

Ease in bond yields add fuel to rally; Metal, IT, Pharma stocks rally..

- 1) Indian equities were strong today with ease in bond yields. The US Treasury yield was last quoting at 1.55 per cent while domestic 10-year government bond yield was at 6.2 per cent.
- 2) The benchmark S&P BSE Sensex rallied by 254 points, or 0.5 per cent, to end at 51,279.5 levels. On the NSE, the Nifty50 index ended at 15,175 levels, up 76 points or 0.51 per cent. The Sensex and the Nifty hit their respective intra-day highs of 51,430 and 15,218.
- 3) JSW Steel, Tata Steel, Hindalco, Bajaj Finance, Tata Motors, Sun Pharma, and Tech Mahindra, all up between 2 per cent and 3 per cent, were the top gainers on the Nifty, while Axis Bank, HCL Tech, Bajaj Auto, Infosys, and Dr Reddy's Labs were the additional top performing stocks on the Sensex.
- 4) On the downside, SBI Life, ONGC, Indian Oil Corporation, HDFC Life, UPL, GAIL, Coal India, ITC, Reliance Industries, and HDFC Bank were the top laggards on the indices, down up to 2.5 per cent.
- 5) Furthermore, the S&P BSE MidCap index ended 0.7 per cent higher today, while the S&P BSE SmallCap index settled 0.9 per cent higher. Hudco, L&T Infotech, IDBI Bank, Mphasis, Biocon, MTNL, ITDC, Meghmani Organics, and Morepen Labs, that surged in the range of 3 per cent to 20 per cent, were some of the outperforming stocks in the broader markets.
- 6) Among sectoral indices, the Nifty Metal index remained the star performer today, closing 1.87 per cent higher, followed closely by the Nifty IT index (up 1.67 per cent), and the Nifty Pharma index (up 1.48 per cent). On the downside, the Nifty PSU Bank index ended 0.15 per cent lower.

Index	Today's Close	Prev. close	Change	% change	Open	High	Low
Sensex	51,279.51	51,025.48	254.03	0.50	51,404.68	51,430.43	51,048.93
Nifty	15,174.80	15,098.40	76.40	0.51	15,202.15	15,218.45	15,100.85

Sectors and stocks

- 1) Shares of two state-owned companies, Mahanagar Telephone Nigam Limited (MTNL) and HMT rallied up to 17 per cent on the BSE in intra-day trade on Wednesday, hitting their respective fresh 52-week highs, amid heavy volumes. In the past two weeks, these stocks has rallied by up to 78 per cent, against less than 1 per cent gain in the S&P BSE Sensex. MTNL's stock rallied by 17 per cent to Rs. 21.25 on the back of three-fold jumped in trading volumes. In the past two weeks, the stock has jumped by 78 per cent from the level of Rs. 11.92 on February 24, on media reports that the Centre has identified real estate and land assets of state-owned telecom services provider to kick off the ambitious PSU asset monetisation programme. MTNL had identified assets including 36 acres in areas like Vasai Hill, Mulund and Simpholi in Mumbai, shop-cum-office complexes in Delhi and residential quarters in Noida, which will be monetised in the first phase, the report suggests. Meanwhile, the Department of Telecom (DoT) in January said the comprehensive revival plan drawn up for the two ailing telecom corporations Bharat Sanchar Nigam Ltd (BSNL) and MTNL included multiple measures including reduction of staff cost through Voluntary Retirement Scheme (VRS), allotment of spectrum for 4G services, monetisation of land/building, tower and fiber assets of BSNL and MTNL, debt restructuring through sovereign guarantee bond and in-principle approval of merger of BSNL and MTNL.
- 2) Shares of HMT were locked in upper circuit for the fifth straight day, up 5 per cent at Rs. 34.95 on the BSE. A combined around 12,000 equity shares have changed hands and there were pending buy orders for 50,000 shares on the NSE and BSE. In the past two weeks, the stock of the commercial vehicles company has rallied 54 per cent from level of Rs. 22.75. The growth of food processing industry is fueling the demand for equipment in the sector. The machine tool market depends on capex plans and investments of its customers. In view of thrust given by the Government for the Make in India program and monetary stimulus with the aim for ease of doing business increased demand is expected for machine tools by the fourth quarter of 2020-21, HMT said in 2019-20 annual report.



