

Key Benchmark indices across the globe

Index	March 02, 2023	March 01, 2023	Change	% change	Open	High	Low
Nifty	17,321.90	17,450.90	129.00	0.74	17,421.50	17,445.80	17,306.00
Sensex	58,909.35	59,411.08	501.73	0.84	59,287.18	59,423.79	58,866.26
Shanghai Composite	3,310.65	3,312.35	1.70	0.05	3,308.01	3,320.74	3,306.46
Kospi	2,427.85	2,412.85	15.00	0.62	2,414.61	2,440.59	2,411.85
Nikkei 225	27,498.87	27,516.53	17.66	0.06	27,564.82	27,617.80	27,408.54
Dow Jones	32,788.21#	32,661.84	126.37	0.39	32,713.29	32,824.17	32,665.85
Nasdaq	11,329.70#	11,379.48	49.79	0.44	11,274.58	11,342.43	11,273.61
FTSE	7,940.75#	7,914.93	25.82	0.33	7,914.93	7,944.46	7,875.03
CAC	7,279.62#	7,234.25	45.37	0.63	7,176.41	7,280.57	7,169.66
DAX	15,318.28#	15,305.02	13.26	0.09	15,171.07	15,329.29	15,150.67

at the time of writing this report

Key macroeconomic indicators

Index	March 02, 2023	March 01, 2023
Brent Crude Oil (\$ per barrel)	84.9	84.3
Gold (\$ per ounce)	1,835	1,837
Indian Rupee against US\$	82.59	82.51
10 year G-sec (7.262032)	7.44%	7.42%
US 10 year G-sec	4.02%	3.99%

FII & DII activity

Index	March 02, 2023	March 01, 2023
FII activity (Rs. in Crore)	12,770.81	424.88
DII activity (Rs. in Crore)	2,128.80	1,498.66

Indian benchmark indices come under pressure led by rising bond yields; stock specific action to continue..

- 1) On Thursday, Indian benchmark indices came under pressure and ended in the negative terrain as sentiments were affected led by rising US Bond yields. The Nifty had witnessed a negative opening and later touched an intraday low of 17,306.00. Finally, the Nifty ended the day down by 129 points or 0.74 percent to end at levels of 17,321.90. On the other hand, the Sensex ended the day, down by 501.73 points or 0.84 percent to end the day at levels of 58,909.35
- 2) Among the Nifty 50 stocks, the major gainers were Adani Ports, Coal India, BPCL, Adani Enterprises, Hero Motocorp up in the range of 1.39 percent to 3.06 percent. On the other hand, the major losers were Maruti Suzuki India, Axis Bank, Tata Consultancy Services, Tech Mahindra, Infosys down in the range of 1.62 percent to 2.60 percent.
- 3) The broader markets too were under pressure today. The Nifty Midcap 100 index was down by 0.32 percent and the Nifty Smallcap 100 index was down by 0.17 percent.
- 4) In terms of sectoral indices performance, the major gainers were Nifty Realty index up by 2.06 percent, Nifty Oil & Gas index up by 0.03 percent. On the other hand, the major losers were Nifty IT index down by 1.26 percent, Nifty Auto index down by 0.86 percent, Nifty Financial Services index down by 0.85 percent, Nifty Financial Services 25/50 index down by 0.85 percent, Nifty Media index down by 0.53 percent, Nifty FMCG index down by 0.51 percent.
- 5) On Thursday, FIIs net bought equities worth Rs. 12,770.81 Crore. On the other hand, DIIs too net bought equities worth Rs. 2,128.80 Crore. In the month of February 2023, FIIs have net sold equities worth Rs. 11,090.64 Crore

and DIIs net bought equities worth Rs. 19,239.28 Crore. In the month of January 2023, FIIs had net sold equities worth Rs. 41,464.73 Crore and DIIs net bought equities worth Rs. 33,411.85 Crore.

Sectors & Stocks

- 1) Shares of Macrotech Developers Limited ended up by 20 percent to Rs. 1,013.70 at the NSE on Thursday. The Company's Managing Director and Chief Executive Officer of the Company - Mr. Abhishek Lodha in the Company's Q3FY23 concall had said "Amidst all the global uncertainty of how high inflation can get to, how high interest rates can go, how deep or how long can a recession in the developed world be, we ended yet another stable quarter in the direction of achieving a consistent countercyclical growth trajectory for our company. Worries that interest rates are getting uncomfortably higher in India for home loan borrowers, home prices are rising up rapidly and tailwinds witnessed in the last couple of years will disappear or even turn into headwinds are coming unfounded.

