

Key Benchmark indices across the globe

Index	March 13, 2023	March 10, 2023	Change	% change	Open	High	Low
Nifty	17,154.30	17,412.90	258.60	1.49	17,421.90	17,529.90	17,113.45
Sensex	58,237.85	59,135.13	897.28	1.52	59,033.77	59,510.92	58,094.55
Shanghai Composite	3,268.70	3,230.08	38.62	1.18	3,228.12	3,268.70	3,228.12
Hang Seng	19,695.97	19,319.92	376.05	1.91	19,411.88	19,791.64	19,390.38
Kospi	2,410.60	2,394.59	16.01	0.66	2,400.45	2,413.24	2,369.79
Nikkei 225	27,832.96	28,143.97	311.01	1.12	27,886.21	27,906.97	27,631.53
Dow Jones	32,139.12#	31,909.64	229.48	0.72	31,587.65	32,193.06	31,624.87
Nasdaq	11,273.73#	11,138.89	134.85	1.21	11,043.13	11,279.28	10,982.80
FTSE	7,584.26#	7,748.35	164.09	2.12	7,748.35	7,752.43	7,548.30
CAC	7,044.90#	7,220.67	175.77	2.43	7,211.44	7,211.44	6,979.55
DAX	15,034.08#	15,427.97	393.89	2.55	15,435.16	15,435.81	14,887.44

at the time of writing this report

Key macroeconomic indicators

Index	March 13, 2023	March 10, 2023
Brent Crude Oil (\$ per barrel)	82.11#	82.78
Gold (\$ per ounce)	1,910.11#	1,867.83
Indian Rupee against US\$	82.13	82.05
India 10 year bond yield (%)	7.36	7.43
US 10 year G-sec (%)	3.48	3.70

FII & DII activity

Index	March 13, 2023	March 10, 2023
FII activity (Rs. in Crore)	1,546.86	2,061.47
DII activity (Rs. in Crore)	1,418.58	1,350.13

Indian equities remain under significant pressure; global cues to dictate market direction in the near term..

- 1) On Monday, Indian benchmark indices were under tremendous pressure as investor sentiments were affected led by the fall of US based Silicon Valley Bank. The Nifty had witnessed a positive opening and later touched an intraday low of 17,113.45. Finally, the Nifty ended the day down by 258.60 points or 1.49 percent to end at levels of 17,154.30. On the other hand, the Sensex ended the day, down by 897.28 points or 1.52 percent to end the day at levels of 58,237.85.
- 2) Among the Nifty 50 stocks, the major gainers were Tech Mahindra, Apollo Hospitals, Britannia, ONGC up in the range of 0.13 percent to 6.86 percent. On the other hand, the major losers were IndusInd Bank, State Bank of India, Tata Motors, Mahindra & Mahindra, Adani Ports down in the range of 2.69 percent to 7.33 percent.
- 3) The broader markets too were under pressure today. The Nifty Midcap 100 index was down by 1.99 percent and the Nifty Smallcap 100 index was down by 2.23 percent.
- 4) In terms of sectoral indices performance, the major losers were Nifty PSU Bank index down by 2.87 percent, Nifty Private Bank index down by 2.44 percent, Nifty Media index down by 2.51 percent, Nifty Bank index down by 2.27 percent, Nifty Auto index down by 2.24 percent.
- 5) On Monday, FIIs net sold equities worth Rs. 1,546.86 Crore. On the other hand, DIIs net bought equities worth Rs. 1,418.58 Crore. Month till date, FIIs have net bought equities worth Rs. 12,814.99 Crore. On the other hand, DIIs

have net bought equities worth Rs. 8,347.93 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 Tech Mahindra ended up by 6.86 percent to Rs. 1,134 at the NSE on Monday after the company announced the appointment of Mr. Mohit Joshi as Managing Director & Chief Executive Officer (CEO) of the company. Mr. Mohit Joshi joins the Company from Infosys, where he is currently the President. Mr. Mohit Joshi has over two decades of experience in the Enterprise technology software & consulting space and has worked with the largest corporations in the world in driving digital transformation and building thriving businesses.