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- 3) Shares of Aurionpro Solutions, on Wednesday, were locked in 20 per cent upper circuit for the second straight day at a fresh 52-week high of Rs. 120.60 on the BSE after the company announced the signing of the strategic partnership with Future-Tech, UK for data center design and consultancy projects in India & South Asia. The information technology (IT) software products company's stock has rallied by 44 per cent in the past two trading days. The management said that Aurionpro has ventured into this business at a right time as Indian Data Centre market is likely to reach US\$ 4 Billion. Further, COVID-19 pandemic has accelerated the pace of digitisation and as the world is gearing up for the 5G technology, the requirement for the world class Data Centers will increase multi fold. Aurionpro, with its capacity, experience and best resources is poised to tap the immense opportunities in this space, it said. In a press release, Aurionpro said that it has ventured into the Data Centre building, consulting and hybrid cloud services in recent years and has built a strong team of industry veterans, with over 20+ years of experience in the field, for this purpose. Aurionpro has also signed up with one of the customers and is providing consultancy and assistance for rolling out of 100 MW Data Centers within next few years. Further, Aurionpro is also providing consultancy to the other industry leaders on Data Centre designs and implementation, it said.

Key recent major developments..

- 1) IDBI Bank is out of 'Prompt Corrective Action' (PCA) after improving its finances, said the Reserve Bank of India on Wednesday, easing rules for the lender to expand business. A RBI statement said its Board for Financial Supervision (BFS) reviewed performance of IDBI Bank at its meeting held on February 18, 2021. As per published results for the quarter ending December 31, 2020 the bank is not in breach of the PCA parameters on regulatory capital, Net Non-Performing Assets (NPAs) and Leverage ratio. IDBI Bank has been under the PCA framework since 2017 because of the deterioration in its health. PCA regime places curbs on lending and expenditure and calls for a plan for turnaround. The bank has provided a written commitment that it would comply with the norms of minimum regulatory capital, Net NPA and Leverage ratio on an ongoing basis. The lender has apprised the RBI about the structural and systemic improvements put in place to help it continuing to meet these commitments. Its stock closed 5.08 per cent higher at Rs 38.25 per share on BSE. IDBI Bank posted net profit of Rs. 378 crore in the third quarter ended December 2020 (Q3FY21), aided by a rise in net interest income. This is the fourth consecutive quarter of profit for the lender. It booked a net loss of Rs. 5,763 crore in Q3FY20. Net NPAs eased to 1.94 per cent in December 2020 from 5.25 per cent in December 2020. Its capital adequacy stood at 14.77 per cent with common equity tier I of 12.22 per cent at end of December 2020.
- 2) Retail sales of passenger vehicles rose by 10.59 per cent in February 2021 to 2,54,058 units from 2,29,734 units in the year ago period, while two-wheeler sales dropped by 16.08 per cent to 10,91,288 units from 13,00,364 units in the corresponding period last year. While the tractor segment reported 18.89 per cent growth in sales, the CV segment saw a fall of by 29.53 per cent, according to data from the Federation of Automobile Dealers Associations (FADA), the apex body of the automobile industry in India. Automobile registrations across the country dropped by more than 13 per cent in February, said FADA. FADA said that the passenger vehicle waiting period continued to remain as high as 8 months as scarcity of semi-conductors continued to linger around."The global semiconductor outage has impacted the production of several PV models across the brands. This has significantly pushed the waiting period to as high as 8 months for some of the prominent models such as Hyundai Creta, Mahindra Thar & Nissan Magnite to name some," FADA said in a statement. FADA President, Vinkesh Gulati, said that while tractors continued to outperform the broader market, passenger vehicles witnessed double digit growth on a low base of last year as India started transitioning from BS-IV to BS-VI emission norms. This, coupled with the global semiconductor outage, kept the waiting period of PVs as high as 8 months.
- 3) The global economic outlook has brightened as COVID-19 vaccine rollouts speed up in some countries and the United States launches a vast new stimulus package, the OECD said on Tuesday, hiking its forecasts. The world economy is set to rebound this year with 5.6% growth and expand 4.0% next year, the Organisation for Economic Cooperation and Development said in its interim economic outlook. That marked a sharp increase from its last outlook in early December, when the Paris-based policy forum forecast global growth of 4.2% this year and 3.7% next year. But significant risks loom over the improved outlook, notably in the form of how fast authorities get vaccine shots to people, how soon restrictions are lifted and whether new variants of the coronavirus are kept in check. OECD on Tuesday also forecast India's GDP to grow at 12.6% in FY22, the highest among G20 countries. This also marked a sharp turnaround from a 7.4% contraction in previous fiscal. It noted that higher commodity prices will also raise inflation in net commodity importers, such as India and Turkey, relative to commodity exporters.
- 4) Capital expenditure in industrial sectors is expected to rise 45-55 per cent in financial year 2021-22 as the economy gains from a government's scheme to boost productivity, said a report by Crisil Research on Tuesday. The India Outlook Report expects gross domestic product (GDP) growth to be at 11 per cent in fiscal 2022, after an estimated 8 per cent contraction this fiscal. The next fiscal, like the current, will have a low base "optical" growth in the first half and a rebound in the second. The capex rise in pharmaceuticals, chemicals, textiles, cement, auto and ancillary,



