



CA (Dr.) Ashok Ajmera's Weekly Column as on Nov. 26, 2023

Domestic bourses end in the positive terrain amidst volatility; stock specific action expected..



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

CA (Dr.) Ashok Ajmera's Weekly Column as on Nov. 26, 2023

The benchmark indices ended in the positive terrain in the week gone by amidst volatility led by FII buying, fall in crude oil prices and easing of global bond yields. The markets were volatile as the US Fed minutes suggested that the further decisions will be taken based on the incoming information and its implications for the economic outlook as well as the balance of risks. Going forward, volatility is likely to continue ahead of F&O expiry.

For the week ended, the Nifty 50 ended up by 0.32 percent at 19,794.7. On the other hand, the Sensex was up by 175.31 points or 0.27 percent.

Among the Nifty 50, the major gainers during the week were: Hero MotoCorp up by 6.41%, Bajaj Auto up by 5.31%, BPCL up by 5.21%, Divis Laboratories up by 4.55%, and Bharti Airtel up by 2.73%). The major losers in the Nifty 50 were Cipla down by 4.06%, ONGC down by 3.82%, Coal India down by 3.61%, Bajaj Finance down by 2.77% and Ultratech Cement down by 2.67%. The Nifty Midcap 100 & Nifty Smallcap 100 both made a new all-time high during the week.

FII and DII activity

In the week gone by, FIIs have net bought equities worth Rs. 1,472.87 Crore. On the other hand, DIIs net bought equities worth Rs. 2,112.38 Crore. Month till date, FIIs have net sold equities worth Rs. 5,101.72 Crore and DIIs have net bought equities worth Rs. 9,814.84 Crore. In the month of October 2023, FIIs had net sold equities worth Rs. 29,056.61 Crore and DIIs had net bought equities worth Rs. 25,105.86 Crore.

Sector Movement

Nifty Bank witnessed a recovery after making a low of 43,708 during the week and closing in positive territory up by 0.42% over the week. RBI had increased the risk weight on consumer credit to 125% from 100%, making it costlier for the banks and the non-banks to lend in the consumer segment. Nifty Auto continued its up move closing at another record high level on Friday driven by the positive commentary given by management of the companies and positive demand from the festive season. Nifty Pharma continued its rally making an all-time high for the third consecutive week, but witnessed some profit booking from the higher levels, still closing at record levels.

Global Markets and Major Developments

The major US benchmark indices Dow Jones, S&P 500 and NASDAQ continued their upward rally for the 4th straight week. The US FOMC meeting conducted from October 31st - November 1st 2023, whose minutes were released on Tuesday, November 21st, 2023 stated that the Fed officials unanimously decided to keep the benchmark lending rate unchanged in the range of 5.25% to 5.5% and the further decisions will be taken based on the incoming information and its implications for the economic outlook as well as the balance of risks. The inflation remained well above the committee's 2% long run objective. The European markets too remained in the positive territory during the week. On Monday, November 20, 2023, China's central bank kept the one-year loan prime rate at 3.45% and the 5 year LPR was unchanged at 4.2%. A major truce happened between Israel and Hamas with regards to the ongoing war, the two sides agreed to a 4-day pause for the exchange of the prisoners and civilians from both sides.

Particulars	Close (24/11/2023: Friday)	Open (20/11/2023: Monday)	Previous Close (17/11/2023: Friday)	Change (%)
Nifty 50	19,794.70	19,731.15	19,731.8	+0.32
Sensex	65,970.04	65,787.15	65,794.73	+0.27
Nifty Midcap 100	42,050.45	41,920	41,811.25	+0.57
Nifty Smallcap 100	13,827.5	13,933.6	13,881.85	-0.39
Sectoral Indices				
Nifty Bank	43,769.1	43,591.5	43,583.95	0.42
Nifty Auto	17,040.35	16,912.45	16,905.5	0.80
Nifty IT	32,055.15	32,202.3	32,191.3	0.42
Nifty PSU Bank	4,977.2	5,077.7	5,064.95	1.73
Nifty Fin Services	19,652	19,552.8	19,554.3	0.50
Nifty Pharma	15,954.5	15,809.45	15,804.5	0.95
Nifty FMCG	52,576.9	52,842.1	52,756.1	0.34
Nifty Metal	6,874.25	6,820.15	6,803.9	1.03
Nifty Realty	702.95	695.5	692.7	1.48
Nifty Media	2,283.45	2,282.4	2,275.9	0.33
Nifty Energy	28,558.75	28,340.4	28,312.65	0.87
Nifty Private Bank	22,791.8	22,697.85	22,704.35	0.39
Nifty Infra	6,438.4	6,427.45	6,429.6	0.14
Nifty Commodities	6,667.85	6,650.3	6,641.8	0.39
Nifty Consumption	8,788.6	8,770.95	8,759.35	0.33
Nifty PSE	6,534.7	6,502.9	6,483.3	0.79
Nifty Serv. Sector	25,082.95	25,005.35	24,999.3	0.33
Nifty Healthcare	10,087.25	10,041.65	10,033.85	0.53
Nifty Oil & Gas	8,161.2	8,093.65	8,082.3	0.98
Nifty INDIA MFG	10,092.1	10,023.65	10,011.35	0.81
US Indices				
Dow Jones	35,390.15	34,932.49	34,947.29	1.27
S&P 500	4,559.34	4,511.7	4,514.03	1.00
Nasdaq	15,982.01	15,845.2	15,837.99	0.91
Commodities				
Gold (in Rs.)	61,364	60,719	60,713	1.07
Brent Crude oil (in \$ per barrel)	80.58	80.30	80.61	0.04