He further added "As a strategy we have adopted the policy of reasonable pricing and that basically means that at all times we will try and ensure that home price growth remains below wage and salary growth. YTD price growth has been about 5% in line with our original guidance of 5% to 6% price growth for the full year and we remain completely convinced that our thesis on the benefits of keeping price growth below wage growth and expanding the market will play out strongly in the years to come. Additionally we have also supported our home buyers particularly in the affordable and mid income segments by taking on some of the burdens of the increased mortgage rates which has come at a very minimal cost to our P&L"

- 2) Shares of Rail Vikas Nigam Limited (RVNL) ended up by 12.31 percent to Rs. 65.70 at the NSE on Thursday. Rail Vikas Nigam Limited (RVNL) has emerged as the Lowest Bidder (L1) for "Manufacturing cum Maintenance of Vande Bharat Trainsets including Up-gradation of the Government Manufacturing Units & Trainset Depots" in JV with following JV Partners: 1. M/s. Joint Stock Company Metrowagonmash-70% 2. M/s. Joint Stock Company Locomotive Electronic System-5% 3. Rail Vikas Nigam Limited-25% As per financial opening dated 01.03.2023, the M/s. JSC Metrowagonmash-Mytisch-RVNL (JV) has been declared L-1. The total quantity is 200 Trainsets and cost per set is Rs. 120 Crores.
- 3) Shares of NBCC (India) Limited ended up by 5.91 percent to Rs. 35.85 at the NSE on Thursday. The Company's Chairman cum Managing Director - Mr. P.K. Gupta in the Company's Q3FY23 concall had said "Our flagship project, which is the tallest tower in Delhi that is East Delhi Hub Karkardooma, that is going on in fast speed. And we'll be floating another tender worth INR 100 crores for external development of this area. As far as the business development part is concerned, we have received confirmed order of INR 2,000 crores. During the year-end, orders worth INR 4,000 crores are in pipeline, some of which are in almost final stage. Number one is the work of NIT Allahabad worth INR 300 crores. Then industrial estate in J&K, INR 530 crores: Institute of Chemical Technology, INR 300 crores: then ITFT Kakinada, INR 150 crores. We are in talks with the Government of Zambia for their mass housing project for which they are receiving a huge amount of funding. So we want to capture that one. And we also are interested in rebuilding in Turkey, which was been devastated by earthquake recently. So we have approached Government of Turkey for assisting in their rebuilding work. In Amrapali also, some FAR is vacant, and we are trying that we should be doing the construction rather than selling the FAR. That also decision may be taken shortly."

Key developments

- 1) Chief Economic Advisor V Anantha Nageswaran on Thursday expressed hope that the GDP growth for the current financial year will exceed the projected 7 per cent in view of the expected revision of high frequency data. On Tuesday, the second advance estimate released by the National Statistical Office (NSO) maintained the growth projection of 7 per cent as was projected in the first advance estimate which was released in January. "Given the high frequency indicators and the pace at which they are recovering, I do believe that the current year's (GDP numbers)... are more likely to (be) revised upward than downward," he said here.

Real GDP or GDP at Constant (2011-12) Prices in the year 2022-23 is estimated at Rs. 159.71 trillion as against the first revised estimate of GDP for the year 2021-22 of Rs. 149.26 trillion. The growth in real GDP during 2022-23 is estimated at 7 per cent as compared to 9.1 per cent in 2021-22, the NSO had said. The growth slowed to 4.4 per cent in the October-December quarter, mainly due to a contraction in the manufacturing sector, as per the data released by the NSO. On Tuesday, the NSO revised GDP growth data for the past three years -- 2019-20, 2020-21 and 2021-22 -- and also released the second advance estimate of GDP for 2022-23. While the growth rate for 2021-22 has been revised up by 40 basis points to 9.1 per cent from 8.7 per cent, the GDP for 2020-21 too has been revised upwards to

(-) 5.8 per cent from (-) 6.6 per cent. For 2019-20 also, the growth has been revised upwards to 3.9 per cent from 3.7 per cent.

Nageswaran said the rising interest rates need not necessarily be a cause of lower growth but simply reflects the fact that there is healthy underlying demand for credit. Real interest rate is not very high at the moment, he said, adding there is pent up demand in certain sectors.

About rural inflation remaining high, he said it doesn't take into account the fact that bulk of the population may be getting their essential food grains at zero cost. On the economic benefit of digitisation, he said that digital transactions enable increase in formalisation. "My guesswork is that it is adding between 30 and 50 basis points per annum to the provisional GDP... Nobody has yet done the proper estimation of what the digital infrastructure is adding to the overall potential economic growth (and) that needs to be worked out," he said.

(Source: Press Trust of India)

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

- 1) Indian benchmark indices ended in red on Thursday led by weak global cues like rising bond yields in US and macroeconomic data suggesting that global central banks will hike interest rates to curb inflation. Going forward, we believe movement in global bond yields will dictate market direction.
- 2) Global investors will keep an eye on US Fed stance amidst encouraging macroeconomic data. Street participants will continue to watch crude oil price movement, rupee movement against the US Dollar, economic activity in China, developments related to ongoing war between Russia and Ukraine and its financial implications on the western world.
- 3) 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, companies in the sectors like Capital Goods, select companies in the Infrastructure space, Railways, Defence, Banking, NBFCs and new age business segment can be considered.
- 4) It may be noted that majority of the Companies had delivered decent set of numbers in Q3FY23 results considering global concerns. Indian economy is performing strongly as indicated by manufacturing and services PMI data, good air passenger traffic, electricity and coal consumption 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 considering the high valuation in the large cap space.



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