

Key Benchmark indices across the globe

Index	March 28, 2023	March 27, 2023	Change	% change	Open	High	Low
Nifty	16,951.70	16,985.70	34.00	0.20	17,031.75	17,061.75	16,913.75
Sensex	57,613.72	57,653.86	40.14	0.07	57,751.50	57,949.45	57,494.91
Shanghai Composite	3,245.38	3,251.40	6.02	0.19	3,256.60	3,264.10	3,241.74
Hang Seng	19,784.65	19,567.69	216.96	1.10	19,688.31	19,875.11	19,559.47
Kospi	2,434.94	2,409.22	25.72	1.06	2,418.69	2,434.94	2,415.34
Dow Jones	32,453.43#	32,432.08	21.35	0.07	32,423.61	32,551.01	32,384.24
Nasdaq	11,681.46#	11,768.84	87.38	0.74	11,751.59	11,752.76	11,657.59
FTSE	7,484.25#	7,471.77	12.48	0.17	7,471.77	7,524.55	7,464.61
CAC	7,088.34#	7,078.27	10.07	0.14	7,145.66	7,154.56	7,066.27
DAX	15,142.02#	15,127.68	14.34	0.09	15,255.93	15,261.49	15,103.76

at the time of writing this report

Key macroeconomic indicators

Index	March 28, 2023	March 27, 2023
Brent Crude Oil (\$ per barrel)	78.89#	78.12
Gold (\$ per ounce)	1,969.75#	1,956.56
Indian Rupee against US\$	82.19	82.38
India 10 year bond yield (%)	7.32	7.31
US 10 year G-sec (%)	3.56#	3.53

FII & DII activity

Index	March 28, 2023	March 27, 2023
FII activity (Rs. in Crore)	1,531.13	890.64
DII activity (Rs. in Crore)	156.11	1,808.94

Indian equities witness pressure; all eyes on upcoming Monthly auto sales numbers..

- 1) On Tuesday, the Indian benchmark indices ended in the negative terrain. The Nifty opened on a positive note and later gave up all the gains and touched an intraday low of 16,913.75. Finally, the Nifty ended the day down by 34 points or 0.20 percent to end at levels of 16,951.70. On the other hand, the Sensex ended the day, down by 40.14 points or 0.07 percent to end the day at levels of 57,613.72.
- 2) Among the Nifty 50 stocks, the major gainers were UPL, IndusInd Bank, Dr. Reddy's Laboratories, ICICI Bank, HDFC Bank up in the range of 0.90 percent to 2.01 percent. On the other hand, the major losers were Adani Enterprises, Adani Ports and Special Economic Zone, Tech Mahindra, Hero Motocorp, Tata Motors down in the range of 2.33 percent to 6.97 percent.
- 3) The broader markets continued to remain under pressure on Tuesday. The Nifty Midcap 100 index was down by 0.35 percent and the Nifty Smallcap 100 index was down by 0.91 percent.
- 4) In terms of sectoral indices performance, the major gainers were Nifty Bank index up by 0.35 percent, Nifty Private Bank index up by 0.34 percent, Nifty Financial Services index up by 0.27 percent and Nifty Financial Services 25/50 index up by 0.15 percent. On the other hand, the major losers were Nifty Media index down by 1.68 percent, Nifty Realty index down by 1.21 percent, Nifty Auto index down by 0.97 percent, Nifty IT index down by 0.88 percent, Nifty Metal index down by 0.79 percent.

- 5) On Tuesday, FIIs net bought equities worth Rs. 1,531.13 Crore. On the other hand, DIIs net sold equities worth Rs. 156.11 Crore. Month till date, FIIs have net bought equities worth Rs. 394.45 Crore. On the other hand, DIIs have net bought equities worth Rs. 27,245.82 Crore. In the month of February 2023, FIIs have net sold equities worth Rs. 11,090.64 Crore and DIIs net bought equities worth Rs. 19,239.28 Crore. In the month of January 2023, FIIs had net sold equities worth Rs. 41,464.73 Crore and DIIs net bought equities worth Rs. 33,411.85 Crore.

Sectors & Stocks

- 1) Shares of PNC Infratech Limited ended up by 6.37 percent to Rs. 282 at the NSE on Tuesday. The Company has been declared L1 (Lowest) bidder in a Ministry of Road Transport & Highways" (MORT&H) (the "Authority") highway project namely 'Construction of 4-lane highway from Km 49.155 to Km 74.700 (Singraur Uphar to Baranpur Kadipur Ichauli) of NH-731A with paved shoulders (i/c Ganga Bridge) in the state of Uttar Pradesh on Hybrid Annuity Mode (Package-III)' on 27.03.2023 for a Bid Project Cost of Rs. 819.0 crore.

