

**Positive global cues lift Indian equities amidst significant spike in COVID-19 cases; metal stocks rally..**

- 1) Indian equities were back in green led by positive global cues. The benchmark indices ended Friday's session with over one per cent gains amid healthy buying in metal, financial, and auto stocks.
- 2) The Nifty Metal index ended nearly 4 per cent higher, while the Nifty Financial Services, FMCG, and Auto indices ended with around 2 per cent gains. Realty, bank, pharma and IT indices, meanwhile, advanced up to 1.5 per cent.
- 3) Among the benchmark indices, the frontline S&P BSE Sensex closed with gains of 568 points, or 1.17 per cent, at 49,008 level. The broader Nifty, on the other hand, reclaimed the 14,500-mark on a closing basis and settled at 14,507 level, up 182.4 points or 1.27 per cent.
- 4) Bajaj Finserv, Asian Paints, HUL, Titan Company, Bajaj Auto, and HDFC were leading the list of gainers on the Sensex, up between 2.7 per cent and 4.4 per cent. Tata Steel, Tata Motors, Bharti Airtel, and Adani Ports were the additional gainers on the Nifty with up to 6 per cent returns today.
- 5) On the downside, PowerGrid, IndusInd Bank, ITC, Maruti Suzuki, UPL, and TCS declined the most on the benchmark indices, down up to 2 per cent.

Index	Today's Close	Prev. close	Change	% change	Open	High	Low
<b>Sensex</b>	49,008.50	48,440.12	<b>568.38</b>	<b>1.17</b>	48,969.25	<b>49,234.66</b>	48,699.91
<b>Nifty</b>	14,507.30	14,324.90	<b>182</b>	<b>1.27</b>	14,506.30	<b>14,572.90</b>	14,414.25

**Sectors and stocks**

- 1) Shares of Kalyan Jewellers listed at Rs. 73.90, 15 per cent below its issue price of Rs. 87 per share on the BSE today. The stock, however, reversed losses and hit a high of Rs 81 in the intra-day trade before closing at Rs 74.4.
- 2) Suryoday Small Finance Bank too made a weak listing at a 4 per cent discount, at Rs .292 on the BSE, as against an issue price of Rs 305. The stock hit an intra-day low of Rs 271 but ended at Rs. 272.
- 3) Recently listed, Laxmi Organic Industries, however, jumped by 18 per cent to Rs. 194 in intra-day trade after foreign portfolio investors bought over three million equity shares worth about Rs. 50 crore of the company via the open market. On Thursday, Goldman Sachs India Fund Limited and Plutus Wealth Management LLP purchased a combined 3.17 million equity shares of Laxmi Organic Industries for Rs. 49 crore.
- 4) Steel companies were in focus on Friday as shares of select firms rallied up to 7 per cent on the BSE in intra-day trade on expectation of further improvement in operating margins driven by healthy export order and higher realisations.
- 5) Tata Steel, Steel Authority of India (SAIL), Tata Steel Bsl and Jindal Steel & Power surged between 6 per cent and 7 per cent on the BSE, JSW Steel hit a record high of Rs. 452.30, up 3 per cent in the intra-day trade, surpassing its previous high of Rs. 448.80 touched on March 22. SAIL, on the other hand, surged 7 per cent to Rs. 77.50, and was quoting close to its 52-week high level of Rs 81.50, hit on March 2. "After a sharp drop in April-June quarter (Q1FY21), the domestic steel industry has reported sharp rebound in margins in the September 2020 (Q2FY21) and December 2020 (Q3FY21) quarter, benefiting from improving demand and realizations on the one hand and softer coking coal costs on the other hand. Margins of steel companies are expected to show further expansion in the March quarter of FY21 driven by healthy export order and higher realizations," CARE Ratings said in steel sector update. Higher international prices could drive exports higher in the near-term as domestic players may look to clear their inventories with FY21 coming to an end. Besides, correction in steel prices in the domestic market and premium offers in the international market has made exports more attractive, the rating agency added.
- 6) Shares of Tata Group companies, on Friday, rallied up to 6 per cent in intra-day trade on the BSE after the Supreme Court pronounced its verdict in favour of the Tata Group in the high-profile Tata vs Mistry feud. The judgment on the five-year long protracted legal battle sets a precedent on various important matters in the courtroom battles.



