

**Key Benchmark indices across the globe**

Index	Sep. 07, 2023	Prev. close	Change	% change	Open	High	Low
<b>Nifty</b>	19,727.05	19,611.05	<b>116.00</b>	<b>0.59</b>	19,598.65	19,737.00	19,550.05
<b>Sensex</b>	66,265.56	65,880.52	<b>385.04</b>	<b>0.58</b>	65,854.25	66,296.90	65,672.34
<b>Nikkei 225</b>	32,991.08	33,241.02	<b>249.94</b>	<b>0.76</b>	33,118.55	33,322.45	32,986.35
<b>Kospi</b>	2,548.26	2,563.34	<b>15.08</b>	<b>0.59</b>	2,544.87	2,562.42	2,539.24
<b>Shanghai Composite</b>	3,122.35	3,158.08	<b>35.73</b>	<b>1.14</b>	3,152.20	3,152.27	3,120.82
<b>Dow Jones</b>	34,518.06#	34,443.19	<b>74.87</b>	<b>0.22</b>	34,373.21	34,531.05	34,351.18
<b>Nasdaq</b>	13,691.79#	13,872.47	<b>180.68</b>	<b>1.30</b>	13,675.11	13,749.23	13,642.47
<b>FTSE</b>	7,441.72#	7,426.14	<b>15.58</b>	<b>0.21</b>	7,426.14	7,462.18	7,385.92
<b>CAC</b>	7,196.10#	7,194.09	<b>2.01</b>	<b>0.03</b>	7,165.98	7,240.72	7,165.98
<b>DAX</b>	15,718.66#	15,741.37	<b>22.71</b>	<b>0.14</b>	15,661.66	15,794.72	15,661.38

# denotes Sep. 07, 2023 levels at the time of writing this report

**Key macroeconomic indicators**

Index	Sep. 07, 2023	Sep. 06, 2023
<b>Brent Crude Oil (\$ per barrel)</b>	90.03#	90.60
<b>Gold (\$ per ounce)</b>	1,920.53#	1,916.28
<b>Indian Rupee against US\$</b>	83.21	83.15
<b>India 10 year bond yield (%)</b>	7.17	7.21
<b>US 10 year G-sec (%)</b>	4.27#	4.29

# denotes Sep. 07, 2023 levels at the time of writing this report

**FII & DII activity**

Index	Sep. 07, 2023	Sep. 06, 2023
<b>FII activity (Rs. in Crore)</b>	<b>758.55</b>	<b>3,245.86</b>
<b>DII activity (Rs. in Crore)</b>	<b>28.11</b>	<b>247.46</b>

**Indian equities continue to witness buoyancy; PSU stocks outperform..**

- 1) On Thursday, the Indian benchmark indices ended in the positive terrain led by easing of US Bond yields and domestic bond yields. Positive demand outlook owing to the festive season ahead has improved sentiments. The Nifty opened on a positive note and later touched an intraday high of 19,737.00. Finally, the Nifty ended the day up by 116.00 points or 0.59 percent to end at levels of 19,727.05. On the other hand, the Sensex ended the day up by 385.04 points or 0.58 percent to end the day at levels of 66,265.56.
- 2) Among the Nifty 50 stocks, the major gainers were Coal India, Larsen & Toubro, IndusInd Bank, SBI Life Insurance Company, State Bank of India up in the range 1.77 percent to 6.92 percent. On the other hand, the major losers were Tata Consumer Products, ONGC, Britannia Industries, Mahindra & Mahindra, Sun Pharmaceutical Industries down in the range of 0.73 percent to 2.27 percent.
- 3) The broader markets too were upbeat on Thursday. The Nifty Midcap 100 index was up by 0.77 percent and the Nifty Smallcap 100 index was up by 0.47 percent.
- 4) In terms of the sectoral indices performance, the major gainers were Nifty Realty index up by 1.48 percent, Nifty Financial Services 25/50 index up by 1.21 percent, Nifty PSU Bank index up by 1.19 percent, Nifty Media index up by



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1.09 percent, Nifty Bank index up by 1.06 percent, Nifty Financial Services index up by 1.02 percent. On the other hand, the major losers were Nifty FMCG index down by 0.41 percent, Nifty Pharma index down by 0.32 percent, Nifty Healthcare index down by 0.12 percent, Nifty Metal index down by 0.04 percent.

