



AJCON GLOBAL
YOUR FRIENDLY FINANCIAL ADVISOR

Market wrap

Jan. 03, 2020

Indian equities end in red owing to weak global cues especially fresh US – Iran tensions; Brent crude oil price spikes steeply..

Domestic bourses ended in red led by sell off in global equities after US military killed Iran Revolutionary Guards' commander Qasem Soleimani in a surprise air-strike. Iran warned of "severe revenge" and said arch-enemy the United States bore responsibility for the consequences after killing one of its top commanders, Qasem Soleimani, in a strike Friday outside Baghdad airport.

The middle-east tensions sent Brent Crude Futures soaring, while market sentiment turned sour at D-Street.

The S&P BSE Sensex, which hit an intra-day low of 41,348.68, recovered slightly in the fag-end of the session and settled 162.03 points, or 0.39 per cent, lower at 41,464.61 level. 20 of the 30 constituents ending the day in the red. Oil-linked stocks, such as paints, aviation, oil-marketing companies (OMCs), and financial counters remained under pressure.

In the intra-day trade, Hindustan Petroleum (HPCL) and Bharat Petroleum (BPCL), for instance, declined 2.9 per cent each on the BSE. Reliance Industries, Indraprastha Gas Ltd (IGL), and Indian Oil Corporation (IOC), too, slumped up to 0.7 per cent.

On the NSE, the Nifty50 lost 55.50 points, or 0.45 per cent, to settle at 12,226.65-mark. Sectorally, Nifty PSU Bank index slipped the most, down 2 per cent at close. Besides, Nifty Bank, Auto, Private Bank indices slipped over 1 per cent. On the upside, Nifty IT index advanced 1.3 per cent on the back of a weaker rupee.

In the broader market, small-caps traded in the green territory, while mid-caps followed benchmarks. The S&P BSE mid-cap index was down 0.44 per cent, while the S&P BSE small-cap index was up 0.01 per cent at close.

Key development

Iranian Major-General Qassem Soleimani, head of the elite Quds Force, and Iraqi militia commander Abu Mahdi al-Muhandis were killed early on Friday in an air strike on their convoy at Baghdad airport. As a result, shares of information technology (I-T) companies surged on Friday, buoyed by a fall in Indian Rupee against the US dollar after a key Iranian and Iraqi military personnel were killed by a US airstrike that sent the oil prices soaring.

Crude oil

Brent crude futures jumped nearly US\$3 on Friday after a US air strike in Baghdad killed top Iranian and Iraqi military commanders, sparking concerns of disruption to Middle East oil supplies. At 3:10 pm, Brent Crude Futures were at \$68.62 per barrel-mark, up 3.5 per cent.

Sectors and stocks

NIIT Tech and Tata Consultancy Services (TCS) gained over 3 per cent each while HCL Technologies and Hexaware Technologies were both up over 2 per cent. Infosys, Tech Mahindra, Wipro, Tata Elxsi, and Mindtree were all up in the range of 1 per cent to 2 per cent on the NSE. The IT services companies, who make most of their revenues servicing clients in US tend to benefit from a weaker rupee.

Shares of IIFL Securities were locked in 5 per cent upper circuit for the third straight day at Rs 47.15 on the BSE on Friday after ace investor Rakesh Jhunjhunwala bought nearly one percentage point stake in the



AJCON GLOBAL
YOUR FRIENDLY FINANCIAL ADVISOR

financial services firm via open market. On Thursday, January 2, 2020, Rakesh Jhunjhunwala's RARE Enterprises purchased 2.78 million equity shares representing 0.87 per cent stake for Rs 11.92 crore in a bulk deal on BSE. The shares were bought at a price of Rs 42.83 per share. Other investor Satpal Khattar had sold 3 million shares at an average price of Rs 42.74 per share, the exchange data shows. As per the September 2019 shareholding pattern, Satpal Khattar held 6.21 million, or 1.95 per cent stake, in IIFL Securities. The retail and institutional broking house was listed on the bourses in September last year, after getting demerged from its parent IIFL Holdings. The stock was trading near its all-time high level of Rs. 47.70, touched on September 25, 2019. In the past four days, the stock has rallied 21 per cent, as compared to an unchanged benchmark S&P BSE Sensex. With today's gain, the company's share price has more than doubled from the level of Rs 19.10, hit on October 15.

Global markets

Asian equities turned negative after fresh geo-political tensions between the US and Iran emerge. MSCI's broadest index of Asia-Pacific shares outside Japan had touched its highest point since June 15, 2018 in early trade, but fell after reports of the air strike emerged. It was last down 0.16 per cent.

China's CSI300 index, one of the world's best-performing indexes last year, struggled to stay in positive territory but was last down about 0.2 per cent. Australian shares finished up 0.64 per cent, but off earlier highs.

In Europe, the pan-European STOXX 600 index was down 0.6 per cent at 1:30 pm, with all the major country indexes well in the red.



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 within five days after the publication of a research report as prescribed under SEBI Research Analyst Regulations.

Subject to the restrictions mentioned in above para, 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 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 Akash Jain – MBA (Financial Markets) 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 Akash Jain – MBA (Financial Markets) 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, Akash Jain MBA (Financial Markets), 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, 022-67160431 (D)

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