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Among individual stocks, Tata Steel rallied 6 per cent, each, on the BSE. Tata Steel Bsl, Indian Hotels, Tata Motors, Tata Power, Titan Company, Tata Coffee, Tata Investment Corporation and Tata Communications ended higher in the range of 3 per cent to 5 per cent. In comparison, the S&P BSE Sensex closed 1.2 per cent higher at 49,008.50 points today. Delivering its judgment in the four-and-a-half-year-old corporate war between Tata Group and the Mistrys, the Supreme Court ruled in favour of Tata Sons, allowing its appeals and dismissing the Pallonji Group's plea. While the National Company Law Tribunal (NCLT) Mumbai had sided with the Tatas, the NCLAT had termed Mistry's removal illegal and reinstated Mistry as Tata group chairman. It had also termed his successor N Chandrasekaran's appointment illegal. The Tatas then moved the Supreme Court, seeking to overturn the NCLAT judgment. Tata Trusts, which owns a 66 per cent stake in Tata Sons, is chaired by Ratan Tata, the patriarch of the Tata group, while the Mistry family owns a 18.4 per cent stake in the company.

- 7) Shares of Welspun India (WIL) rallied by 10 per cent to Rs. 84.65 on the BSE in intra-day trade on Friday after rating agency India Ratings & Research, a Fitch Group firm, upgraded the long-term credit rating of the company from IND AA- to IND AA with a stable outlook. The stock of the textiles company was trading close to its 52-week high of Rs. 87.60 touched on March 15. The upgrade reflects WIL's better-than-Ind-Ra-expected balance sheet deleveraging through a strong operational performance including capacity utilisations, sales and operating margins post the unlocking of economic activities, as well as, improved working capital management. The agency expects the deleveraging to continue along with strengthening of its business profile through emerging business and de-concentration of its home textiles segment, which could aid in combating the inherent cyclical volatility in the home textiles business. Furthermore, a low balance sheet leverage is likely to provide headroom towards foraying and spending on growth areas, it said. With the emergence of the homebody economy, there is a visible structural shift in consumers' spending for home products. In October-December (Q3FY21) quarter, the company delivered a solid performance despite a seasonally weak quarter, clocking its highest ever quarterly revenue in the history of the company. With increased focus on innovation, ESG and fast-growing e-commerce channel, the management while announcing Q3 results on January 27 said it will continue to advance the company's operating models to the rapidly changing business landscape while increasing capacities to cater to the growing demand. WIL is the largest home textiles company in Asia and among the top two textile companies worldwide. The company has been India's largest exporter of home textile products and exports to 17 of the top 30 global retailers, thus lowering the counterparty risk. WIL has a healthy scale of operations and a diversified product mix comprising terry towels, bed linen. Furthermore, WIL's environmental, social and governance risks being categorised as low reflects a healthy and sustainable business profile.
- 8) Shares of Wabco India were locked in upper circuit of 20 per cent at Rs. 6,777.60 on the BSE in Friday's session after the promoter received a strong response for its offer-for-sale (OFS). The company informed the stock exchanges that it will exercise oversubscription option to the extent of 686,955 shares in addition to the base offer size. The promoter's two-day stake sale through the OFS route opened on Thursday for non-retail investors and will open today for retail investors. The floor price has been fixed at Rs 5,450 a share, an 11 per cent discount to Wednesday's closing price of Rs 6,102 apiece on the BSE. ZF International UK i.e. the principal shareholder (promoter group) of Wabco India (WIL) proposes to sell up to 3.43 million shares or 18.1 per cent stake (including green-shoe option) in WIL to comply with minimum public shareholding norms. The promoter group intends to reduce its stake in WIL from 93.1 per cent to 75 per cent post the OFS. WIL is a leader in the Indian CV braking space with a diversified presence across clients and channels i.e., OEM, aftermarket and exports. The company's status as a technology pioneer (over the years, it has been the first to introduce ABS, AMT, ESC, ADAS, etc, to the Indian CV market) and complete solutions provider has led to substantial outperformance vis-à-vis industry, translating into ever-increasing content per vehicle. According to Wabco India, a well thought out vehicle scrappage policy with incentives is likely to spur demand for commercial vehicles in the short to medium-term. Adoption of digital connectivity solutions will make fleets more efficient and cost-effective, it said. "The government's FAME-II scheme has led to an increase in the adoption of electric buses in the country and it can make a significant budget allocation to the Ministry of Urban Development to support State Transport Undertakings in procuring buses with other fuels like CNG, diesel, biofuel etc. This would also lead to reviving demand for commercial vehicles," the company said in its FY20 annual report.