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metals and oil and gas will come on the back of a 35 per cent contraction in capex in the current fiscal. It will be driven by core sectors and the government's productivity linked incentive (PLI) scheme. Led by the oil and gas, that accounted for 30-32 per cent, close to 16000 manufacturing companies spent Rs. 3-3.5 trillion on capex annually over the past three years. "Without PLI, a meaningful recovery would have come only after two years in non-metal and cement sectors," said the report. PLI is directed at sectors that account for 30-35 percent of non-oil import bills. For instance, automobiles and components worth Rs. 80,000 crore to Rs. 90,000 crore—the highest among all the sectors in value terms-- were imported from China and Korea in FY20. This was 20-25 per cent of India's auto components requirements. The second largest was the IT hardware (laptop, personal computers, tablets and servers) sector that imported goods worth Rs. 25,000 crore to Rs. 30,000 crore from China and Hong Kong in FY20. This was 80-85 per cent of demand for such hard wares in the domestic market.

- 5) Last week on Friday, Prime Minister Narendra Modi said production linked incentive (PLI) scheme, which is aimed at boosting domestic manufacturing and exports, is expected to increase the country's production by US\$ 520 billion in the next five years. Addressing a webinar, Modi said the government is continuously carrying out reforms to boost domestic manufacturing. In this year's Budget, about Rs. 2 lakh crore was earmarked for the PLI scheme for the next five years and "there is an expectation that the scheme would result in increasing the production by about US\$ 520 billion in the next five years", he said. He added that there is also an expectation that the current workforce in the sectors, which will avail the benefits of the PLI scheme, will be doubled and job creation will also increase. The Prime Minister said the government is working to reduce compliance burden, further improve ease of doing business and cut down logistics costs for the industry. "PLI scheme would boost manufacturing in sectors from telecom to auto to pharma. PLI is aimed at expanding manufacturing and boosting exports," he said.
- 6) Prime Minister Narendra Modi last week said that the Central government has opened up several sectors including agriculture, space, atomic energy and Defence Research and Development Organisation (DRDO) for the talented youth of the country, adding that keeping knowledge and research within limits is an injustice to the nation. "It is an injustice to the nation to keep knowledge and research within limits. With this mindset, we are opening up several sectors such as agriculture, space, atomic energy and DRDO for our youth that is full of potential," PM Modi said while speaking at a webinar on the implementation of Union Budget 2021 in the education sector. He further added that in this year's budget, the government has given more focus on the making of institutions and their access. "For the first time in India, we are developing a National Research Foundation, at a cost of Rs 50,000 crore," the Prime Minister said. Talking about the reforms in the technology sector, PM Modi said, "There's a new tradition of Hackathons for start-ups in India. It will strengthen both the youth as well as the industry."