Key developments

- 1) Domestically, India's retail inflation dropped marginally to 6.44 per cent in February from January's three-month high of 6.52 per cent, according to the data released by the Ministry of Statistics and Programme Implementation (MoSPI) on Monday. However, the inflation is still above the Reserve Bank of India's (RBI) upper tolerance level of 6 per cent for second straight month.
- 2) US stock indexes were mixed in choppy trading on Monday as investors weighed a possible pause in interest rate hikes by the Federal Reserve in March and risks of a contagion from Silicon Valley Bank's collapse. Trading in shares of SVB's peer Signature Bank, which was shut down by regulators on Sunday, was halted. First Republic Bank dropped 76.6% as news of fresh financing failed to reassure investors, while Western Alliance Bancorp, PacWest Bancorp fell 82.5% and 53% respectively. Trading in the stocks was halted several times due to volatility. The sudden shutdown of SVB Financial on Friday after a failed capital raise triggered concerns about risks to other banks from sharp rate hikes by the Fed over the last year, but has also spurred speculation about whether the central bank could slow the pace of its monetary tightening. (Source: Reuters)
- 3) President Joe Biden on Monday sought to reassure jittery Americans that they can have confidence that the US banking system is "safe" and vowed stricter bank regulation after a string of bank failures raised concerns about the nation's financial stability. The president's early morning comments came after US bank regulators spent the weekend working on a plan to shore up the public's confidence in the soundness of the financial system and limit spillover effects following the closing of the Silicon Valley Bank last week. "Americans can rest assured that our banking system is safe. Your deposits are safe," Biden said from the Roosevelt Room of the White House. Taxpayers will not bear any losses from the move, which will be funded by fees regulators charge to banks, he said. The banks' leaders will be fired, he added.

Biden in his address allayed fears, directly explaining what he has instructed his administration to do to protect small businesses and workers in the wake of regulator shutdowns of both Silicon Valley Bank and Signature Bank over the last few days. The California-based Silicon Valley Bank (SVB), the 16th largest bank in the United States, was closed on Friday by the California Department of Financial Protection and Innovation which later appointed the Federal Deposit Insurance Corporation (FDIC) as its receiver. It was the largest failure of a US bank since the financial crisis in 2008. It came after SVB was scrambling to raise money to plug a loss from the sale of assets affected by higher interest rates. Word of the troubles led customers to race to withdraw funds leading to a cash crisis. Authorities on Sunday also said they had taken over Signature Bank of New York, which was seen as the institution most vulnerable to a similar bank run after SVB.

Biden administration officials announced Sunday that depositors with accounts at Silicon Valley Bank will have access to all of their money beginning Monday, and "no losses associated with the resolution of Silicon Valley Bank will be borne by the taxpayer." The emergency action "fully protects" all depositors, Treasury Secretary Janet Yellen, Federal Reserve Board Chair Jerome Powell and Federal Deposit Insurance Corporation (FDIC) Chairman Martin Gruenberg said. (Source: Press Trust of India)

- 4) HSBC Holdings plc announces that its UK ring-fenced subsidiary, HSBC UK Bank plc, is acquiring Silicon Valley Bank UK Limited (SVB UK) for £1. As at 10 March 2023, SVB UK had loans of around £5.5bn and deposits of around £6.7bn. For the financial year ending 31 December 2022, SVB UK recorded a profit before tax of £88m. SVB UK's tangible equity is expected to be around £1.4bn. Final calculation of the gain arising from the acquisition will be provided in due course. The assets and liabilities of the parent companies of SVB UK are excluded from the transaction. The transaction completes immediately. The acquisition will be funded from existing resources.

Noel Quinn, HSBC Group CEO, said, "This acquisition makes excellent strategic sense for our business in the UK. It strengthens our commercial banking franchise and enhances our ability to serve innovative and fast-growing firms,



including in the technology and life-science sectors, in the UK and internationally. "We welcome SVB UK's customers to HSBC and look forward to helping them grow in the UK and around the world. SVB UK customers can continue to bank as usual, safe in the knowledge that their deposits are backed by the strength, safety and security of HSBC. We warmly welcome SVB UK colleagues to HSBC, we are excited to start working with them." (Source: HSBC)

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

- 1) Indian equities were under tremendous pressure led by weak global cues like fall of US based Silicon Valley Bank. The panic was due to fear that there may be contagion effect and other global banks too would face the heat of hardening interest rates. Street participants will continue to watch global bond yields, rupee movement against the US Dollar, crude oil price movement, economic activity in China, developments related to ongoing war between Russia and Ukraine and its financial implications on the western world.
- 2) We believe that global headwinds will affect investor sentiments in the near term and would give buying opportunity on declines. 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. At the moment, companies in the sectors like Capital Goods, select companies in the Infrastructure space, Railways, Defence, Banking, NBFCs and select companies in the new age business segment can be considered.
- 3) 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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