

Key Benchmark indices across the globe

Index	Dec. 28, 2022	Dec. 27, 2022	Change	% change	Open	High	Low
Nifty	18,122.50	18,132.30	9.80	0.05	18,084.75	18,173.10	18,068.35
Sensex	60,910.28	60,927.43	17.15	0.03	60,811.52	61,075.33	60,713.77
Shanghai Composite	3,087.40	3,095.57	8.17	0.26	3,088.62	3,098.65	3,079.43
Nikkei 225	26,340.50	26,447.87	107.37	0.41	26,309.34	26,354.27	26,199.67
Kospi	2,280.45	2,332.79	52.34	2.24	2,296.45	2,296.45	2,276.90
Nasdaq	10,227.84*	10,353.23	125.39	1.21	10,339.20	10,414.82	10,227.35
CAC	6,510.49*	6,550.66	40.17	0.61	6,561.50	6,572.12	6,505.67
DAX	13,925.60*	13,995.10	69.50	0.50	14,013.72	14,018.47	13,914.62

* Dec. 28, 2022 levels at the time of writing this report

Key macroeconomic indicators

Index	Dec. 28, 2022	Dec. 27, 2022
Brent Crude Oil (\$ per barrel)	83.14#	84.68
Gold (\$ per ounce)	1,804.68#	1,812.52
Indian Rupee against US\$	82.86	82.85
10 year G-sec (7.262032)	7.314%	7.308%
US 10 year G-sec	3.869%	3.858%

#at the time of writing this report

FII & DII activity

Index	Dec. 28, 2022	Dec. 27, 2022
FII activity (Rs. in Crore)	872.59	867.65
DII activity (Rs. in Crore)	372.87	621.81

Benchmark indices in red; Fertilizers and Railway stocks rally..

- 1) On Wednesday, Indian equities were in consolidation mode and ended in red. The Nifty had witnessed a negative opening and later touched an intraday low of 18,068.35. Finally, the Nifty ended the day down by 9.80 points or 0.05 percent to end at levels of 18,122.50. On the other hand, the Sensex ended the day down by 17.15 points or 0.03 percent to end the day at levels of 60,910.28.
- 2) Among the Nifty 50 stocks, the major gainers were Titan Company, Mahindra & Mahindra, Power Grid Corporation of India, Maruti Suzuki India, UPL up in the range of 1.19 percent to 2.85 percent. On the other hand, the major losers were Bharti Airtel, Apollo Hospitals, Bajaj Finserv, Axis Bank, Hindalco Industries down in the range of 1.02 percent to 1.41 percent.
- 3) The broader markets were mixed on Wednesday. The Nifty Midcap 100 index was up by 0.13 percent while the Nifty Smallcap 100 index was down by 0.07 percent respectively.
- 4) In terms of sectoral indices performance, the major gainers were Nifty Consumer Durables index up by 1.36 percent, Nifty Oil & Gas index up by 1.26 percent, Nifty Auto index up by 0.66 percent, Nifty Media index up by 0.62 percent. On the other hand, the major losers were Nifty Healthcare index down by 0.61 percent, Nifty Pharma index down by 0.56 percent, Nifty Metal index down by 0.27 percent.
- 5) On Wednesday, FIIs net sold equities worth Rs. 872.59 Crore. On the other hand, DIIs net bought equities worth Rs. 372.87 Crore. Month till date, FIIs have net sold equities worth Rs. 10,707.42 Crore and DIIs net bought equities worth Rs. 21,377.10 Crore. In the month of November 2022, FIIs have net bought equities worth Rs. 22,546.34 Crore and DIIs net sold equities worth Rs. 6,301.32 Crore.