- 7) India's services activity expanded at the fastest rate in a year during February and companies noted the sharpest rise in overall expenses, a monthly survey said on Wednesday. The seasonally adjusted India Services Business Activity Index rose from 52.8 in January to 55.3 in February, pointing to the sharpest rate of expansion in output in a year amid improved demand and more favourable market conditions. The index was above the critical 50 mark that separates growth from contraction for the fifth month in a row during February as the roll-out of Covid-19 vaccines led to an improvement in business confidence towards growth prospects. While, new work intake expanded for the fifth straight month, panellists continued to indicate that the Covid-19 pandemic and travel restrictions curbed international demand for their services. "New export orders declined for the twelfth month running, albeit at the weakest rate since last March," the survey noted. Meanwhile, Indian private sector output rose at the quickest pace in four months during February. The Composite PMI Output Index, which measures combined services and manufacturing output, increased from 55.8 in January to 57.3 in February. "Economic activity is generally expected to recover in the final quarter of fiscal year 2020/21 after coming out of technical recession in Q3, and the latest improvement in the PMI indicators points to a strong expansion in the fourth quarter, should growth momentum be sustained in March," said Pollyanna De Lima, Economics Associate Director at IHS Markit.
- 8) In a bid to develop the 7,500 km coastline of India, the Ministry of Port Shipping and Waterways has created a list of 400 projects which have an investment potential of US\$31 billion (Rs. 2.25 trillion). Speaking at the inaugural of 'Maritime India Summit 2021' through video conferencing on Tuesday, Prime Minister Narendra Modi invited the world to come to India and be a part of the country's growth trajectory as it focuses on upgradation of infrastructure and boosting reform journey. The capacity of major ports has increased to 1,550 million tonnes at present from 870 million tonne in 2014. Indian ports now have features such as Direct port Delivery, Direct Port Entry and an upgraded Port Community System (PCS) for easy data flow. "Our ports have reduced waiting time for inbound and outbound cargo," he added. At present, mega ports with world-class infrastructure are being developed in Vadhavan, Paradip and Deendayal Port in Kandla. "Ours is a Government that is investing in waterways in a way that was never seen before. Domestic waterways are found to be cost effective and environment friendly ways of transporting freight. We aim to operationalise 23 waterways by 2030," he said. India has as many as 189 lighthouses across its vast coastline and that the government has chalked out a plan to develop some of these spots into tourist destination. "We have drawn up a programme for developing tourism in the land adjacent to 78 lighthouses. The key objective of this initiative is to enhance development of the existing lighthouses and its



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surrounding areas into unique maritime tourism landmarks," Modi informed. PM Modi announced that steps are also being taken to introduce urban water transport systems in key states and cities such as Kochi, Mumbai, Gujarat and Goa. The Government has recently widened the ambit of the maritime sector by renaming the Ministry of Shipping as Ministry of Ports, Shipping and Waterways so that work happens in a holistic manner.

