

Key Benchmark indices across the globe

Index	Jan. 11, 2023	Jan. 10, 2023	Change	% change	Open	High	Low
Nifty	17,895.70	17,914.15	18.45	0.10	17,924.25	17,976.35	17,824.35
Sensex	60,105.50	60,115.48	9.98	0.02	60,134.56	60,364.77	59,805.78
Shanghai Composite	3,161.84	3,169.51	7.67	0.24	3,172.38	3,184.76	3,160.89
Kospi	2,359.53	2,351.31	8.22	0.35	2,364.05	2,369.66	2,350.36
Dow Jones	33,786.67#	33,704.10	82.57	0.24	33,754.03	33,868.84	33,711.04
Nasdaq	10,816.15#	10,742.63	73.52	0.68	10,794.99	10,855.15	10,762.73
FTSE	7,729.07#	7,694.35	34.58	0.45	7,694.49	7,772.37	7,694.35
CAC	6,920.10#	6,869.14	50.96	0.74	6,879.10	6,946.67	6,874.71
DAX	14,924.59#	14,774.60	149.99	1.02	14,805.40	14,965.47	14,794.99

at the time of writing this report

Key macroeconomic indicators

Index	Jan. 11, 2023	Jan. 10, 2023
Brent Crude Oil (\$ per barrel)	80.5	80.1
Gold (\$ per ounce)	1,885	1,874
Indian Rupee against US\$	81.58	81.79
10 year G-sec (7.262032)	7.29%	7.31%
US 10 year G-sec	3.57%	3.62%

FII & DII activity

Index	Jan. 11, 2023	Jan. 10, 2023
FII activity (Rs. in Crore)	3,208.15	2,109.34
DII activity (Rs. in Crore)	2,430.62	1,806.62

Robust direct tax collections will improve sentiments; ongoing Q3FY23 earnings season to drive market direction..

- 1) On Wednesday, Indian benchmark indices ended in the negative terrain amidst high volatility. The Nifty had witnessed a positive opening and gave up all gains to touch an intraday low of 17,824.35. Finally, the Nifty ended the day marginally down by 18.45 points or 0.10 percent to end at levels of 17,895.70. On the other hand, the Sensex ended the day, down by 9.98 points or 0.02 percent to end the day at levels of 60,105.50.
- 2) Among the Nifty 50 stocks, the major gainers were Hindalco Industries, BPCL, Sun Pharma, Ultratech Cement, HDFC Bank up in the range of 1.32 percent to 2.77 percent. On the other hand, the major losers were Bharti Airtel, Cipla, Divis Lab, Apollo Hospitals, Hindustan Unilever down in the range of 1.95 percent to 3.46 percent.
- 3) The broader markets too were under pressure today. The Nifty Midcap 100 index was down by 0.32 percent while the Nifty Smallcap 100 index was down by 0.05 percent respectively.
- 4) In terms of sectoral indices performance, the major losers were Nifty FMCG index down by 1.13 percent, Nifty Healthcare index down by 0.81 percent, Nifty Pharma index down by 0.66 percent, Nifty Oil & Gas index down by 0.43 percent.
- 5) On Wednesday, FIIs net sold equities worth Rs. 3,208.15 Crore. On the other hand, DIIs net bought equities worth Rs. 2,430.62 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 Greaves Cotton ended up by 7.19 percent to Rs. 142.35 at the NSE on Wednesday. Greaves Cotton Limited, one of India's leading diversified engineering companies, showcased its EV might at the ongoing Auto Expo 2023 in Greater Noida today. The Company unveiled its new, Made in India product offerings across two-wheelers and three-wheelers including the game changing e2w - Ampere Primus. Significantly, Greaves Cotton announced it will leverage its decades of engineering expertise to manufacture powertrains as it aims to lead last-mile passenger and cargo mobility through a complete EV ecosystem stack.