- 5) On Thursday, FIIs have net sold equities worth Rs. 758.55 Crore. On the other hand, DIIs net bought equities worth Rs. 28.11 Crore. In the month of August 2023, FIIs had net sold equities worth Rs. 20,620.65 Crore and DIIs had net bought equities worth Rs. 25,016.95 Crore.

### Sectors & Stocks

- 1) Shares of Larsen & Toubro Limited made a record high of Rs. 2,855.95 and finally closed up by 4.24 percent to Rs. 2,846.10 at the NSE on Thursday. Earlier, the Company had approved the Buyback of up to 3,33,33,333 (Three Crore Thirty Three Lakh Thirty Three Thousand Three Hundred and Thirty Three only) fully paid-up equity shares of the Company of face value of Rs. 2/- (Rupees Two only) each, for an aggregate consideration not exceeding Rs. 10,000 crore (Rupees Ten Thousand Crore only), at a price of Rs. 3,000/- (Rupees Three Thousand only) per equity share on a proportionate basis by way of a tender offer route using stock exchange mechanism. The Company has fixed September 12, 2023, as the record date for the purpose of determining the entitlement and the names of equity shareholders who would be eligible to participate in the buyback.
- 2) Shares of Cochin Shipyard Limited (CSL) ended up by 20 percent to Rs. 1,146.15 at the NSE on Thursday. Cochin Shipyard is a renowned shipbuilding and ship repair company committed to excellence and innovation in the maritime industry. The Company has a legacy spanning over five decades and has emerged as a trusted name in delivering world-class vessels and providing comprehensive ship repair services. The Company has a strong track record of building and delivering prestigious vessels, including the Indigenous Aircraft Carrier for the Indian Navy. The Company's expertise extends to constructing and repairing some of the largest ships in India. As a recognition to its strong financial performance, operational efficiency and contribution to national security, CSL has been upgraded to a 'Schedule A' CPSE by the Government of India. Collaborating with renowned technology firms like Rolls Royce Marine, GTT, IHC Holland, Robert Allan, Fincantieri, Vard Group etc., the Company has solidified its position in the international market, exporting 47 vessels to esteemed clients in countries such as Norway, Netherlands, Cyprus, USA, Germany, Denmark/ Bahamas, Saudi Arabia and UAE. The Company had delivered strong Q1FY24 result.
- 3) Shares of Garden Reach Shipbuilders & Engineers Limited (GRSE) ended up by 10.71 percent to Rs. 909 after hitting an intraday high of Rs. 966.40 at the NSE on Thursday. Commodore P.R. Hari, Indian Navy (Retired) – Chairman & Managing Director of the Company in Q1FY24 analyst concall had said "FY24 has started on a very vibrant note for GRSE with the shipyard recording the best ever quarterly results in the history of the company. As far as ship deliveries are concerned, we have delivered one vessel, a passenger-cum-cargo ferry to the Cooperative Republic of Guyana, and the formal delivery was held on 23rd of April 2023. As far as the project milestones go, we launched three warships during the quarter with two ships being launched on a single day that is 13th of June 2023, the third Anti-Submarine Shallow Watercraft and the fourth Survey Vessel Large. He further added "Arguably, the most important event in the history of the shipyard, the launch of a major warship by the Honorable President of India was held as recently as 17th of August 2023. On this day, the third P17 Alpha Ship 'Dunagiri' was launched. As far as our order book position goes, as on 30th of June 2023, our order book stands at a healthy ₹24,546 crore. This comprises of six projects including four projects for the Indian Navy. These four projects comprised of 19 warships, three P17 Alpha, 10 frigates, 8 Anti-Submarine Shallow Watercraft, 4 Next-Generation Ocean-Going Patrol vessel, and 4 Survey Vessel Large."

As on date of Q1FY24 analyst concall, the order book value of the P17 Alpha Project, which forms a major chunk of its order book, stood at Rs. 13,745 crore, ASW Shallow Watercraft Project Comprising of 8 Ships contributing to Rs. 5,438 crore and the Next-Generation Ocean-Going Patrol Vessels Rs. 3,400 crore and the survey vessel around Rs. 1,300 crore