- 9) India's exports marginally declined 0.25 per cent to US\$27.67 billion in February while imports grew by 6.98 per cent to US\$40.55 billion during the month, according to provisional data released by the commerce ministry on Tuesday. The trade deficit widened to US\$12.88 billion in February as compared to US\$10.16 billion in the year-ago period, the ministry said in a statement. The exports during April-February 2020-21 period stood at US\$255.92 billion. In the same period a year ago, it was at US\$291.87 billion, showing a negative growth of 12.32 per cent. Imports during April-February period too dipped 23 per cent to US\$340.88 billion. In February 2021, Oil imports were US\$8.99 billion, as compared to US\$10.78 billion in February 2020, a decline by 16.63 per cent. Oil imports in April-February 2020-21 stood at US\$72.08 billion, as compared to US\$120.50 billion, showing a decline of 40.18 per cent.
- 10) India's Phase II of vaccination drive started last week for those above 60 years of age and within the age bracket of 45 to 59 years with specified comorbidities such as diabetes and heart ailments. India has given the first dose of covid antidote to 2.44 crores beneficiaries in the nation-wide vaccination till date. India became the fastest country in the world to reach the 6 million Covid-19 vaccination mark. About 18-19 vaccine candidates against COVID-19 are in the pipeline and in different clinical trial stages, Health Minister Harsh Vardhan had said earlier. He added, "About 18-20 vaccine candidates against COVID-19 are in the pipeline and are in preclinical, clinical and advanced stages. He further said that India will be supplying vaccines to 20-25 other countries.
- 11) The goods and services tax (GST) collection crossed the Rs. 1 lakh crore mark for the fifth month in a row in February. GST collection in the month stood at Rs. 1.13 lakh crore, 7 percent higher year-on-year, but lower than an all-time high of nearly Rs. 1.20 lakh crore in January, official data showed on March 1. "In line with the trend of recovery in the GST revenues over past five months, the revenues for the month of February 2021 are 7 percent higher than the GST revenues in the same month last year," the Finance Ministry said in a statement. Out of the total for February, Central GST was Rs. 21,092 crore, State GST was Rs. 27,273 crore, Integrated GST was Rs. 55,253 crore (including Rs. 24,382 crore collected on import of goods) and compensation cess was Rs. 9,525 crore (including Rs. 660 crore collected on import of goods).
- 12) India's agriculture economy is ripe for a 'revolution' in post-harvesting and food-processing sectors. And, the Union Budget 2021-22 aims to achieve these goals, Prime Minister Narendra Modi said on March 1. Speaking at a webinar on the Budget's agriculture-related announcements, the Prime Minister also said the private sector should increase its participation in areas such as agriculture research and development, storage and processing, as well as soil testing. "The time is ripe for a post-harvesting and food-processing revolution in India. This should have been done two-three decades ago. We have to make up for that lost time, and have to focus on processing facilities in rural areas," PM Modi said.
- 13) India's gross domestic product expanded 0.4% in the three months ended December, after contracting for two consecutive quarters, according to government data released on Friday. The country's economic growth shrank 7.5% a quarter ago and grew 4.1% in the year-ago period. In its second advance estimates of national accounts, the National Statistical Office (NSO) has projected 8% contraction in 2020-21. In its first advance estimates released in January, it had projected a contraction of 7.7% for the current fiscal as against a growth of four% in 2019-20. The economy had shrunk by an unprecedented 24.4% in the first quarter this fiscal following the coronavirus pandemic and resultant lockdowns. However, in the second quarter, the GDP contraction was less at 7.5% due to an improvement in economic activities. "Significant recovery in manufacturing and construction augurs well for the support these sectors are expected to provide to growth in FY 2021-22. Real GVA in manufacturing has improved from a contraction of 35.9% in Q1 to a positive growth of 1.6% in Q3 while in construction the recovery has been from a contraction of 49.4% in Q1 to a positive growth of 6.2% in Q3. These sectors are vital to the economy to achieve a growth of 11% or more in 2021-22 as they will be impacted most by the counter cyclical fiscal policy that budgets fiscal deficit at 6.8% of GDP," said Ministry of Finance in a statement.
- 14) Prime Minister Narendra Modi on February 26 said that the government formulated special schemes for India's startups and Micro, Small and Medium Enterprises (MSMEs) as they would be the identity of 'Aatmanirbhar Bharat'. Addressing a webinar on implementation of the Union Budget in financial services sector, PM Modi said that around 90 lakh enterprises were given credit worth Rs. 2.4 lakh crore under these special schemes. "Aatmanirbhar Bharat will be built by our MSMEs and startups. They will be the identity of Atmanirbhar Bharat. Thus, we formulated special schemes for them during the coronavirus pandemic. Around 90 lakh enterprises have received a credit worth Rs 2.4 trillion (Rs 2.4 lakh crore) under these special schemes," PM Modi said. "Supporting MSMEs and startups, and expanding credit flow to them is key. The government has reformed and opened many sectors such as agriculture,



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coal and space for them. Now it is the responsibility of the financial sector to identify and help these aspirations from small towns and villages, and make them Atmanirbhar Bharat's strength," PM Modi added.

