

**Key Benchmark indices across the globe**

Index	June 26, 2023	Prev. close	Change	% change	Open	High	Low
<b>Nifty</b>	18,691.20	18,665.50	<b>25.70</b>	<b>0.14</b>	18,682.35	18,722.05	18,646.70
<b>Sensex</b>	62,970.00	62,979.37	<b>9.37</b>	<b>0.01</b>	62,946.50	63,136.09	62,853.67
<b>Nikkei 225</b>	32,698.81	32,781.54	<b>82.73</b>	<b>0.25</b>	32,647.08	32,884.73	32,392.72
<b>Straits Times</b>	3,189.68	3,191.60	<b>1.92</b>	<b>0.06</b>	3,195.98	3,217.61	3,188.23
<b>Kospi</b>	2,582.20	2,570.10	<b>12.10</b>	<b>0.47</b>	2,568.65	2,585.31	2,562.03
<b>Dow Jones</b>	33,651.12	33,727.43	<b>75.32</b>	<b>0.22</b>	33,661.03	33,799.80	33,610.32
<b>Nasdaq</b>	13,491.74	13,492.52	<b>0.77</b>	<b>0.01</b>	13,468.66	13,573.57	13,467.40
<b>FTSE</b>	7,458.55	7,461.87	<b>3.32</b>	<b>0.04</b>	7,461.87	7,476.45	7,401.18
<b>CAC</b>	7,193.09	7,163.42	<b>29.67</b>	<b>0.41</b>	7,175.88	7,203.46	7,105.72
<b>DAX</b>	15,824.30	15,829.94	<b>5.64</b>	<b>0.04</b>	15,874.15	15,874.90	15,713.70

#denotes levels of June 26, 2023 at the time of writing this report

**Key macroeconomic indicators**

Index	June 26, 2023	June 23, 2023
<b>Brent Crude Oil (\$ per barrel)</b>	73.77#	73.85
<b>Gold (\$ per ounce)</b>	1,927.48#	1,921.36
<b>Indian Rupee against US\$</b>	82.04	82.04
<b>India 10 year bond yield (%)</b>	7.07	7.07
<b>US 10 year G-sec (%)</b>	3.70#	3.74

#denotes levels of June 26, 2023 at the time of writing this report

**FII & DII activity**

Index	June 26, 2023	June 23, 2023
<b>FII activity (Rs. in Crore)</b>	<b>409.43</b>	<b>344.81</b>
<b>DII activity (Rs. in Crore)</b>	<b>250.12</b>	<b>684.01</b>

**Stock specific action witnessed; midcaps and smallcaps rally..**

- 1) On Monday, the Nifty opened on a positive note and later touched an intraday low of 18,722.05. Finally, the Nifty ended the day up by 25.70 points or 0.14 percent to end at levels of 18,691.20. On the other hand, the Sensex ended the day down by 9.37 points or 0.01 percent to end the day at levels of 62,970.
- 2) Among the Nifty 50 stocks, the major gainers were Cipla, Adani Enterprises, Hero Motocorp, Tata Consumer Products, UPL up in the range of 1.82 percent to 3.48 percent. On the other hand, the major losers were Power Grid Corporation of India, Tata Consultancy Services, Reliance Industries, NTPC, Coal India down in the range of 0.71 percent to 0.82 percent.
- 3) The broader markets were upbeat on Monday. The Nifty Midcap 100 index was up by 0.92 percent and the Nifty Smallcap 100 index was up by 0.62 percent.
- 4) In terms of the sectoral indices performance, the major gainers were Nifty Pharma index up by 1.53 percent, Nifty Healthcare index up by 1.51 percent, Nifty Auto index up by 1.15 percent, Nifty Consumer Durables index up by 0.90 percent.

- 5) On Monday, FIIs have net sold equities worth Rs. 409.43 Crore. On the other hand, DIIs net bought equities worth Rs. 250.12 Crore. Month till date, FIIs have net bought equities worth Rs. 6,478.83 Crore and DIIs have net bought equities worth Rs. 6,272.95 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 ICICI Securities Limited closed up by 11.34 percent to Rs. 626.90 at the NSE on Monday. The Company's press release filed with the exchanges said "We wish to inform you that a meeting of the Board of Directors of the Company is scheduled to be held on Thursday, June 29, 2023 to consider a proposal for delisting of Equity Shares of the Company pursuant to a Scheme of Arrangement with ICICI Bank Limited, listed Holding Company, under Chapter VI Part C, Regulation 37 of SEBI (Delisting of Equity Shares) Regulations, 2021."

