

**Key Benchmark indices across the globe**

| Index                     | March 14, 2023 | March 13, 2023 | Change        | % change    | Open      | High      | Low       |
|---------------------------|----------------|----------------|---------------|-------------|-----------|-----------|-----------|
| <b>Nifty</b>              | 17,043.30      | 17,154.30      | <b>111.00</b> | <b>0.65</b> | 17,160.55 | 17,224.65 | 16,987.10 |
| <b>Sensex</b>             | 57,900.19      | 58,237.85      | <b>337.66</b> | <b>0.58</b> | 58,168.75 | 58,490.98 | 57,721.16 |
| <b>Shanghai Composite</b> | 3,245.31       | 3,268.70       | <b>23.39</b>  | <b>0.72</b> | 3,261.92  | 3,262.00  | 3,216.99  |
| <b>Hang Seng</b>          | 19,247.96      | 19,695.97      | <b>448.01</b> | <b>2.33</b> | 19,524.51 | 19,639.52 | 19,122.82 |
| <b>Kospi</b>              | 2,348.97       | 2,410.60       | <b>61.63</b>  | <b>2.62</b> | 2,390.36  | 2,390.78  | 2,348.19  |
| <b>Nikkei 225</b>         | 27,222.04      | 27,832.96      | <b>610.92</b> | <b>2.24</b> | 27,455.95 | 27,455.95 | 27,104.75 |
| <b>Dow Jones</b>          | 32,124.32#     | 31,819.14      | <b>305.18</b> | <b>0.96</b> | 32,163.32 | 32,306.59 | 32,054.02 |
| <b>Nasdaq</b>             | 11,423.62#     | 11,273.73      | <b>234.78</b> | <b>2.10</b> | 11,358.95 | 11,467.01 | 11,355.81 |
| <b>FTSE</b>               | 7,637.11#      | 7,548.63       | <b>88.48</b>  | <b>1.17</b> | 7,548.63  | 7,641.55  | 7,503.25  |
| <b>CAC</b>                | 7,141.57#      | 7,044.90       | <b>130.07</b> | <b>1.86</b> | 7,029.22  | 7,162.57  | 6,989.96  |
| <b>DAX</b>                | 15,232.83#     | 15,034.08      | <b>273.36</b> | <b>1.83</b> | 15,016.53 | 15,272.11 | 14,951.71 |

# at the time of writing this report

**Key macroeconomic indicators**

| Index                                  | March 14, 2023 | March 13, 2023 |
|--|----------------|----------------|
| <b>Brent Crude Oil (\$ per barrel)</b> | 78.73#         | 80.77          |
| <b>Gold (\$ per ounce)</b>             | 1,908.58#      | 1,913.24       |
| <b>Indian Rupee against US\$</b>       | 82.49          | 82.12          |
| <b>India 10 year bond yield (%)</b>    | 7.38           | 7.36           |
| <b>US 10 year G-sec (%)</b>            | 3.63#          | 3.48           |

**FII & DII activity**

| Index                              | March 14, 2023  | March 13, 2023  |
|------------------------------------|-----------------|-----------------|
| <b>FII activity (Rs. in Crore)</b> | <b>3,086.96</b> | <b>1,546.86</b> |
| <b>DII activity (Rs. in Crore)</b> | <b>2,121.94</b> | <b>1,418.58</b> |

**Domestic bourses continue to remain under pressure led by weak global cues; relief rally expected led by short covering..**

- 1) On Tuesday, Indian benchmark indices continued to remain under tremendous pressure as globally investor sentiments have been affected global bond yields are at elevated levels and the fall of US based Silicon Valley Bank has shattered global investor sentiments. Domestically, the Nifty had witnessed a positive opening and later touched an intraday low of 16,987.10. Finally, the Nifty ended the day down by 111 points or 0.65 percent to end at levels of 17,043.30. On the other hand, the Sensex ended the day, down by 337.66 points or 0.58 percent to end the day at levels of 57,900.19.
- 2) Among the Nifty 50 stocks, the major gainers were Titan Company, BPCL, Larsen & Toubro, Bharti Airtel, Sun Pharmaceutical Industries up in the range of 0.58 percent to 1.24 percent. On the other hand, the major losers were Adani Enterprises, Adani Ports, Mahindra & Mahindra, Tata Consultancy Services, HDFC Life down in the range of 1.64 percent to 7.70 percent.
- 3) The broader markets too were under pressure today. The Nifty Midcap 100 index was down by 0.52 percent and the Nifty Smallcap 100 index was down by 0.83 percent.
- 4) In terms of sectoral indices performance, the major losers were Nifty PSU Bank index down by 1.90 percent, Nifty Metal index down by 1.22 percent, Nifty Realty index down by 1.01 percent.