- 15) The government has an ambitious plan to monetise around 100 government-owned assets as part of the monetisation plan, said Prime Minister Narendra Modi when he spoke about various reforms undertaken in the Union Budget. "With this the government will be aiming to achieve Rs. 2.5 trillion investment, we are going ahead with the mantra of monetise and modernise," PM Modi said. Speaking at a webinar on privatisation by the Department of Investment and Public Asset Management (DIPAM), Modi said state-owned companies in four strategic sectors will be kept at bare minimum and that the government is committed to privatising PSUs in all sectors barring four strategic ones. Further, PM Modi urged for the feedback on the privatisation and monetisation initiative for swift implementation. Outlining the government focus going forward, PM Modi said that the government is working on Rs. 111 trillion national infrastructure pipeline (NIP) fund. "The government has no business to be in business. When government monetises, that space is filled by private sector of the country. Private sector brings investment and best global practices with them," he said.
- 16) Earlier, the Centre lifted the embargo on grant of government business to private banks, enabling banks to participate in all developmental activities. Prime Minister Narendra Modi also made a strong case for repealing archaic laws and making it easier to do business in India, stating that the centre and states need to work closely to boost economic growth. The Prime Minister also underlined the need for reducing compliance burden and repealing obsolete laws. He asked the states to form committees to reduce regulations which are no longer relevant in the wake of technology growth. PM Modi said states should attract investment using production-linked incentive (PLI) scheme.
- 17) Finance minister Nirmala Sitharaman earlier asked India Inc to exhibit their animal spirits to put Indian economy on a sustainable path of recovery, now that the Budget and the earlier government moves has given clarity on policies and tax rates. She also urged credit rating agencies to grade the economies in relative sense and not as silos. "I have been waiting to see greater investments from the private sector post-the corporate tax rate cuts. Now that the policy is clear, tax rates have been brought down, policy consistency has been underlined and ease of doing business is still going further, I would like now to see private investors and private industry in India coming forward with the so called animal spirit to show that it is possible to pull India up and keep it high as one of the fastest growing economies," she said in her address on the occasion of the foundation day of All India Management Association (AIMA).
- 18) The Reserve Bank of India (RBI) earlier came out with a slew of directions related to maintenance of liquidity coverage ratio, risk management, asset classification and loan-to-value ratio, among others, for HFCs. All non-deposit taking HFCs with an asset size of Rs. 10,000 crore and above, and all deposit taking HFCs irrespective of their asset size will have to achieve a minimum liquidity coverage ratio (LCR) of 50 per cent by December 1, 2021 and gradually to 100 per cent by December 1, 2025. No housing finance company shall grant housing loans to individuals up to Rs. 30 lakh with LTV ratio exceeding 90 per cent and above Rs. 30 lakh and up to Rs. 75 lakh with LTV ratio exceeding 80 per cent. The central bank said these directions, which shall come into force with an immediate effect, are aimed at preventing the affairs of any HFCs from being conducted in a manner detrimental to the interest of investors and depositors.
- 19) Earlier, the Cabinet approved production-linked incentive (PLI) scheme worth Rs. 12,195 crore for telecom equipment manufacturing, Union minister Ravi Shankar Prasad said. He added that the government is positioning India as a global powerhouse for manufacturing, and has created a conducive environment for ease of doing business.
- 20) The Government of India is planning to spend around Rs. 7.5 trillion to build oil and gas infrastructure over the next five years, said Prime Minister Narendra Modi. Strong emphasis has been laid on the expansion of city gas distribution networks by covering 470 districts, the PM said, adding that the government is aiming to increase the share of gas in the energy basket from 6.3 per cent currently to 15 per cent. He said the share of energy from renewable sources will be raised to 40 per cent by 2030.