Sectors & Stocks

- 1) Shares of Rashtriya Chemicals and Fertilizers Limited (RCF) closed up by 13.78 percent to Rs. 132.55 at the NSE on Wednesday. Under 'Atmanirbhar Bharat', the Company has restarted Phosphoric Acid Plant at Trombay. The Company has achieved the highest ever sale of AN Melt Plant. Setting up new AN Melt Plant, NPK Fertilizers Plant & Concentrated Nitric Acid Plant have been proposed. Sale of high volume products like Ammonia, AN(Melt) & DNA will facilitate improvement in turnover as well as profitability.
- 2) Shares of IRCON International Limited ended up by 8.62 percent to Rs. 59.20 at the NSE on Wednesday. Ircon International Limited is a Miniratna (Category - I) Schedule A, Public Sector Enterprise and a leading turnkey Construction Company in the public sector known for quality, commitment and consistency in terms of performance. The core competence of the Company is in Railways, Highways & Extra High Tension substation engineering and Construction. The company has executed projects operated in the areas of Railway construction including ballast less track, electrification, tunneling, signal & telecommunication as well as leasing of locos, construction of roads, highways, commercial, industrial & residential buildings and complexes, airport runway and hangars, metro and mass rapid transit system, etc. IRCON has widespread operations in several states in India and other countries (Malaysia, Nepal, Bangladesh, South Africa, Algeria and Sri Lanka). Company has completed more than 128 projects in 25 countries across the globe and 398 projects in various states in India.
- 3) Shares of Rail Vikas Nigam Limited (RVNL) ended up by 4.96 percent to Rs. 66.70 at the NSE on Wednesday. Rail Vikas Nigam Limited (RVNL) has received LOA on 27.12.2022 for appointment as Project Implementation Agency for implementation of the UTF Harbor Project in Maldives. This is a strategic project of Govt. of India. The project costs is Rs 1544.60 Crore.

The Company was established with the mandate of fast track implementation of rail infrastructure projects working for and on behalf of Ministry of Railways as an executing arm. The contribution of the Company in building of rail infrastructure in the Country is amply demonstrated by its remarkable performance and presence in 26 locations across the country with 34 functional project implementation Unit (PIU). The company is executing projects in all the Zonal Railways and 19 States of the Country. RVNL is executing all types of Railway Infrastructure works such as New Line, Gauge Conversion, Doubling/ 3rd Line/4th Line, Railway Electrification, Workshops, Hill Railway Projects, Institutional Buildings, Mega Bridges, Metro Railway, etc.

- 4) Shares of Gujarat Narmada Valley Fertilizers & Chemicals Limited (GNFC) ended up by 4.95 percent to Rs. 556.30 at the NSE on Wednesday. The Company is India's only manufacturer of Glacial Acetic acid and Aniline. The Company is the only manufacturer of Toluene Di-isocyanate (TDI) in South East Asia & Indian Subcontinent. The Company boasts of strong balance sheet and is a cash positive Company with almost zero debt.
- 5) Shares of Titan Company Limited ended up by 2.85 percent to Rs. 2,575 at the NSE on Wednesday. Commenting on Q2FY23 performance of the Company, Mr. CK Venkataraman, Managing Director of the Company stated that: "The Company has continued its strong performance into Q2 across all business segments. Despite an uncertain macro environment, the current festive season starting from end of September month and continuing till end of October has been quite positive and the consumer confidence remains upbeat. We have clocked a retail growth of 17-19% in larger business divisions of the Company namely - Jewellery, Watches & Wearables and EyeCare over similar festive season timeline of the previous year. We remain relentlessly focussed in executing our growth plans in India and overseas and are optimistic about our performance in the remaining quarters of the current financial year."

Ajcon Global's view on Indian equities in the near term

- 1) Indian equities ended in red led by profit booking. Going ahead, we expect markets to remain in consolidation mode ahead of the New year. Going forward, investors will keenly track upcoming Q3FY23 earnings season and management commentary. In addition, investors will anticipate key developments especially in sectors like Defence, Railways, Electric Vehicles, Renewable Energy, Infrastructure etc. in the run up to the upcoming Union Budget in February 2023.
- 2) No doubt, there are headwinds like recent COVID-19 developments in China, Japan, South Korea, recession concerns in Europe and expectations of US Fed likely to hike interest rates in the future. However, we believe and once again reiterate that the domestic economy is strongly placed as compared to the global peers which will attract investors. At the moment, sectors like Banking, NBFCs, Capital Goods, select companies in the infrastructure space, railways and new age business segment can be considered.



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- 3) Street participants will continue to watch COVID-19 developments in China and its impact on global supply chain, domestic fiscal deficit numbers, rupee movement against the US Dollar, economic activity in China after recent COVID-19 developments , global bond yields, crude oil price movement, developments related to ongoing war between Russia and Ukraine and its financial implications on the western world.

- 4) It may be noted that majority of the Companies had delivered good set of Q2FY23 results considering global concerns. Indian economy is performing strongly as indicated by good manufacturing and services PMI data, robust GST collections, strong direct tax collections, and good economic activity amidst macroeconomic challenges. We suggest investors to be stock specific and consider companies from the midcaps and smallcaps space.



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

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