

**Indian benchmark indices defy global trend; Life Insurance and auto companies rally..**

Indian benchmark indices ended in green territory after being in red in morning session amidst high volatility. Buying was witnessed in financial counters in the fag end of the session. Nifty Bank rallied 423 points or over 2 per cent to settle at 19,694.55 levels.

The S&P BSE Sensex was up by 232 points to level of 31,686 or 0.74 per cent while NSE's Nifty declined by 65 points or 0.71 per cent higher at 9,270.90 levels.

Volatility index, India VIX, declined by over 5 per cent to 41.28 levels.

Auto major Mahindra & Mahindra (M&M) gained over 5 per cent to Rs. 387.40 and ended as the top gainer on the Sensex. Bajaj Finance (up 5 per cent), and HDFC Bank (up nearly 4 per cent) were next on the gainers' list. On the downside, ITC emerged as the top loser on the index - down around 6 per cent.

**Key development**

India's services activity witnessed a worst scenario in April as the coronavirus lockdown dampened global demand. The grim result for the industry, the engine of economic growth and jobs, underlined the pandemic's sweeping impact across India as authorities extended a nationwide lockdown, in effect since March 28, until May 17.

Earlier, The IHS Markit Services Purchasing Managers' Index plunged to 5.4 in April 2020 from March's 49.3, an unprecedented contraction since the survey first began over 14 years ago.

**Crude oil**

Crude oil prices witnessed a rise above \$31 a barrel as hopes for a recovery in demand as some countries eased coronavirus lockdowns which can take care of increasing oil inventory.

**Sectors and stocks**

NIIT Technologies rallied by 20 per cent to Rs. 1420.50 on the BSE after the company reported a healthy 24.4 per cent year-on-year growth in EBITDA at Rs. 198.8 crore for the quarter ended March quarter (Q4FY20). EBITDA margin improved by 91 basis points to 17.9 per cent against 17.0 per cent in year ago quarter.

Shares of listed life insurance companies rallied up to 7 per cent on the BSE, after SBI Life Insurance reported a good result in Q4FY20. Shares of listed life insurance companies were trading actively at the bourses today, rallying up to 7 per cent on the BSE, after SBI Life Insurance reported a good set of numbers for the quarter ended March 2020 (Q4FY20).

Shares of oil marketing companies (OMCs) witnessed steep correction, a day after the Centre announced one of the steepest hikes in duties on petrol and diesel in the recent past, by raising it by Rs. 10 and Rs. 13 per litre, respectively, in a notification issued late on Tuesday.

Shares of ITC were trading lower for the third straight day, falling 8 per cent to Rs. 161 on the BSE on Wednesday on heavy volumes. The stock of cigarette manufacturer has declined by 12 per cent in the past three trading days on reports that the Health Ministry has notified new health warnings for tobacco products. The Union Health Ministry on Monday notified a new set of enhanced health warning to be printed on packets of all tobacco products. Tobacco products manufactured or imported or packaged on or after September 1, 2020 will have to display the first set of images while the second set of images will have to be displayed after Sept 1 next year, the ministry said in a statement, a PTI report suggested.

Liquor stocks were under pressure for second straight day after some state governments hiked excise duty on liquor. United Breweries, Radico Khaitan, United Spirits, GM Breweries, Associated Alcohols & Breweries and Globus Spirits declined between 3 per cent and 7 per cent on the BSE.

**Global markets**

Global shares declined on Wednesday as mixed earnings, doubts about the easing of coronavirus lockdowns and persistent US-China tensions took a toll on equities.

MSCI's index of global shares was trading flat. The pan-European STOXX 600 was 0.3 per cent higher, with losses in oil and gas shares weighing on the index.



Wall Street futures were positive, with E-minis for the S&P500 up 0.6 per cent.

MSCI's broadest index of Asia Pacific shares outside of Japan climbed 0.7 per cent. Japanese markets were closed for a holiday while China markets reversed early losses, sending the blue-chip index up 0.6 per cent.

**Ajcon Global's view**

We believe the markets will continue to remain under pressure in view of tremendous losses by the industry and businesses and since no major fiscal stimulus is announced by Government of India.



## **Disclaimer**

Ajcon Global Services Limited is a fully integrated stock broking, investment banking, merchant banking, corporate advisory, commodity and currency broking. 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 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 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.

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 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 Ajcon Global 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.

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.

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 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**  
YOUR FRIENDLY FINANCIAL ADVISOR

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 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, 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](http://www.ajcononline.com)

### **Registered and Corporate office**

408 - (4<sup>th</sup> 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

---