Earlier, commenting on the performance of the Company in Q4FY23 - Mr. Vijay Chandok - Managing Director and Chief Executive Officer of the Company said "Our efforts towards diversification of revenue continued, and this diversification has helped us reduce dependence on cyclical components, which essentially is cash equity broking. Now, when you look at the quarter, the proportion of cash equity broking in the overall revenue decreased to 20%, and if you recollect a few years back, this was more than 50% of our total revenue. Derivative broking revenue has now been increasing for the last seven quarters and currently stands at about 15% of the total revenue stack. Allied revenue stands at about 26%, distribution revenue has crossed 20%, now at 22%. So, overall, the revenue has diversified and as a result of this diversification, despite a very weak cash equity market, our retail revenue actually grew by about 5% on a YoY basis and 4% on a QoQ basis."

- 2) Shares of PB Fintech Limited ended up by 6.54 percent to Rs. 699.90 at the NSE on Monday. Commenting on the results, the Company stated in its Q4FY23 press release "Policybazaar and Paisabazaar, which are jointly classified as Existing Businesses, are India's leading marketplaces for insurance and credit products. These contributed to almost all of our revenues until FY21. In FY22, we expanded into new areas and geographies and collectively refer to them as new initiatives."

The Company's revenue for FY23 grew to Rs. 2,558 Crore marking a growth of 80% over FY22. For Q4, the Company's revenue grew to Rs. 869 Crore, up 61% YoY while PAT loss reduced from Rs. 220 Crore to Rs.9 Crore, a margin reduction from -41% to -1%. The Company said "As we had guided earlier about breaking even in Q4, we are glad to announce that we broke even and our consolidated adjusted EBITDA was a positive Rs. 28 Crore for Q4 which is a 3% EBITDA margin, an improvement from minus Rs. 80 Crore (-15% margin) same quarter last year. Just to reiterate here, our existing businesses comprising of Policybazaar and Paisabazaar which are the insurance and credit marketplaces respectively have been adjusted EBITDA positive for more than a year with Paisabazaar individually being EBITDA positive since December 2022.

The press release further stated "Our existing biz, Adjusted EBITDA increased by Rs. 54 Crore for the quarter and Rs. 218 Crore for the year as compared to the same periods last year. This growth is driven by three things – Growth of Renewal Income, Growth of New Business, and higher efficiency on New Business. Our Renewal / trail revenue is at an ARR of Rs. 388+ Crore, up from Rs. 265 Crore last year same quarter. This typically operates at over 85% Margins and is a significant source of profit growth."

The Company's Credit business continues to grow very well and has been EBITDA positive since Dec 2022. The Company's press release stated "We are now at the run rate of Rs. 15,000 Crore disbursal and 5.3 Lacs credit card issuance on an annualized basis (Mar 2023). About 35 mn customers have accessed credit score on our platform. Digitization is becoming significant in Lending – currently led by Credit cards. As lending gets more digital, digital marketplaces like ours would benefit". The Company further stated "We are hopeful of FY23-24 to be PAT positive."

- 3) Shares of Saregama India Limited ended up by 7.87 percent to Rs. 425.10 at the NSE on Monday. Saregama India Limited, formerly known as The Gramophone Company of India Ltd is a RP-Sanjiv Goenka Group 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.

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".

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

- 1) On Monday, stock specific action was witnessed. Midcaps and smallcaps continued to remain in limelight. We expect market to remain volatile and stock specific action is likely to continue. At the time of writing this report, majority of US and European indices were under pressure. Globally, sentiments have been affected after recent developments in Russia which creates uncertainty in investors mind. Earlier, Bank of England raising interest rates and Federal Reserve Chair Jerome Powell comments on controlling inflation too dented investors mood.
- 2) Domestically, going forward, investors will take cues from the onset and progress of monsoon. 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, increase in investment led spending and other indicators like passenger air traffic, hotel occupancy, power consumption, auto sales, coal production data etc. Q4FY23 earnings season was decent. IT giants had reported weak performance but IT midcaps have delivered good Q4FY23 performance. Results announced by PSU Banks, NBFCs announced indicated 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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