- 4) Shares of Coal India Limited ended up by 6.92 percent to Rs. 273.50 at the NSE on Thursday. Sustaining its production pace, Coal India Limited (CIL) produced 52.3 million tonnes (MTs) of coal in August 2023 registering a strong 13.2% over 46.2 MTs of August 2022. Comparative production for the month surged ahead by 6.1 MTs. Staying on course with the annual asking growth of 11%, till August FY 2024, the state owned coal miner produced 281.5 MTs posting 11.1% year-on-year growth. The volume expansion in production was 28.2 MTs during the first five months of FY 2024 compared to 253.3 MTs during the same period FY 2023. Total coal supplies to all consuming sectors shot up to 59 MTs in August 2023 reflecting a strong double digit growth of 15.3% compared to 51.2 MTs of same month last fiscal. Supplies were up nearly 8 MTs in a single month. During April-August 2023 total coal off-take rose to 305.5 MTs with around 8% growth with a 22.4 MT gain over same period last year, when the off-take was



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283.1 MTs. CIL continued to pump higher quantities of coal to non-power sector (NPS) as supplies to them recorded a robust 61% growth at 12.1 MTs in August 2023. This was a jump of 4.6 MTs compared to 7.5 MTs in August 2022.

- 5) Shares of Power Finance Corporation Limited ended up by 5.98 percent to Rs. 272.90 at the NSE on Thursday. According to the Company's press release the Company has fixed September 21, 2023 as the Record Date for the Bonus Issue of One (1) Equity Share of Rs. 10/- each fully paid-up for every Four (4) existing Equity Shares of Rs. 10/- each fully paid-up, subject to the approval of Members at the ensuing 37th Annual General Meeting of the Company scheduled to be held on September 12, 2023.

### **Key recent developments**

- 1) China's exports and imports extended declines in August as the twin pressures of sagging overseas demand and weak consumer spending at home squeezed businesses in the world's second-largest economy, although the falls were slower than expected.

While the trade numbers follow a run of other indicators showing a possible stabilisation in China's downturn, they remain far short of the growth economists anticipated earlier this year when the government abandoned its strict COVID curbs. Exports dropped 8.8% in August year-on-year, customs data showed on Thursday, beating a forecast of 9.2% in a Reuters poll and off a 14.5% drop in July. Meanwhile, imports contracted 7.3%, slower than an expected 9.0% decline and last month's 12.4% fall.

China's economy is at risk of missing Beijing's annual growth target of about 5% as officials wrestle with a worsening property slump, weak consumer spending and tumbling credit growth, leading analysts to downgrade forecasts for the year.

(Source: Reuters)

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

- 1) Indian equities ended in the positive terrain on Thursday. Rally was witnessed in Banking, Financial Services and PSUs especially Shipbuilding companies rallied significantly led by strong business prospects. Stock specific action continued in the midcaps and smallcaps space. Sentiments have turned positive led by easing of US bond yields and domestic bond yields, good GDP data and Manufacturing PMI data, positive demand outlook led by upcoming festive season despite deficit rainfall in August 2023. We expect markets to remain stock specific in the near term. However, deficit rainfall can play a spoilsport. We believe deficit rainfall in August can affect agriculture output which will result in subdued farmers' income. According to India Meteorological Department (IMD), even if the rainfall in September was to remain on the higher side, the June-September seasonal rainfall average is expected to be below normal for the season. This may result in some impact on sectors like Auto, Banking etc. Earlier, Chief Economic Advisor V Anantha Nageswaran was of the view that the economy is expected to grow at 6.5 per cent in the current fiscal notwithstanding deficient monsoon rains. Globally, weak trade data of China in August 2023 will act as headwind.
- 2) Street participants will keep an eye on the upcoming G-20 summit and will take cues from the key takeaways from the meet. Investors will continue to watch global bond yields as it will dictate treasury performance of Banks, rupee movement against the US Dollar, crude oil price movement and economic activity in China after the recent trade data.
- 3) Domestically, we suggest investors to remain stock specific and be wary of valuations of companies getting out of comfort zone especially in smallcaps. At the moment, companies in the sectors like Auto, Auto ancillaries, Banking, NBFCs, Consumer Durables, Capital Goods, Defence, Engineering, Real Estate, select companies in the Infrastructure space, Railways can be considered. We have faith in the India story and believe that the domestic economy is strongly placed as compared to the global peers which will attract investors. Domestically, the economy is doing well which is evident from the recent GST collection data, increase in investment led spending and other indicators like passenger air traffic, hotel occupancy, power consumption, auto sales, coal production data etc. Encouraging Q1FY24 results suggest that economy is doing well. Results announced by PSU Banks, NBFCs announced indicated good times for Banking and Financial Services sector. Private Banks too had reported good Q1FY24 performance.



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