#### **Key recent major developments..**

- 1) The country reported 59,118 Covid cases, most in a day since Oct. 18, 2020. The Government on Tuesday allowed people above 45 years to get vaccinated from April 1, 2021. The Cabinet also decided that the second dose of the vaccine can be taken between four and eight weeks, on the advice of doctors. It was allowed to be taken between four to six weeks earlier, but scientists have now said that taking the second dose between four and eight weeks gives improved results.

- 2) India has given the first dose of covid antidote to 5.55 crores beneficiaries in the nation-wide vaccination till date. 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.
- 3) JSW Steel group closed a Rs. 19,350-crore transaction with lenders to acquire Bhushan Power & Steel (BPSL) on Friday, ending a corporate insolvency resolution process (CIRP) that has stretched more than three and a half years. The Rs. 19,350-crore transaction has been funded by a mix of equity and debt. As part of the payment, a sum of Rs. 8,614 crore in Piombino Steel Limited (PSL) was arranged through a mix of equity, optionally convertible instruments and debt. Of this, an amount of Rs 8,550 crore was invested in a special purpose vehicle (SPV), Makler Private Limited, the bidding company; the balance Rs. 10,800 crore was funded by debt. JSW informed the stock exchanges that following the implementation of resolution plan that included payment of Rs. 19,350 crore to financial creditors of BPSL and merger of the SPV, PSL holds 100 per cent equity shares in BPSL. Seshagiri Rao, joint managing director and chief financial officer, JSW Steel, said that the company takes charge of the asset today. In a letter to BPSL employees, Sajjan Jindal, chairman of JSW group said that BPSL was the largest acquisition in the history of JSW Steel. "This acquisition not only aligns with our core business and purpose but also establishes our presence and accelerates our growth vision in eastern India," he said. "I am aware how difficult it is to build a greenfield steel plant of this size and this asset is indeed a testament to your tireless efforts," he further said.
- 4) RBI Governor Shaktikanta Das said on Thursday that the central bank does not at the moment foresee a downward revision of the economic growth forecast for 2021-22. The central bank had in February forecast India's FY22 real Gross Domestic Product (GDP) growth at 10.5 percent. The comments came amidst concerns after the recent surge in COVID-19 cases. The RBI Governor made the comments while speaking at the India Economic Conclave. He said digital players will increasingly have a critical role across the banking sector in India, which is emerging as Asia's financial technology (FinTech) hub. "FinTech is expected to challenge the financial sector with innovations and its exponential growth. Harnessing FinTech for customer services will effectively control costs and expand the banking and nonbanking businesses," Das said. The increased use of digital payments induced by the pandemic can fuel a rise in digital lending in the current decade, he said. The RBI had said that the working group, which was set up in January would study all aspects of digital lending activity of both regulated and unregulated players to put in place an appropriate regulatory approach. The Governor said "IT systems need to be developed to handle the exponential surge in the number of transactions." The Governor cited the example of Unified Payments Interface (UPI) which took three years from 2017 to reach a monthly count of 1 billion transactions, but doubled to 2 billion a month in a short span of another year.
- 5) The Supreme Court (SC) pronounced verdict on loan moratorium case on Tuesday and declined to extend the six months loan moratorium, observing further that the waiver of complete interest is not possible. The apex court said that the waiver of complete interest is not possible as it affects depositors. However, it said that any amount collected as compound interest shall be adjusted to the next installment payable instead of refunding it to the borrower irrespective of the loan amount. Pronouncing its verdict on a batch of pleas by various trade associations, seeking an extension of loan moratorium and other reliefs in view of the Covid-19 pandemic, the Court partly allowed the petitions which had challenged the decision of the Centre and RBI to restrict waiver of interest on interest to certain categories of borrowers who had availed loans of less than Rs 2 crore. The Centre had earlier submitted before the top court that if it were to consider waiving interest on all the loans and advances to all categories of borrowers for the six-month moratorium period announced by RBI, then the amount foregone would be more than Rs. 6 trillion. "If the banks were to bear this burden, then it would necessarily wipe out a substantial and a major part of their net worth, rendering most of the lenders unviable and raising a very serious question mark over their very survival," it had said.
- 6) Maruti Suzuki India on Monday said it will increase the prices of vehicles in April, citing the adverse impact of rising input costs over the past one year. "Over the past year the cost of company's vehicles has been impacted adversely due to increase in various input costs," the company said in an exchange filing. "Hence, it has become imperative for the company to pass on some impact of the above additional cost to customers through a price increase," it said. This price increase is likely to vary for different models. The company however did not share details about the quantum of the price hike it intends to take from next month. The country's largest carmaker's service network has crossed 4,000 outlet mark across the country, covering 1,989 towns and cities. The auto major said it has added 208 new service workshops in 2020-21, despite tough conditions due to the Covid-19 pandemic.
- 7) In a relief to the bond market, the government had cancelled the last bond auction of the current financial year, scheduled on March 26. The government had planned to raise Rs. 20,000 crore through the auction, but the Reserve Bank of India (RBI) notified on its website that it stands cancelled now "on review of the position of cash balance" of the government. This was not entirely unexpected by the market, said a bond dealer, as there were rumors in the market already that the last auction would be cancelled. The bond market had a scare last week as a



