

Key Benchmark indices across the globe

Index	Jan. 06, 2023	Jan.05, 2023	Change	% change	Open	High	Low
Nifty	17,859.45	17,992.15	132.70	0.74	18,008.05	18,047.40	17,795.55
Sensex	59,900.37	60,353.27	452.90	0.75	60,388.74	60,537.63	59,669.91
Shanghai Composite	3,157.64	3,155.22	2.42	0.08	3,155.07	3,170.74	3,151.84
Kospi	2,289.97	2,264.65	25.32	1.12	2,253.40	2,300.62	2,253.27
Nasdaq	10,569.29	10,305.24	264.05	2.56	10,363.96	10,439.56	10,265.04
FTSE	7,699.49	7,633.45	66.04	0.87	7,633.45	7,695.12	7,633.45
CAC	6,860.95	6,761.50	99.45	1.47	6,772.94	6,833.53	6,757.46
DAX	14,610.02	14,436.31	173.71	1.20	14,476.72	14,544.40	14,388.98

Key macroeconomic indicators

Index	Jan. 06, 2023	Jan. 05, 2023
Brent Crude Oil (\$ per barrel)	78.9	78.7
Gold (\$ per ounce)	1,838	1,834
Indian Rupee against US\$	82.73	82.55
10 year G-sec (7.262032)	7.37%	7.33%
US 10 year G-sec	3.73%	3.72%

FII & DII activity

Index	Jan. 06, 2023	Jan. 05, 2023
FII activity (Rs. in Crore)	2,902.46	1,449.45
DII activity (Rs. in Crore)	1,083.17	194.09

All eyes on Q3FY23 earnings season; domestic bourses end in red..

- 1) On Friday, Indian benchmark indices continued to remain under pressure. The Nifty had witnessed a positive opening and later touched an intraday high of 18,047.40. Finally, the Nifty gave up all the gains and ended the day down by 132.70 points or 0.74 percent to end at levels of 17,859.45. On the other hand, the Sensex ended the day down by 452.90 points or 0.75 percent to end the day at levels of 59,900.37
- 2) Among the Nifty 50 stocks, the major gainers were Britannia, Reliance Industries, Mahindra & Mahindra, BPCL, ONGC up in the range of 0.68 percent to 1.20 percent. On the other hand, the major losers were JSW Steel, Tata Consultancy Services, IndusInd Bank, Bajaj Finserv, Tech Mahindra down in the range of 2.54 percent to 3.02 percent.
- 3) The broader markets too were under pressure today. The Nifty Midcap 100 index was down by 0.76 percent while the Nifty Smallcap 100 index was down by 0.81 percent respectively.
- 4) In terms of sectoral indices performance, the major losers were Nifty IT index down by 2 percent, Nifty Media index down by 1.45 percent, Nifty Private Bank index down by 1.12 percent, Nifty Bank index down by 0.99 percent, Nifty Financial Services index down by 0.95 percent, Nifty Financial Services 25/50 index down by 0.91 percent, Nifty PSU Bank index down by 0.84 percent.
- 5) On Friday, FIIs net sold equities worth Rs. 2,902.46 Crore. On the other hand, DIIs net bought equities worth Rs. 1,083.17 Crore. During the last week, FIIs were net sellers and sold equities worth Rs. 7,813.44 Crore, while DIIs net bought equities worth of Rs 2,756.58 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.
- 6) In the week gone by, the Sensex declined by 940.37 points or 1.54 percent to levels of 59,900.37. On the other hand, the Nifty fell by 245.85 points or 1.35 percent to end the week at levels of 17,859.45.

Sectors & Stocks

- 1) Shares of IDBI Bank ended up by 7.58 percent to Rs. 58.90 at the NSE on Friday. In past three months, the stock IDBI Bank has witnessed a rally of around 35 per cent.

Earlier, the Bank's exchange filing titled: Strategic Disinvestment of IDBI Bank Ltd. - Issue of Preliminary Information Memorandum (PIM)/ Expression of Interest (EoI) said "In Continuation of Bank's earlier disclosure dated May 05, 2021, this is to inform that the Government of India ("GoI") acting through Department of Investment and Public Asset Management (DIPAM), has engaged KPMG India Private Limited as the Transaction Advisor and Link legal as the Legal Advisors for providing advisory services and managing the transaction. GoI currently holds 45.48% and Life Insurance Corporation of India ("LIC") holds 49.24% of the total equity share capital of the Bank. It has now been informed that pursuant to the strategic disinvestment of IDBI Bank (i) GoI shall sell such number of shares representing 30.48% (thirty decimal four eight percent); and (ii) LIC shall sell such number of shares representing 30.24% (thirty decimal two four percent), aggregating to 60.72% (sixty decimal seven two percent) of the equity share capital of IDBI Bank, along with transfer of management control in IDBI Bank."

- 2) Shares of KPIT Technologies ended up by 4.73 percent to Rs. 715.00 at the NSE on Friday. Earlier, KPIT Technologies, one of the largest software integration partners for the automotive & mobility industry – announced that it has been selected by Renault Group as a strategic software scaling partner for next-generation SDV programs. Renault Group is making significant investments and strategic partnerships to develop an industry-leading SDV platform. This platform will drive Renault Group's global growth over the following decades by delivering unmatched experience to end consumers and unlocking monetization over the length of vehicle ownership. KPIT's two decades of experience in automotive and mobility software, cross-domain competencies, global scale, and ecosystem of alliance partners, along with the expertise in developing SDV roadmaps for several industry leaders, makes them best poised to contribute to Renault Group's vision. KPIT's global footprint, combined with access to a talent pool and robust training programs, will create the desired scale the program demands. Renault Group expects the SDV technology programs to drive value to its roadmap of vehicle production programs that will start from 2026. "Our vision is to Reimagine Mobility with industry leaders like Renault Group. We are proud and deeply excited to contribute to 100+ years of Renault Group's role in shaping the automotive industry landscape. Renault Group has attracted consumers globally with leadership in several markets. The power of software from KPIT will unlock electrification, autonomous driving, and connected vehicle experiences that will delight Renault consumers. KPIT will bring competencies at scale, IP, an ecosystem of partnerships, thereby creating long-term value. We are looking forward to jointly building an industry-leading solution for the automotive and mobility industry." said Mr. Kishor Patil, CEO, KPIT Technologies.

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

- 1) Indian equities continued to be red on Friday led by weak global cues like increasing COVID-19 cases in China, 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 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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