Commenting on Greaves Cotton's transition into a transformational catalyst for India's EV ecosystem, Nagesh Basavanhalli, Executive Vice Chairman of Greaves Cotton Limited said, "Greaves Cotton is in the process of transitioning from a metal-based, manufacturing engineering company to an electric, electronic and mechatronics based mobility technology company that is solving the 21st century challenges in clean and affordable last-mile mobility. The products and technology we have unveiled here, today, bear testimony to our purposeful stride towards emerging as India's most complete EV ecosystem player. Each product, inspired by the Arctic Tern, epitomizes its sustainable spirit, aerodynamic efficiency for mobility and intelligent design. We are committed to help India transition to electric mobility while setting a new benchmark of scale, sophistication, and diversity in the EV landscape. 2023 marks a new growth phase for us, as we provide holistic, end-to-end solutions and empower lives."

- 2) Shares of Marksans Pharma ended up by 6.42 percent to Rs. 66.30 at the NSE on Wednesday. Mr. Mark Saldanha Chairman & Managing Director of the Company in the Company's Q2FY23 analyst concall had said "We have had a strong financial performance, and a high doubledigit growth across all the regions in the quarter. Our robust growth comes from regions which were supported with obviously, volume growth as well as market share gains in existing products. A strong revenue growth, and a focus on cost efficiencies, resulted in an improved margins of 17.7% in the quarter. Moving on to the operational environment, it continued to remain tough with high inflation, supply chain challenges and pricing pressure. We witnessed high single digit price erosion in generic Rx business in the US. Our focus remains on sustainable growth. Manufacturing and innovations are a strategic pillar for growth. In October 2022, we acquired a manufacturing facility from Teva India, that has a potential to scale up our manufacturing footprints in India, by an additional 8 billion units per annum, over the period of next two years. This will drive our transformational growth journey moving forward. We plan to produce and manufacture tablets, hard capsules, soft gelatin ointments, creams, and liquids from this plant. This plant is in addition to the three existing manufacturing facilities in UK,US as well as in India, which we already have. This plant is basically spread across 47,597 square meters. It has approvals from EU health authorities, the HealthCanada, and the Japanese health authorities. We are expecting this transaction to be finalized by April 1,2023, subject to the usual closing conditions."

Key development

- 1) The country's gross direct tax collection rose 24.58 per cent to Rs. 14.71 lakh crore till January 10 this fiscal, buoyed by an upsurge in personal income tax mop-up, the government data showed on Wednesday. After adjusting refunds, net direct tax collection stood at Rs. 12.31 lakh crore, 19.55 per cent higher than the net collections for the corresponding period of last year.

The net collection is 86.68 per cent of the total budget estimates of direct taxes for the current fiscal. The Budget had estimated direct tax collection at Rs. 14.20 lakh crore this fiscal. On gross basis, collections from corporate income tax (CIT) grew 19.72 per cent, while that for personal income tax (PIT) increased 30.46 per cent.

"The provisional figures of direct tax collections up to 10th January, 2023 continue to register steady growth. Direct tax collections up to 10th January, 2023 show that gross collections are at Rs. 14.71 lakh crore which is 24.58 per cent higher than the gross collections for the corresponding period of last year," the Central Board of Direct Taxes (CBDT) said in a statement.

After adjusting refunds, the net growth in CIT collections is 18.33 per cent and that in PIT (including securities transaction tax) is 20.97 per cent. Refunds amounting to Rs 2.40 lakh crore have been issued between April 1, 2022, to January 10, 2023, which are 58.74 per cent higher than refunds issued during the same period last year.

(Source: Press Trust of India)

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

- 1) Indian benchmark indices ended in red on Wednesday. Going forward, investors will eye US Consumer inflation data. Remember, the US Fed minutes suggested hawkish stance. Investors will keenly track ongoing 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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SEBI registration Number: INH000001170 as per SEBI (Research Analysts) Regulations, 2014.

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