

**Global cues to drive market direction in the near term; Indian benchmark indices keep their head high while midcaps and smallcaps come under pressure..**

Index	Nov.16, 2022	Nov.15, 2022	Change	% change	Open	High	Low
<b>Nifty</b>	18,409.65	18,403.40	<b>6.25</b>	<b>0.03</b>	18,398.25	<b>18,442.15</b>	18,344.15
<b>Sensex</b>	61,980.72	61,872.99	<b>107.73</b>	<b>0.17</b>	61,708.63	<b>62,052.57</b>	61,708.63

- 1) On Wednesday, Indian benchmark indices ended in green. The Nifty had witnessed a subdued opening and later gained upward momentum and touched an intraday high of 18,442.15. Finally, the Nifty ended the day up by 6.25 points or 0.03 percent to end at levels of 18,409.65. The Sensex ended the day up by 107.73 points or 0.17 percent to end the day at levels of 61,980.72
- 2) Among the Nifty 50 stocks, the major gainers were Kotak Mahindra Bank, Coal India, HDFC, Hindustan Unilever, Tata Consultancy Services up in the range of 0.82 percent to 2.68 percent. On the other hand, the major losers were Apollo Hospitals, Adani Ports, Hindalco, Bajaj Finance, Adani Enterprises down in the range of 2.04 percent to 2.56 percent.
- 3) However, the broader markets were under pressure. The Nifty Midcap 100 index was down by 0.65 percent and the Nifty Smallcap 100 index was down by 0.83 percent respectively.
- 4) In terms of sectoral indices performance, the major gainers were Nifty Bank index up by 0.38 percent, Nifty Financial Services index up by 0.34 percent, Nifty PSU Bank index up by 0.29 percent, Nifty IT index up by 0.29 percent, Nifty Private index up by 0.26 percent. On the other hand, the major losers were Nifty Metal index down by 1.94 percent, Nifty Media index down by 1.44 percent, Nifty Realty index down by 1.03 percent.
- 5) On Wednesday, FIIs net sold equities worth Rs.386.06 Crore. On the other hand, DIIs net bought equities worth Rs. 1,437.40 Crore. Month till date, FIIs have net bought equities worth Rs. 12,971.77 Crore and DIIs net sold equities worth Rs. 4,709.57 Crore. In the month of October 2022, FIIs have net sold equities worth Rs. 489.06 Crore and DIIs net bought equities worth Rs. 9,276.97 Crore

**Sectors and stocks**

- 1) Shares of HUDCO ended up by 13.82 percent to Rs. 47.35 at the NSE on Wednesday. HUDCO is actively participating in Government of India flagship program such as Smart City Mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Jal Jeevan Mission, etc. In the financial year 2021-22, HUDCO supported the flagship programmes by extending financial assistance of Rs. 600 Crore to Rajasthan Urban Drinking Water Sewerage & Infrastructure Corporation (RUDSICO). The sanctioned amount will be utilized for benefitting Ajmer & Jaipur Smart Cities and AMRUT scheme in 20 ULBs of Rajasthan. HUDCO has also provided viability gap funding of Rs. 4,000 Crore to Rajasthan Water Supply and Sewerage Corporation, towards state share for implementation of Jal Jeevan Mission in the State.

HUDCO plays a major role in Government of India scheme – for promoting “Housing for All” & Urban Development. As a Resource Institution for scrutiny and inspection of sample projects/ DPRs under Pradhan Mantri Awas Yojana (PMAY) (Urban), HUDCO, in FY22 carried out site and/or desk scrutiny of 66 projects for 1.52 lakh Dwelling Units (DUs) with project cost of Rs. 5475.84 crore & GoI assistance of Rs. 2260.94 crore covering 16 Affordable Housing in Partnership (AHP) projects, 49 Beneficiary Led Construction (BLC)- (New Construction/Enhancement), 1 In-situ Slum Redevelopment (ISSR) project at various locations in 62 towns/ cities under 16 States/UTs. Cumulatively up to 31st March, 2022, HUDCO has carried out site and/or desk scrutiny of 555 projects for 11.37 lakh DUs with project cost of Rs. 52,228.69 Crore & GoI Assistance of Rs.16,767.62 Crore covering 61 AHP projects, 473 BLC (New



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Construction/Enhancement) & 21 ISSR projects (inclusive of 1 ISSR – AHP project) at 406 towns/ cities under 34 States/UTs. HUDCO is also one of the nominated Central Nodal Agencies (CNA) for Government of India for disbursing the central subsidy to beneficiaries under credit-linked subsidy scheme (CLSS).

