

Key Benchmark indices across the globe

Index	Jan. 05, 2023	Jan.04, 2023	Change	% change	Open	High	Low
Nifty	17,992.15	18,042.95	50.80	0.28	18,101.95	18,120.30	17,892.60
Sensex	60,353.27	60,657.45	304.18	0.50	60,847.50	60,877.06	60,049.84
Shanghai Composite	3,155.22	3,123.52	31.70	1.01	3,132.76	3,159.43	3,130.23
Kospi	2,264.65	2,255.98	8.67	0.38	2,268.20	2,281.39	2,252.97
Nasdaq	10,340.02#	10,458.76	118.74	1.14	10,390.31	10,393.22	10,298.60
FTSE	7,633.45#	7,585.19	48.26	0.64	7,585.19	7,658.79	7,564.70
CAC	6,761.50#	6,776.43	14.93	0.22	6,744.50	6,792.09	6,732.04
DAX	14,436.31#	14,490.78	54.47	0.38	14,451.23	14,501.60	14,403.73

at the time of writing this report

Key macroeconomic indicators

Index	Jan. 05, 2023	Jan. 04, 2023
Brent Crude Oil (\$ per barrel)	79.6	77.8
Gold (\$ per ounce)	1,848	1,860
Indian Rupee against US\$	82.55	82.81
10 year G-sec (7.262032)	7.33%	7.32%
US 10 year G-sec	3.70%	3.68%

FII & DII activity

Index	Jan. 05, 2023	Jan. 04, 2023
FII activity (Rs. in Crore)	1,449.45	2,620.89
DII activity (Rs. in Crore)	194.09	773.58

Indian benchmark indices end in red; all eyes on Q3FY23 earnings season..