Major Developments in Domestic Markets

- 1) The last week witnessed 5 IPOs which raised a cumulative amount of ~ Rs. 7,376 Crore, from which Tata Technologies Limited was the biggest contributor raising around Rs. 3,043 Crores.
- 2) Bank of Baroda intends to raise Infrastructure Bonds of up to Rs. 10,000crore (base Issue of Rs. 2000 Cr. and Green Shoe Option of Rs. 8000 Cr.) for a tenor of upto 7 years. Subsequently the Bank has decided to issue, in first tranche, Infrastructure Bonds of upto Rs. 5,000 Cr. (Base issue of Rs. 1000 Cr. and Green Shoe Option of uptoRs 4000 Cr) for a tenor between 7 to 10 years.
- 3) Karnataka Bank has tied up with Bajaj Allianz Life Insurance Company Limited to distribute Life Insurance products.
- 4) InfosysLimited announced a strategic long-term collaboration with TK Elevator (TKE), one of the world's leading urban mobility companies and collaboration with Proximus, Belgium's leading digital services and communications solutions provider, to deliver an IT modernization and consolidation project.
- 5) Jio Financial Services Limited has submitted the Application to the Reserve Bank of India for conversion of the Company from Non-Banking Financial Company (NBFC) to Core Investment Company (CIC).
- 6) During the Bengal Global Business Summit 2023, Reliance's Chairman Mr. Mukesh Ambani said that the company plans to invest an additional Rs. 20,000crores in the state of West Bengal over the next three years.
- 7) Tata Consultancy Services Limited has informed the exchange with regards to the EPIC matter that, "the United States Supreme Court on November 20, 2023 rejected the Company's petition to file an appeal against the orders passed by the US Court of Appeals, 7th Circuit, which confirmed the punitive damages award of USD 140 million passed by the District Court of Wisconsin. The Company intends to make the balance provision of approximately USD 125 million in its financial statements as an exceptional item, for the third quarter and nine months ending December 31, 2023.

Events in the Coming Week

1. In the coming week, USA New Home Sales (Oct) data, France unemployment benefit claims (Oct), UK CBI Distributive trades (Oct) expected to be released on Monday and Germany GfK Consumer Confidence (Dec), France Consumer Confidence (Nov) are expected to be released on Tuesday.

Ajcon Global's observations and view:

Short term view:

- 1) The Q2FY24 result season has ended and many companies have come out with good numbers for the quarter. Further the market will take cues from the data pertaining to the demand during the recently concluded festive season, the exit polls of the state elections, movement in global bond yields and crude oil prices. Going forward, volatility is likely to continue ahead of F&O expiry. Always remember corrections in a structural bull market will keep markets healthy.
- 2) We suggest investors to remain stock specific and be wary of valuations of companies which are out of comfort zone especially in the smallcaps pack. At the moment, companies in the sectors like FMCG, Auto, Auto ancillaries, Banking, NBFCs, Consumer Durables, Capital Goods, Defence, Engineering, Real Estate, select companies in the Infrastructure space, Railways can be considered.

Long term view

- 1) 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 Q2FY24 results suggest that economy is doing well.
- 2) Structurally, Indian economy is poised to do well after major reforms like thrust on digital economy after demonetisation, implementation of GST, RERA, Insolvency and Bankruptcy Code, reforms in power sector, investment led spending to drive growth with impetus on Privatisation, thrust on Aatmanirbhar Bharat resulting into Production Linked Incentive (PLI) schemes for various sectors, reforms in Direct Taxes, thrust on renewables sector, Ethanol blending, scrapping policy etc.

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 provides 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 AjconGlobal 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.



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

It is confirmed that CA (Dr.) Ashok Ajmera 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, CA (Dr.) Ashok Ajmera, 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

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