- 2) Shares of TCNS Clothing Co ended up by 8.49 percent to Rs. 605.95 at the NSE on Wednesday. Commenting on the performance of the Company in Q2FY23, Mr. Anant Daga- Managing Director of the Company in the Company's analyst Q2FY23 concall conducted earlier said "We have achieved our highest ever quarterly sales. Overall, the company revenue grew 46% year-on-year and 27% sequentially over Q1 FY'23, to clock INR 351 crores for the quarter. A key milestone this quarter has been the number of EBOs launched - In line with our aggressive store expansion plan, we opened a gross of 41 stores in this quarter and 32 on a net basis, which again has been the highest ever store opening in the quarter for us. This season also saw us investing in brand building after a hiatus of two years. Both W and Aurelia launched comprehensive 360 digital campaigns, straddling digital, retail, influencers and partner tie-ups. We have significantly upped our marketing investment, which should reinforce our brand's market leadership position. Coming to the performance highlights of Q2 '23, we are seeing resurgence in the overall women's ethnic wear market both year-on-year and sequentially over last quarter. The women's ethnic wear category has seen strong recovery except north where it's lags. Overall, for us, offline channel grew by 60% over last year. Aurelia led the growth, aided by a strong product range and comprehensive marketing campaigns."
- 3) Shares of Finolex Industries ended up by 8.62 percent to Rs. 162.55 at the NSE on Wednesday. Commenting on Q2FY23 performance of the Company, Mr. Anil Whabi – Managing Director of the Company in the analyst concall said "This second quarter is generally a drag on volumes due to monsoon. However, the company has delivered higher volumes over last year, which reflects spur in demand. The financial results for the quarter had a severely adverse impact due to sharp correction in PVC prices, against higher price inventory of raw material and finished crudes. The silver lining is that, correction in commodity rates could further improve demand from consumers across segments. The company is well positioned to sail through this trough of the cycle, as it has strong debt-free balance sheet with positive cash flows."

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

- 1) The rupee depreciated by 34 paise to close at 81.25 (provisional) against the US dollar on Wednesday on disappointing trade data and foreign fund outflows. Forex traders said a negative bias on risk aversion in global markets weighed on the local unit. At the interbank foreign exchange market, the local unit opened at 81.41 and later witnessed an intraday high of 81.23 and a low of 81.58 during the session. The domestic unit finally settled at 81.25 against the American currency, registering a fall of 34 paise over its last close. On Tuesday, the rupee appreciated 37 paise to close at 80.91 against the US dollar. (Source: Press Trust of India)
- 2) Reserve Bank of India (RBI) Governor Shaktikanta Das on Wednesday said that despite challenges, the Indian banking sector has been resilient and improved in various performance parameters. At the same time though, he asked public as well as private sector banks to remain watchful of the evolving macroeconomic situation and take necessary mitigating measures to minimise their impact on balance sheets and contain financial stability risks. Das made these remarks during a review meeting with Chairpersons of public sector banks and some private sector banks, which was also attended by other senior officials of the RBI. He acknowledged the crucial role played by the commercial banks in supporting the economic growth throughout the turbulent times since the outbreak of pandemic and the ongoing financial market turmoil, official sources said. Among other matters, issues relating to lagging growth in deposits vis-a-vis credit growth, asset quality, investments in IT infrastructure, adoption of new-age technology solutions and functioning of digital banking units were also discussed in the meeting, they added. (Source: IANS)

### **Ajcon Global's observations and view..**

- 1) **Short term view:**
  - a. On Wednesday, Indian benchmark indices ended in green. However, midcaps and smallcaps came under pressure. Domestically, the reduced CPI and WPI inflation data is comforting. However, there are headwinds like US dollar appreciation against the Indian rupee, high crude oil prices and Russia – Ukraine war. We expect Indian equities to take direction from the global cues. At the time of writing this report, both US benchmark indices and European benchmark indices were under pressure.
  - b. Domestically, till date, majority of the Companies have delivered good set of Q2FY23 results considering global concerns. Street participants will also keep an eye on rupee movement against the US Dollar and



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global bond yields, crude oil price movement, developments related to ongoing war between Russia and Ukraine and its financial implications on the western world.

- c. We reiterate that the domestic economy is strongly placed as compared to the global peers which will attract investors. Indian economy is performing strongly as indicated by robust GST collections, strong direct tax collections, good manufacturing PMI data and good economic activity amidst macroeconomic challenges. We expect stock specific action in the midcaps and smallcaps space. At the moment sectors like Auto and auto ancillaries, Banking, NBFCs, Capital Goods, Railways, select companies in the infrastructure space and new age business segment can be considered.

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CIN:L74140MH1986PLC041941

SEBI registration Number: INH000001170 as per SEBI (Research Analysts) Regulations, 2014.

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