



Mr. Ashok Ajmera, CMD & CEO

Mr. Ajmera's column as on 18th February, 2017

Benchmark indices remained buoyant; volatility would be witnessed owing to expiry of February derivatives contracts..

Sensex remained buoyant and closed near 5 month high owing to recovery witnessed in Pharma, Technology stocks and rally in HDFC Bank, offsetting initial weakness due to Tata Motors ' disappointed earnings, and Federal Reserve chair Janet Yellen's comments hinting at a rate hike in next month's policy meeting on March 14-15. The Nifty gained 0.3 percent, taking the total gains in four weeks to 5.6 percent.

Pharma stocks were galvanised by a slew of approvals granted by foreign regulators, while HDFC Bank zoomed to its 52-week high after Reserve Bank of India (RBI) on Thursday allowed foreign investors to increase stake in the lender. The central bank put HDFC Bank back on the FII ban list after foreign shareholding exceeded the prescribed limit of 74% within hours of trading.

Sentiment also got a boost after RBI Governor Urjit Patel said India's economic growth will make a "sharp V" recovery after a short drop in the aftermath of demonetisation.



Gold was set for its third week of gains as political uncertainty spurred demand for the safe haven precious metal.

Brent crude futures were down, paring back earlier gains. OPEC sources told Reuters the producers' club could extend its output cut in order to rein in global oversupply.

Copper ended the week lower as profit-taking pared back the price of the three-month copper contract, though concerns over supply from Chilean and Indonesian mines remained.

Global Markets

Asian stock markets took a breather on Friday from their recent surge as investors booked profits, while the dollar inched up after Thursday's slide and optimism over possible renewed supply cuts by OPEC lifted oil prices.

European equities fell on Thursday after seven straight sessions of gains, with weaker metal prices weighing on miners. The pan-European STOXX 600 fell 0.4% after recent gains to a two-month high on Wednesday.

MSCI's broadest index of Asia-Pacific shares outside Japan pulled back 0.2%, on track to end the week up 1.2%, its fourth straight weekly gain.

Overnight, Wall Street lost momentum, with the Dow Jones Industrial Average barely eking out its sixth straight record high, while the S&P 500 and Nasdaq snapped a seven-day winning streak as investors slowed buying to digest recent gains.

Bond Yields - Euro debt yields dip

Bond yields slipped pretty much across the board. Yields on US Treasuries, which tend to set the bar for global borrowing costs, hovered at 2.43 percent having crept higher during the week on US rate hike speculation, while yields on Europe's benchmark, German Bunds, were down 3 basis points at 0.32 per cent. There has been a noticeable divide this week, with safe-haven Bunds and other core countries like France and Austria have seeing yields rise, while Spain and Italy have seen theirs fall for the first week in five, helped by some soothing noises from the European Central Bank. The ECB's minutes on Thursday indicated little appetite for curbing stimulus, setting the scene for a divergence in central bank policy between the US and Europe.

Ajcon's view

We believe volatility is expected in the coming holiday truncated week on expiry of February derivatives. Investors will closely watch assembly elections in five states, which are crucial for ruling party BJP, especially after demonetisation. The market will remain shut on Friday in the coming week due to Mahashivratri holiday. On Monday, the market may react to the outcome of 10th meeting of GST Council, headed by Finance Minister Arun Jaitley and comprising representatives of all states, on February 18.

Q3FY17 earnings season has been a mixed bag so far. We believe that street participants are keenly waiting Q4FY17 earnings (wherein the actual impact of demonetisation might be seen).



Ajcon GlobalTM
Your Friendly Advisor
Since 1986



Equity ♦ Currency ♦ D.P. ♦ Advisory Services ♦ Investment Banking ♦ Insurance

Monday will be a big day for investors in Indian information technology company shares. The board of Tata Consultancy Services would be meeting on Monday to consider a buyback plan. The size, price and mode of buyback will be keenly watched by street participants. We believe technology companies Infosys and Wipro are facing similar pressure and could be next. Earlier, on January 31, the board of Mphasis had approved a buyback worth a little over Rs. 1,100 crore

CA Ashok Ajmera



Disclaimer

Ajcon Global Services Ltd. is a fully integrated investment banking, merchant banking, corporate advisory, stock broking, commodity and currency broking. Ajcon Global Services Ltd. 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 Ltd. is a SEBI registered Research Analyst entity bearing registration Number INH000001170 under SEBI (Research Analysts) Regulations, 2014.

Individuals employed as research analyst by Ajcon Global Services Ltd. or their associates are not allowed to deal or trade in securities that the research analyst recommends within thirty days before and five days after the publication of a research report as prescribed under SEBI Research Analyst Regulations.

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 Ltd. 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 Ltd. 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 Ltd. While we would endeavour to update the information herein on a reasonable basis, Ajcon Global Services Ltd. is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Ajcon Global Services Ltd. 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 Ltd. 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 Ltd. 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 Ltd. or its associates



Ajcon GlobalTM
Your Friendly Advisor
Since 1986



Equity ♦ Currency ♦ D.P. ♦ Advisory Services ♦ Investment Banking ♦ Insurance

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.

Ajcon Global Services Ltd. encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Ajcon Global Services Ltd. 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 Ltd. nor Research Analysts have any material conflict of interest at the time of publication of this report.

It is confirmed that CA 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 Ltd. 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.

It is confirmed that CA Ashok Ajmera research analyst or any other Research Analysts of Ajcon Global do not serve as an officer, director or employee of the companies mentioned in the report.

Ajcon Global Services Ltd. 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 Ltd. 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 Ltd. by any Regulatory Authority impacting Equity Research Analysis activities.

Analyst Certification

I, CA 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 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.



Ajcon GlobalTM
Your Friendly Advisor
Since 1986



Equity ♦ Currency ♦ D.P. ♦ Advisory Services ♦ Investment Banking ♦ Insurance



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

Corporate and Broking Division : 408 – (4th Floor), Express Zone, “A” Wing, Cello – Sonal Realty, Near Oberoi Mall and Patel’s, Western Express Highway, Malad (East), Mumbai – 400063. Tel: 91-22-67160400, Fax: 022-28722062

Registered Office: 101, Samarth, Off. Hinduja Hospital, 151 Lt. P.N. Kotnis Road, Mahim (West), Mumbai – 400016. Tel: 022-24460335/36/40