The Company is engaged in Roads & Highways EPC (Completed 59 infrastructure road projects on EPC basis), Roads & Highways BOT / OMT/ HAM, Dedicated Freight Corridor / Railways (Design, procurement and construction of track and track related works on Mughalsarai - Sonnagar section of Dedicated Eastern Freight Corridor on EPC basis – under execution), Airport Runways (Executed 21 airport runway projects across India & received 'Super Special' class certification from Military Engineering Services), Power Transmission (Set up power transmission lines of approximately 350 km of 132/220 kilovolt lines on a turn-key basis), Industrial Area Development (Completed first of its kind BOT annuity project - area redevelopment and management of Industrial Estate of Narela, New Delhi for Delhi State Industrial & Infrastructure Development Corporation (DSIIDC)), Water Supply & Irrigation (Working on EPC projects in Water Supply sector and Irrigation Projects)

- 2) Shares of Torrent Power Limited ended up by 4.68 percent to Rs. 510 at the NSE on Tuesday. Mr. Lalit Malik - Chief Financial Officer of the Company in the Q3FY23 analyst concall had said "Reported PBT for the quarter stood at Rs.977 crores as compared to Rs.509 Crores in the corresponding quarter of last year, increase of Rs.468 crores that is 92% on reported basis. There are no nonrecurring items in both the current quarter and corresponding quarter of last year. The improvement in the operating profit is mainly coming from, one, improvement in profitability of gas-based power plant on account of two factors. First is the net gain of Rs.397 crores coming from sale of LNG, which as discussed in earlier calls with elevated LNG prices, it makes commercial sense to sell LNG instead of converting it into electricity. Second is the gain of Rs.35 Crores on account of lower depreciation charge in DGEN on account of onetime impairment charge taken in Q4 of FY2022 and reduction in depreciation rate in SUGEN. Therefore, in total, including above major factors, profitability of the gas-based power plants improved by Rs.435 Crores."

With regards to Distribution business he added "Pursuant to restoration of industrial demand, which was impacted last year due to COVID-19 pandemic, there was marked improvement in overall contribution from the distribution business by Rs.122 crores, major factors of which are given below; (a), gain on account of reduction in T&D losses of Rs.45 crores (b) volume and rate gains from franchisee business of Rs.19 crores (c) higher ROE and incentives in license distribution of Rs.26 Crores and (d) higher contribution from new acquisition of DNH and DD of Rs.32 Crores. Distribution business witnessed a year-over-year improvement of approximately 3% in overall demand. While the T&D losses for nine months ended December 2022 at Ahmedabad, Surat, Dahej and Bhiwandi have remained stable losses at Agra and SMK have remarkably reduced mainly due to continued focus on loss reduction and recovery activities."

- 3) Shares of Manappuram Finance Limited ended up by 3.93 percent to Rs. 119 at the NSE on Tuesday. The Company is considering various options for raising funds through borrowings including by the way of issuance of various debt securities in onshore / offshore securities market by Public Issue, on Private Placement Basis or through issuing Commercial Papers. Based on the prevailing market conditions, the Board of Directors / Financial Resources and Management Committee / Debenture Committee of the Board of Directors of the Company may consider and approve issuances of Debt Securities during the month of April, 2023, subject to such terms and conditions including the issue price of debt securities, as the Board / respective Committee may deem fit.

Mr. V. P. Nandakumar - Managing Director and Chief Executive Officer of the Company in Q3FY23 analyst concall had said "Despite increased competition, we have recorded a net profit of Rs. 393 crore in Q3, which is an improvement of 50.8% over the year ago quarter driven by profitability in gold loans and the turnaround in microfinance business. Our gold loan AUM stands at Rs. 18,614 crores, a decline over the Q3 of the previous year, but more or less steady sequentially. Overall, the consolidated AUM has reached Rs. 31, 883 crore in Q3 representing an increase of 4.9% over the year ago quarter. The Company's microfinance subsidiary Asirvad posted an AUM of 8,653 crore showing a growth of 22% year-on-year and a profit of 70.5 crore during Q3. As the sector reaped full benefits of the ongoing economic recovery, the share of microfinance is the overall profit pie is said to go up in the days to come. Like in the previous



quarter, you have seen a maximum growth in the vehicle finance business recording 40% increase year-on-year with an AUM of Rs. 2,112 crores followed by home loan AUM of 1,005 crores registering 23% increasing over the corresponding quarter in FY '22. "

He further added "The strategy of diversifying into other sectors is gaining pace, and this rebalancing is already reflected in the December 2022 quarter results. We will continue to prospect with this policy of becoming a well-diversified NBFC. For instance, in the housing finance business, we have focused on a model based on call location with parallel branches, and they focus on lot tickets housing loans. We have also decided to enter niche areas like financing, healthcare professional, and small hospital owing to good potential."

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

- 1) On Tuesday, Indian benchmark indices ended in red amidst volatility. The broader markets continued to remain under pressure. Going ahead, all eyes would be on upcoming Monthly Auto Sales numbers and upcoming Q4FY23 earnings season. The management commentary in Q4FY23 earnings season amidst global concerns will be keenly tracked. In addition, RBI's stance in the upcoming Monetary policy would also drive market direction.
- 2) Globally, the investors have digested the interest rate hike of 25 bps by the US Fed. The efforts made globally by the US authorities to restore confidence amongst the investors after the recent turmoil in the US Banking system has yielded results in the form of some improvement in the investor sentiments. In addition, after the UBS - Credit Suisse deal, investors have gained some sigh of relief in the near term.
- 3) Street participants 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, economic activity in China, developments related to ongoing war between Russia and Ukraine and its financial implications on the western world.
- 4) Domestically, valuation of certain companies especially PSU Banks and select IT companies have turned attractive post the recent fall in Indian equity markets. 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. At the moment, companies in the sectors like Capital Goods, select companies in the Infrastructure space, Railways, Defence, Banking, NBFCs and select companies in the new age business segment can be considered. It may be noted that majority of the Companies had delivered decent set of numbers in Q3FY23 results considering global concerns. Indian economy is performing strongly as indicated by manufacturing and services PMI data, good air passenger traffic, electricity and coal consumption data, robust GST collections, strong direct tax collections and good economic activity amidst macroeconomic challenges.



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