b>DII activity (INR in Crore)</b> | <b>125.03</b>   | <b>533.75</b>   |

**Domestic bourses end in green; midcaps and smallcaps continue to witness buoyancy..**

- 1) On Wednesday, the Indian benchmark indices ended in the positive terrain. The Nifty opened on a positive note and later touched an intraday high of 19,472.05. Finally, the Nifty ended the day up by 47.55 points or 0.25 percent to end at levels of 19,444.00. On the other hand, the Sensex ended the day up by 213.27 points or 0.33 percent to end the day at levels of 65,433.30.
- 2) Among the Nifty 50 stocks, the major gainers were Hindalco Industries, Axis Bank, ICICI Bank, Divi's Laboratories, Larsen & Toubro up in the range of 1.47 percent to 2.34 percent. On the other hand, the major losers were Adani Enterprises, Jio Financial Services, Adani Ports and Special Economic Zone, Sun Pharmaceutical Industries, Tech Mahindra down in the range of 1.15 percent to 5.89 percent.
- 3) The broader markets were upbeat on Wednesday. The Nifty Midcap 100 index was up by 0.39 percent and the Nifty Smallcap 100 index was up by 0.91 percent.

- 4) In terms of the sectoral indices performance, the major gainers were Nifty PSU Bank index up by 1.72 percent, Nifty Private Bank index up by 1.26 percent, Nifty Bank index up by 1.10 percent, Nifty Financial Services index up by 0.92 percent. On the other hand, the major losers were Nifty FMCG index down by 0.49 percent, Nifty Oil & Gas index down by 0.31 percent, Nifty Metal index down by 0.13 percent, Nifty Pharma index down by 0.13 percent.
- 5) On Wednesday, FIIs have net bought equities worth INR 614.32 Crore. On the other hand, DIIs net bought equities worth INR 125.03 Crore. Month till date, FIIs have net sold equities worth INR 12,707.79 Crore and DIIs have net bought equities worth Rs. 10,530.89 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 Gujarat Mineral Development Corporation (GMDC) Limited ended up by 12.56 percent to Rs. 220.40 at the NSE on Wednesday. Gujarat Mineral Development Corporation Limited is one of the leading mining players in India. It is a State Public Undertaking of the Government of Gujarat. The state-owned company currently has five operational lignite mines located in Kutch, South Gujarat, and Bhavnagar region. It is purportedly the largest merchant seller of lignite in the country. Commenting on the Q1FY24 performance of the Company, Roopwant Singh, IAS, Managing Director, GMDC, said, "Amidst the ever-evolving market dynamics and operational challenges, we remain steadfast to our commitment to offering better pricing strategies that cater to the needs of our valued customers. Additionally, we will remain focused on expediting the operationalization of our new lignite projects in Lakhpat and Valia, envisioning them as significant contributors to our progress and expansion."
- 2) Shares of The Federal Bank Limited ended up by 4.15 percent to Rs. 141.70 at the NSE on Wednesday. Commenting on the Q1FY24 results and financial performance, Mr. Shyam Srinivasan, Managing Director & CEO, Federal Bank had said, "We have had a strong start to FY 24, despite Q1 traditionally being a seasonally soft quarter, by having broad based growth across all our businesses. I am pleased that our total business crossed the Rs. 4 Lakh Crore mark aided by 21% growth in both our deposits and advances. This has resulted in a net profit of Rs 854 Cr which represents a 42% Y-o-Y growth. The continued improvements in our return ratios are encouraging and we are cautiously optimistic of continued traction as we set our sights on becoming the most admired bank."
- 3) Shares of Linde India Limited closed up by 2.73 percent to Rs. 5,923 at the NSE on Wednesday after hitting an intraday high of Rs. 6,165 during the day. Linde India Limited has been awarded a 'Letter of Acceptance' dated 22 August 2023 by Indian Oil Corporation Limited (IOCL) in connection with the job-work contract for setting-up of Air Separation Unit (ASU) on a site licensed by IOCL within its Panipat Refinery Complex for production and supply of Instrument Air, Plant Air and Cryogenic Nitrogen to IOCL Panipat Refinery Expansion Project (P25). On completion of the construction and the performance test of the aforesaid ASU, Linde India will enter into requisite Agreements with IOCL for operating and maintaining the facility for a period of 20 years from the first delivery date. Linde India expects to fund the capital expenditure by its own funds/internal accruals.

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

- 1) On Wednesday, Indian benchmark indices ended in green. Buoyancy was witnessed in the midcaps and smallcaps space. Going forward, all eyes would be on The Jackson Hole Economic Symposium for 2023 (August 24 - August 26, 2023) where central bankers and other economic leaders would be present and US Fed Chair Jerome Powell's speech would be keenly watched. We expect markets to remain volatile in the near term considering the rise in US Bond yields.
- 2) Domestically, we expect positive momentum to continue in companies which were supportive in terms of supply of components and in any other form for ISRO's Chandrayaan - 3 mission which was successful. 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. 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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