Global markets

- 1) Asian equities bounced back from a two-month low on Wednesday after global bond yields eased following a well-received US debt auction, and as Chinese shares found a footing after recent steep falls on policy tightening worries.
- 2) Japan's Nikkei was little changed while MSCI's ex-Japan Asia-Pacific shares index rose 0.2 per cent. The CSI300 index of mainland China's A-shares rose 0.4 per cent.



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- 3) In Europe, the pan-European STOXX 600 index edged 0.2 per cent higher. The Dow Jones Futures were last up around 100 points.

Ajcon Global's view

- 1) Indian equities continue to be in green led by rally in Metal, Pharma and IT space. Concerns like rise in Brent crude oil prices and increasing COVID-19 cases in Maharashtra are capping gains. However, key factors like positive GDP data, phase II of COVID-19 vaccinations drive going strongly, strong domestic monthly auto sales numbers suggests good days will last long and we are in structural bull run. The Nifty valuations are trading around 37-40x which looks expensive but with recent budget proposals one will need to watch out the effect on corporate earnings in Q4FY21 and FY22. Q3FY21 earnings season has been robust for majority of the players till date and re-rating has already happened in infrastructure, Banks, NBFCs, auto and overall PSUs sector. Q3FY21 earnings season has been good after strong results by Companies like TCS, Hindustan Unilever, Maruti, Tata Motors, Colgate, SBI, Central Bank, Bank of India, Union Bank of India, HDFC Bank, ICICI Bank, Shriram Transport Finance, IIFL Finance, Ajanta Pharma, Avenue Supermarts (Dmart), Tata Elxsi, Bajaj Auto, Ceat, JK Tyre, Bajaj Auto, Bajaj Electricals, Polycab, NMDC, BEML, Amber Enterprises, Route Mobile, J.B. Chemicals and Pharmaceuticals, Balaji Amines, Neuland Laboratories, Greenply Industries, Voltas, Happiest Mind Technolo and many more.
- 2) With good proposals presented in Union Budget 2021-22, RBI's Monetary Policy keeping rates unchanged, positive GDP data, robust GST collections in Feb. 2021, stellar show by majority of the Companies in Q3FY21 earnings season; all eyes would be now FPI liquidity after stellar run and especially COVID-19 cases number after Phase II of vaccination drive in India and spike of COVID-19 cases in Maharashtra.
- 3) PSU space as a whole was neglected in the past for many years but with recent announcements re-rating has happened and are also available at fair valuations considering majority of the Companies turning expensive post stellar show. We expect strong rally to continue in PSU space going forward after Prime Minister Narendra Modi announcements earlier while speaking at webinar on privatisation by the Department of Investment and Public Asset Management (DIPAM) regarding monetisation of around 100 government-owned assets as part of the monetisation plan. Investors would continue to look out for PSU names which were not in the limelight during the stellar rally.
- 4) Intermediate corrections which happened last week on Friday and Thursday are part and parcel of a big game which is also good for markets to remain healthy. Overall, Indian equities are expected to report strong show as GST collections were robust too in February 2021, economy recovering at a fast pace and Government putting a lot of emphasis and effort to implement the Strong Budget proposals in a timely and efficient manner. Investors will continue to keep a watch on US Treasury yields and COVID-19 cases numbers especially in Maharashtra. As India is now one of the few major economies to post positive GDP growth in the last quarter of calendar year 2020, buoyancy from FPIs is expected to remain. Stock specific opportunities would emerge and investors will keenly track PSUs which would benefit on Government's impetus on privatisation.
- 5) Markets will be closed tomorrow, March 11, on account of Mahashivratri.



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