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short-term bond was quoted at a yield of (-)1.5 per cent, which meant the bond was offered in the market for a face value of more than Rs 100. It turned out to be a case of a fat finger, and the trade was not executed. But the market is under pressure to cover their short positions for which they need to buy bonds. Coupled with the cancellation of auctions, this should be good news for the market, and the yields should fall more. The 10-year bond yields closed at 6.18 per cent on Monday, from their previous close of 6.19 per cent.

- 8) Bond markets across the world are hampering the nascent recovery, the Reserve Bank of India (RBI) said in its monthly bulletin for March. The central bank urged the local investors to help it ensure an 'orderly evolution of the yield curve'. "As countries rush to inoculate their populations, the global economy should regain lost momentum in Q2. Bond vigilantes could, however, undermine the recovery, unsettle financial markets and trigger capital outflows from emerging markets," the RBI wrote in its state of the economy report. For the Indian bond market, in particular, the report noted: "The Reserve Bank is striving to ensure an orderly evolution of the yield curve, but it takes two to tango and forestall a *tandav*." The central bank is clearly using all the platforms at its disposal to engage with the bond market. Governor Shaktikanta Das in the past has also asked the market to be cooperative and not combative, but the market has recently started demanding higher yields seeing the US yields and oil prices heading north, and is asking for more secondary market support from the RBI.
- 9) Earlier Prime Minister Narendra Modi said "States have to take "quick, decisive" steps to stop the emerging second peak of Covid-19, said on Wednesday, urging chief ministers to adopt the test, track and treat as they stop wastage of vaccines. "The confidence we have gained in reaching this point in our fight against the pandemic should not turn to negligence. While we do not want to create any panic, we have to take steps to rid ourselves of this trouble," PM Modi said in a virtual address called as Covid-19 cases rise in states.
- 10) S&P Global Ratings had said earlier that the recovery across Asia's emerging economies would withstand rising US yields so long as this reflects an improving growth outlook and reflation rather than a monetary shock. US yields are rising mostly due to expectations of higher growth, rather than fears of imminent tightening, or monetary-policy shock. This time around, initial conditions in Asia are sturdier than they were in 2013, the rating agency said. It said current account surpluses, low inflation (for the most part), higher real interest rates, and fatter foreign-exchange reserve buffers give regional policymakers more flexibility and should allow central banks to remain focused on supporting recovery. The US-based agency, however, said that if markets price a policy mistake and US real yields surge higher, risks of a 'taper tantrum' rise, with India and Philippines most exposed. In 2013, US yields leaped after the US Federal Reserve indicated it would begin unwinding its quantitative easing program. The resulting panic over rising credit costs led to sharp outflow from emerging markets, including Asia's, and forced central banks to hike interest rates. Since then, S&P said, the central banks in India and Thailand have been more aggressive in building up reserve buffers. It said the effect of USD 1.9 trillion in stimulus on US inflation and rates remains uncertain and markets can react in a non-linear way if inflation expectations surge above central bank targets and imminent tightening is priced in. "In this case, we may see real yields (rather than inflation expectations) jump and the US dollar appreciate at the same time. In our view, this would trigger disorderly capital outflows from Asia's emerging markets. India and the Philippines are the most vulnerable at the current juncture," S&P added.
- 11) The wholesale price-based inflation rose for the second consecutive month in February to 4.17 per cent, as food, fuel and power prices spiked. The WPI inflation was 2.03 per cent in January and 2.26 per cent in February last year. After witnessing months of softening of prices, the food articles in February saw 1.36 per cent inflation. In January it was (-) 2.80 per cent. In vegetables the rate of price rise was (-) 2.90 per cent in February, against (-) 20.82 per cent in January. Inflation in pulses was 10.25 per cent in February, while it fruits it was 9.48 per cent, and in fuel and power basket it was 0.58 per cent. The RBI in its monetary policy last month kept interest rates unchanged for the fourth consecutive meeting and said that the near-term inflation outlook has turned favourable. Retail inflation, based on the consumer price index, was at 5.03 per cent in February, data released last week showed.
- 12) Industrial production growth re-entered the negative territory by contracting 1.6 per cent in January, while retail inflation soared to a three-month high of 5.03 per cent in February on costlier food items.
- 13) 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