- 1) On Thursday, Indian benchmark indices ended in red as investors reacted to US Fed minutes which indicated a hawkish stance going forward. The Nifty had witnessed a negative opening and later touched an intraday low of 17,89.60. Finally, the Nifty ended the day down by 50.80 points or 0.28 percent to end at levels of 17,992.15. On the other hand, the Sensex ended the day down by 304.18 points or 0.50 percent to end the day at levels of 60,353.27.
- 2) Among the Nifty 50 stocks, the major gainers were Cipla, Bajaj Auto, ITC, Hindustan Unilever, JSW Steel up in the range of 1.86 percent to 2.17 percent. On the other hand, the major losers were Bajaj Finance, Bajaj Finserv, ICICI Bank, Infosys, Titan Company down in the range of 1.25 percent to 7.23 percent.
- 3) The broader markets were upbeat on Thursday. The Nifty Midcap 100 index was up by 0.50 percent while the Nifty Smallcap 100 index was up by 0.03 percent respectively.
- 4) In terms of sectoral indices performance, the major gainers were Nifty FMCG index up by 1.55 percent, Nifty Oil & Gas index up by 1.46 percent, Nifty Auto index up by 1.16 percent, Nifty Pharma index up by 1.03 percent, Nifty Healthcare index up by 0.96 percent. On the other hand, the major losers were Nifty Financial Services index down by 1.18 percent, Nifty Financial Services 25/50 index was down by 0.99 percent, Nifty Bank index down by 0.81 percent, Nifty Private Bank index down by 0.79 percent, Nifty IT index down by 0.52 percent.
- 5) On Thursday, FIIs net sold equities worth Rs. 1,449.45 Crore. On the other hand, DIIs too net sold equities worth Rs. 194.09 Crore. In the month of December 2022, FIIs have net sold equities worth Rs. 14,231.09 Crore and DIIs net bought equities worth Rs. 24,159.13 Crore. In the month of November 2022, FIIs had 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 Engineers India ended up by 7.35 percent to Rs. 84.70 at the NSE on Thursday. Engineers India Limited (EIL) and Numaligarh Refinery Limited (NRL) have recently inked a Memorandum of Agreement (MoA) to jointly develop technology for 'Production of aqueous Ammonia from Ammonia rich sour gases' and demonstrate at NRL site. The collaboration agreement was executed on 29th December, 2022 by authorised representatives of EIL and NRL in New Delhi in presence of Ms. Vartika Shukla, CMD, EIL, Dr. Ranjit Rath, Chairman, NRL & CMD, Oil India Limited and Mr. Bhaskar Jyoti Phukan, MD, NRL. This MoA shall pave the way for demonstration of technologies jointly developed by EIL and NRL. This endeavour will generate a win-win scenario for both EIL, with a rich experience in the knowhow in development, design & engineering, and NRL, having vast experience in the operation of SRU towards commercialisation of indigenous technologies. Development of technology for production of Ammonia from the sour gases shall be addressing the issues related to processing of ammonia in SRU besides generating value from the waste stream. Commenting on this development CMD, EIL, Ms. Vartika Shukla said "This collaborative arrangement with NRL is one of major steps taken by the company for indigenous technology development and deployment leading to Atmanirbharta in the energy sector providing impetus to EIL's diversified portfolio of supplying technological and proprietary engineered items/ products".
- 2) Shares of Apollo Tyres ended up by 5.87 percent to Rs. 338.85 at the NSE on Thursday. In Q2FY23, the Company reported double digit growth (YoY) in Consolidated top line and EBITDA, despite challenging environment. Q2FY23 was once again marked by steep increase in Raw Material and other costs like energy (especially in Europe). Despite cost push, the Company reported sequential improvement in standalone and Europe operating margin performance in Q2FY23. Consolidated EBITDA margin stood at 12 percent - was down 61 bps YoY and up 35bps QoQ.
- 3) Shares of Minda Corp ended up by 4.75 percent to Rs. 218.40 at the NSE on Thursday. Minda Corporation is one of the leading automotive component manufacturing companies in India with a pan-India presence and significant international footprint. The Company was incorporated in 1985. Minda Corporation is the flagship company of Spark Minda, which was part of the erstwhile Minda Group. The Company has a diversified product portfolio that encompasses Mechatronics; Information and Connected Systems and Plastic and Interior for auto OEMs. These products cater to 2/3 wheelers, passenger vehicles, commercial vehicles, off-roaders and aftermarket. The Company has a diversified customer base including Indian and global original equipment manufacturers and Tier-1 customers.

Recently, the Company inaugurated the state-of-the-art Wiring Harness plant in Chakan, Pune. The new Greenfield facility takes the count of plants across the country to 28. Speaking at the inauguration ceremony, Mr. Ashok Minda, Chairman and Group CEO, said, "Spark Minda has come a long way since the establishment of the group in 1958. Customer centricity has always been at the heart of what we do as we collectively work towards pursuing excellence with the intent of providing the best to our customers. Our evolving technological knowhow coupled with experience in the sector has helped us stay ahead of the curve by providing holistic solutions to benefit them." "This new-age, state-of-the-art plant facility will lead the change. Focusing on zero-defect products, this plant will reset benchmarking on multiple manufacturing parameters, setting the bar higher." he added. The plant is a greenfield facility capable of generating 100% solar power which will further enrich Spark Minda's focus on sustainability and ESG parameters. Spread across the 1.90 lakhs square feet, the factory is equipped with advanced machines backed by cutting edge technology. The other Wiring Harness plants are located in Pune, Pillaipakkam, Kakkalur, Mysore, Murbad, Greater NOIDA, Pithampur, Haridwar and Vietnam.

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

- 1) Indian equities ended in red on Thursday led by investors reaction towards hawkish US Fed minutes. Going forward, investors will keenly track 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.
- 3) Street participants will continue to watch COVID-19 developments in China after China's reopening, rupee movement against the US Dollar, economic activity in China after recent COVID-19 developments, global bond yields, crude oil



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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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