

Significant rise of COVID-19 cases in Maharashtra and rise in bond yields spoils investors' mood; stock specific action witnessed in smallcaps space..

- 1) Indian equities came under pressure as sentiments got affected after restrictions were imposed by Maharashtra Government in certain parts of the state after significant jump in COVID-19 cases. Rise in bond yields also added to the woes. US 10-year Treasury yields rose again on Friday, back above 1.6 per cent, and were on track to rise for the seventh straight week. Add to it, the dollar index rose 0.4 per cent denting sentiment further.
- 2) Selling was witnessed across the board. The benchmark indices declined by around a per cent lower on Friday. The frontline S&P BSE Sensex dropped 487 points, or 0.95 per cent, to end the day at 50,792 levels. From the intra-day high of 51,822, the index plunged 1,284 points to hit an intra-day low of 50,538. On the NSE, the Nifty index held the 15,000-mark to close at 15,031 levels, down 144 points, or 0.95 per cent. In the intra-day trade, the index hit a low of 14,954. 26 of the 30 constituents on the Sensex and 42 of the 50 constituents on the Nifty ended the day in the red. Hindalco, Bajaj Auto, HDFC Life, SBI Life, Maruti Suzuki, Adani Ports, IndusInd Bank, ICICI Bank, Hero MotoCorp, SBI, and Reliance Industries, all down between 2 per cent and 3 per cent, were the top laggards on the indices. On the flipside, PowerGrid, Titan Company, Infosys, ONGC, Indian Oil Corp, BPCL, and JSW Steel remained the top gainers on the benchmark indices.
- 3) In the broader markets, the S&P BSE SmallCap index bucked the trend and settled 0.14 per cent higher supported by gains in Apollo Pipes, Jindal Poly Firms, MTNL, BGR Energy Systems, Delta Corp, and Meghmani Organics.
- 4) The MidCap counterpart, however, fell 0.45 per cent.
- 5) Sectorally, all the NSE indices were painted red with the Nifty Auto and PSU Bank indices down around 2 per cent each. The Nifty Bank, Financial Services, FMCG, Metal, and Private Bank indices, on the other hand, slipped nearly 1 per cent.
- 6) Investor wealth eroded by Rs. 1.37 lakh crore on Friday as markets declined, snapping their three-session rising streak.

Index	Today's Close	Prev. close	Change	% change	Open	High	Low
Sensex	50,792.08	51,279.51	-487.43	-0.95	51,660.98	51,821.84	50,538.43
Nifty	15,030.95	15,174.80	-143.85	-0.95	15,321.15	15,336.30	14,953.60

Sectors and stocks

- 1) Shares of IDBI Bank rallied by 17 per cent to Rs. 44.80 on the BSE in intra-day trade after the Reserve Bank of India removed the lender from the prompt corrective action (PCA) framework on improving finances and credit profile. This eases the rules for the lender to expand its business and also sets the stage for strategic divestment by the government which holds a 45.48 per cent stake in the firm. The stock ended 10 per cent higher in a weak market.
- 2) Shares of Indian Energy Exchange (IEX), on Friday, advanced 13 per cent to hit a new high of Rs 347.80 on the BSE in intra-day trade after the company entered into strategic partnership with the National Stock Exchange (NSE) of India and Oil and Natural Gas Corporation (ONGC) to build gas markets. The stock surpassed its previous high of Rs 322.85, touched on February 11, 2021. In the past three months, it rallied 60 per cent, against 12 per cent rise in the S&P BSE Sensex. On Wednesday, IEX announced strategic divestment of 26 per cent of its equity holding in the Indian Gas Exchange (IGX) to the NSE and additional 5 per cent equity holding to ONGC. The IGX is a subsidiary of the IEX - India's premier nationwide, automated electricity trading platform. IGX is India's first gas exchange after it secured authorisation from the Petroleum and Natural Gas Regulatory Board (PNGRB) on December 2 last year. The IGX, working in collaboration with strong leaders from both the public as well as private sector, has a pioneering role in developing a vibrant gas market in the country. The collaboration between NSE, IEX and other strong public and private sector leaders to strengthen IGX will go a long way in accelerating the development of the gas markets. IGX will provide a vibrant gas market platform for accelerating gas consumption in the country thereby helping towards achieving national sustainable energy aspirations, said Vikram Limaye, MD & CEO, NSE.



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

IGX has a robust ecosystem of more than 6,500 market participants which include all distribution utilities in the country, major power generators as well as over 4,500 open access consumers. Indian gas sector is poised for a breakout growth in demand, led by city gas distribution (CGD) coupled with increasing dependency on imported liquefied natural gas (LNG). Supported by ramp up in LNG terminal and gas T&D infrastructure enabling short term trading of gas, the company said. Meanwhile, under Paris Climate Agreement, the government commitment to reduce carbon emissions will promote use of natural gas. The government's vision of increasing share of natural gas in total energy basket from 6 per cent to 15 per cent by 2030 will increase gas consumption in the economy from current 160 MMSCMD to 600+ MMSCMD, it said.

- 3) Shares of India Glycols, on Friday, declined by 9 per cent to Rs. 529; falling 13 per cent from day's high, on the BSE in the intra-day trade after its board approved the transfer of the company's BioEO (speciality chemicals) business to IGL Green Chemicals Private Limited (IGCPL), a wholly owned subsidiary. BioEO accounted for 12.85 per cent of the total revenue and 26.20 per cent of the total net-worth of India Glycols, as on March 31, 2020. The stock ended around 8.7 per cent lower at Rs 528 per share.

Key recent major developments..

- 1) India has given the first dose of covid antidote to 2.61 crores beneficiaries in the nation-wide vaccination till date. 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 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 had also added, "About 18-20 vaccine candidates against COVID-19 are in the pipeline and are in preclinical, clinical and advanced stages. "
- 2) 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.
- 3) 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 outrage 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 outrage, kept the waiting period of PVs as high as 8 months.
- 4) 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.

- 5) 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, 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.
- 6) 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.
- 7) 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."
- 8) 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.
- 9) 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



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

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 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.

- 10) 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.
- 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. "Atmanirbhar 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



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

expanding credit flow to them is key. The government has reformed and opened many sectors such as agriculture, 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) Nasdaq Futures, declined by over 1.5 per cent, or 200 points.
- 2) Japan's Nikkei added 1.7 per cent - but this faded out as Europe opened for business. Britain's FTSE 100 and the STOXX Europe 600 slipped around 0.5 per cent each, weighing on the MSCI World Index, which was down 0.1 per cent.

Ajcon Global's view

- 1) Indian equities came under pressure with increasing COVID-19 cases in Maharashtra and bond yields spiking again. 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 today and in 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.



Disclaimer

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



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, 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