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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.

- 14) 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.
- 15) 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).
- 16) 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.

## Global markets

- 1) Asian equities recovered from a three-month low on Friday, as investors focused more on optimism about the global economic recovery than rising tensions between the West and China.
- 2) MSCI's ex-Japan Asia index rose 1.43 per cent, as the Shanghai Composite Index gained 1.53 per cent, snapping a three-day losing streak. Japan's Nikkei also rose 1.47 per cent.
- 3) In Europe, the pan-European STOXX 600 index rose 0.8 per cent. S&P 500 and Nasdaq Futures, meanwhile, were trading with 0.25 per cent gain each.

## Ajcon Global's view

- 1) Indian equities witnessed bounce back on positive global cues like improved US GDP data and reduced unemployment rate. However, domestically, there is a significant spike in COVID-19 cases which is a matter of serious concern especially in states like Maharashtra, Punjab raising fears of second wave. In addition, localised restrictions owing to jump in COVID-19 cases, US Bond yields trading a high range, rise in inflation, contraction of IIP too are lingering in investors mind and causing worries. Going ahead investors will keep a watch on movement of US bond yields, COVID-19 cases number on daily basis amidst significant spike and vaccination drive, FPI



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liquidity after new concerns stated above. Globally, Central banks are in the mood of accommodative monetary policy. The US Federal Reserve on March 17, 2021 suggested that it was in no hurry to raise interest rates through all of 2023, even as it talked about a V-shaped recovery in the world's largest economy.

- 2) Key factors like positive GDP data, phase II of COVID-19 vaccinations drive going strongly, strong GST collections in Feb. 2021, good proposals presented in Union Budget 2021-22, RBI's Monetary Policy keeping rates unchanged, stellar show by majority of the Companies in Q3FY21 earnings season will augur well for the bulls. The Nifty valuations are trading around 35x which looks expensive but with recent budget proposals one will need to watch out the effect on corporate earnings in Q4FY21 and FY22.
- 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) Benchmark indices have been trading at steep valuations after the recent budget proposals and it needed a reason to correct which was provided by resurgence of COVID-19 cases and spike in US bond yields.
- 5) We believe India economic recovery from COVID-19 crisis will surpass major economies. As India is now one of the few major economies to post positive GDP growth in the last quarter of calendar year 2020, foreign investors will get attracted to Indian equities. Moody's Analytics said India's economy is likely to grow by 12 per cent in CY2021 following a 7.1 per cent contraction last year as near-term prospects have turned more favourable.
- 6) Stock specific opportunities would emerge on corrections and investors will keenly track PSUs which would benefit on Government's impetus on privatisation. In addition, the Government is putting a lot of emphasis and effort to implement the Strong Budget proposals in a timely and efficient manner.
- 7) We recommend investors to be stock specific and suggest investors not to get carried away with unknown names. After the recent steep fall, select midcaps, smallcaps and most of the PSU companies valuations look decent but further fall is not ruled out considering the resurgence of COVID-19 cases which leads to localised restrictions.



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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.

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