- 5) On Tuesday, FIIs net sold equities worth Rs. 3,086.96 Crore. On the other hand, DIIs net bought equities worth Rs. 2,121.94 Crore. Month till date, FIIs have net bought equities worth Rs. 9,728.03 Crore. On the other hand, DIIs have net bought equities worth Rs. 10,469.87 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 Sona BLW Precision Forgings Limited ended up by 6.99 percent at the NSE on Tuesday. Sona BLW Precision Forgings Limited (Sona Comstar) is one of the world's leading automotive technology companies. It was founded in 1995 and has its headquarters in Gurugram, India. Sona Comstar has emerged as a global supplier with nine manufacturing and assembly facilities across India, USA, Mexico and China. Sona Comstar is primarily engaged in designing, manufacturing and supplying highly engineered, missioncritical automotive systems and components to automotive OEMs. Sona Comstar is a leading supplier to the fast-growing global Electric Vehicle (EV) market. The company has strong R&D, engineering and technological capabilities in precision forging, mechanical and electrical systems, as well as base and application software development. It is diversified across geographies, products, vehicle segments and customers.

Funds affiliated with Blackstone (NYSE: BX) have sold their balance 20.5% stake in Sona BLW Precision Forgings Ltd. (Sona Comstar), one of the leading global providers of automotive technology solutions. Before Monday's transaction, Aureus Investment Private Limited and Blackstone held 33.0% and 20.5% respectively in Sona Comstar as the auto technology company's co-promoters. This stake sale happened via bulk deals in the open market, which saw strong demand from Foreign Institutional Investors, Sovereign Wealth Funds, Domestic Mutual Funds and Insurance companies. Marquee investors like the Government of Singapore, Fidelity, FMR, ICICI Prudential Life Insurance and HDFC MF bought shares from Blackstone in the bulk deal.

Sona Comstar offers its customers cutting-edge products that enable faster adoption of greener and safer mobility in India and globally. It is the leading global supplier of driveline solutions for Battery Electric Vehicles (BEV), Passenger Vehicles, Commercial Vehicles and Off-highway Vehicles. Sona Comstar is India's leading traction motor and motor-controllers supplier to electric two-wheelers (e2Ws). Sona Comstar was formed by the merger of Sona BLW and Comstar Automotive in 2019. Since then, the company has invested significantly in technology, software, capex and people, focused on the Electric Vehicle (EV) segment, completed technological partnerships and a strategic acquisition, and became India's largest EV component supplier.

## Key developments

- 1) Moody's Investors Service on Tuesday revised its outlook on the U.S. banking system to "negative" from "stable", citing heightened risks for the sector after the rapid unraveling of SVB Financial Group fueled fears of contagion. Bank runs at Silicon Valley Bank, Silvergate Capital Corp and Signature Bank have deteriorated the operating environment for the sector that is now battling a crisis of confidence, both from investors and depositors, the ratings agency said. Lenders that had "substantial" unrealized securities losses and uninsured deposits may be hurt more as customers look for safer alternatives to park their funds. Moody's also said it was expecting the Federal Reserve to continue tightening monetary policy, in contrast to some others who are expecting the bank collapses this month to reshape the trajectory for interest rate hikes. (Source: Reuters)
- 2) Underlying US consumer prices rose in February by more than forecast, leaving the Federal Reserve in a tough position as it tries to thwart still-rapid inflation without adding to the turmoil in the banking sector. The consumer price index, excluding food and energy, increased 0.5% last month and 5.5% from a year earlier, according to Bureau of Labor Statistics data out Tuesday. Economists see the gauge — known as the core CPI — as a better indicator of underlying inflation than the headline measure. The overall CPI climbed 0.4% in February and 6% from a year earlier. The median estimates in a Bloomberg survey of economists called for a 0.4% monthly advance in the overall and core CPI measures. (Source: Bloomberg)
- 3) The government on Tuesday informed the Rajya Sabha that it is taking steps to make India a USD 5 trillion economy earlier than the International Monetary Fund's forecast year of 2026-27. The IMF's World Economic Outlook earlier said the size of the Indian economy will increase from USD 3.2 trillion in 2021-22 to USD 3.5 trillion in 2022-23 and cross USD 5 trillion in 2026-27. "The government has been taking steps to make the country a USD 5 trillion economy at an early date," Minister of State for Finance Pankaj Chaudhary said in a written reply to the Upper House. Observing that the outbreak of the COVID pandemic in 2020 and the Russia-Ukraine conflict in 2022 has impacted the world output, increased inflation in several countries and raised uncertainty in the world economy, he said, "lower uncertainty in the global economic outlook will help India become a USD 5 trillion-dollar economy earlier". Some of the important measures taken by the government in the past to boost economic growth include the making of the National



infrastructure pipeline of projects, push to capital expenditure, implementation of the Production Linked Incentive (PLI) scheme, finalisation of the National Monetization Pipeline of public sector assets and formulation of National Logistics policy, he said. The minister further said that capital expenditure will be speeded up by PM Gatishakti for integrated planning of infrastructure and synchronised project implementation across all concerned central ministries, departments and state governments. (Source: Press Trust of India)

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

- 1) On Tuesday, Indian equities continued to remain under tremendous pressure led by weak global cues like fall of US based Silicon Valley Bank. The panic has set in led by fears that there may be contagion effect and other global banks too would face the heat of hardening interest rates.
- 2) We believe that global headwinds may have temporary affect on the investor sentiments. However, after the recent fall, short covering is expected as valuation of certain companies and especially PSU Banks have turned attractive.
- 3) Street participants 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, economic activity in China, developments related to ongoing war between Russia and Ukraine and its financial implications on the western world.
- 4) 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.
- 5) 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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