



**AJCON GLOBAL**  
YOUR FRIENDLY FINANCIAL ADVISOR

## Market wrap

March 17, 2020

### **Domestic bourses remain in turmoil amidst COVID-19 pandemic affecting sentiments and impacting global economic outlook..**

COVID-19 has affected sentiments significantly on every newsflow. The S&P BSE Sensex slipped 811 points or 2.58 per cent to end at 30,579 with ICICI Bank (down 9 per cent) being the biggest loser and Hindustan Unilever (HUL) - up around 3.5 per cent - the biggest gainer.

On the NSE, the frontline index Nifty50 breached the crucial 9,000-mark to settle at 8,967 levels, down 230 points or 2.5 per cent. Fear gauge India VIX jumped around 7 per cent to 62.88 levels.

In the broader market, the S&P BSE MidCap slipped around 2 per cent to 11,670 points and the S&P BSE SmallCap ended at 10,844, down over 2 per cent.

### **Sectors and stocks**

Shares of Hindustan Unilever (HUL), Asian Paints, and Pidilite Industries rallied up to 8 per cent on the BSE on Tuesday after a significant drop in crude oil prices. Oil prices fell below US\$30 a barrel on Monday as the worldwide coronavirus outbreak worsened over the weekend, exacerbating fears that government lockdowns to contain the spread of the disease would spark a global recession.

Pidilite Industries surged up to 8 per cent at Rs. 1,592 and Asian Paints gained 5 per cent at Rs. 1,765 on the BSE. These companies are the key potential beneficiaries of lower crude prices as for both these companies, crude & crude derivatives account for around 50-60 per cent of cost of goods sold (COGS). Fast moving consumer goods (FMCG) giant, HUL, also surged 6 per cent to Rs. 2,065, as crude and crude derivatives account for around 30-35 per cent of the company's COGS. All these stocks are 7 per cent to 12 per cent away from their respective all-time high levels.

Shares of India Cements were up by 8.6 per cent to Rs. 104 apiece on Tuesday in an otherwise volatile market after Damani family further increased their stake in the company from 11.98 per cent to 16 per cent through open market transactions till March 16, 2020. On February 26, India Cements had said that the investor family increased their stake by 7.27 per cent to 11.98 per cent. The Chennai-headquartered cement manufacturer on Monday said that Gopikishan Damani, Radhakishan Damani, Shrikantadevi Damani and Derive Investments, where the first two are partners, have picked up 1,24,57,180 equity shares, which is around 4.02 per cent of the total shares in the company, through open market purchase, between February 27 to March 16, 2020.

Shares of Infosys were trading lower for the second straight day, sliding 3 per cent today to hit a 52-week low of Rs. 565, on the BSE. The stock of the IT consulting & software firm was trading at its lowest level since April 19, 2018. In the past two days, the market price of Infosys has slipped 12 per cent, as compared to a 7 per cent decline in the S&P BSE Sensex. In the past four weeks, too, the stock has underperformed the market by plunging 29 per cent, as against a 23 per cent fall in the benchmark index and 26 per cent decline in the S&P BSE IT index. Information Technology counters' share prices have corrected sharply (23 per cent-29 per cent) over the last four weeks factoring in potential demand shocks from Covid-19 spreading to key client markets (US/ Western Europe), oil price shock and potential impact on global growth.

Zee Entertainment Enterprises (ZEEL) cracked 20 per cent to Rs. 133 apiece and hit an over 7-year low after media reports said the Enforcement Directorate (ED) has issued summons to a clutch of borrowers of the bank, including Essel group Chairman Subhash Chandra, Jet Airways founder Naresh Goyal, Cox & Kings



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promoter Peter Kerkar, Dewan Housing Finance promoter Kapil Wadhawan, and a few more in connection with the money laundering probe against YES Bank co-founder Rana Kapoor.

### **Global Markets**

Asian shares held their ground on Tuesday in a volatile session following one of Wall Street's biggest one-day routs in history as headlines about the coronavirus outbreak and its global economic impact whiplashed investor sentiment. Australian shares closed 5.9 per cent higher, to record the biggest daily percentage gain since Oct 2008, following a nearly 10 per cent plunge on Monday. MSCI's broadest index of Asia-Pacific shares outside Japan was flat, as was Japan's Nikkei stock index which traded either side of even through a bumpy day. South Korea's KOSPI was down 2.4 per cent.



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### **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