

Key Benchmark indices across the globe

Index	March 15, 2023	March 14, 2023	Change	% change	Open	High	Low
Nifty	16,972.15	17,043.30	71.15	0.42	17,166.45	17,211.35	16,938.90
Sensex	57,555.90	57,900.19	344.29	0.59	58,268.54	58,473.63	57,455.67
Shanghai Composite	3,263.31	3,245.31	18.00	0.55	3,261.03	3,273.12	3,256.86
Hang Seng	19,539.87	19,247.96	291.91	1.49	19,523.49	19,745.44	19,431.09
Kospi	2,379.72	2,348.97	30.75	1.29	2,380.09	2,395.36	2,370.77
Nikkei 225	27,229.48	27,222.04	7.44	0.03	27,421.66	27,424.94	27,105.99
Dow Jones	31,461.76#	32,155.40	693.64	2.16	31,607.73	31,775.01	31,421.77
Nasdaq	11,295.20#	11,428.15	132.95	1.16	11,291.17	11,367.44	11,238.44
FTSE	7,344.45#	7,637.11	292.66	3.98	7,637.11	7,637.39	7,333.35
CAC	6,885.71#	7,141.57	255.86	3.72	7,123.20	7,123.20	6,861.63
DAX	14,735.26#	15,232.83	497.57	3.38	15,175.44	15,246.17	14,702.91

at the time of writing this report

Key macroeconomic indicators

Index	March 15, 2023	March 14, 2023
Brent Crude Oil (\$ per barrel)	73.69#	77.45
Gold (\$ per ounce)	1,925.45#	1,902.12
Indian Rupee against US\$	82.60	82.49
India 10 year bond yield (%)	7.36	7.38
US 10 year G-sec (%)	3.44#	3.64

FII & DII activity

Index	March 15, 2023	March 14, 2023
FII activity (Rs. in Crore)	1,271.25	3,086.96
DII activity (Rs. in Crore)	1,823.94	2,121.94

Indian benchmark indices erase early gains and end in red; weak global cues affecting investor sentiments..

- 1) On Wednesday, Indian benchmark indices erased all early gains and witnessed selling in the later part of the day led by weak global cues. Globally investor sentiments have been affected led by fall of US based Silicon Valley Bank and Signature Bank. Domestically, the Nifty after a positive opening touched an intraday low of 16,938.90. Finally, the Nifty ended the day down by 71.15 points or 0.42 percent to end at levels of 16,972.15. On the other hand, the Sensex ended the day, down by 344.29 points or 0.59 percent to end the day at levels of 57,555.90.
- 2) Among the Nifty 50 stocks, the major gainers were Adani Enterprises, Adani Ports, Asian Paints, Tata Steel, Titan Company up in the range of 1.88 percent to 5.74 percent. On the other hand, the major losers were Bharti Airtel, IndusInd Bank, Reliance Industries, Hindustan Unilever, State Bank of India down in the range of 1.45 percent to 1.92 percent.
- 3) However, the broader markets were positive today. The Nifty Midcap 100 index was up by 0.07 percent and the Nifty Smallcap 100 index was up by 0.41 percent.
- 4) In terms of sectoral indices performance, the major losers were Nifty Media index down by 1.22 percent, Nifty PSU Bank index down by 1.21 percent, Nifty Bank index down by 0.91 percent, Nifty Private Bank index down by 0.85 percent, Nifty Realty index down by 0.85 percent.

- 5) On Wednesday, FIIs net sold equities worth Rs. 1,271.25 Crore. On the other hand, DIIs net bought equities worth Rs. 1,823.94 Crore. Month till date, FIIs have net bought equities worth Rs. 8,456.78 Crore. On the other hand, DIIs have net bought equities worth Rs. 12,293.81 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 G R Infraprojects Limited ended up by 6.93 percent to Rs. 1,065 at the NSE on Wednesday. Recently, the Company has emerged as L1 bidder in Financial Bid Opening dated 9th March 2023 for the tender invited by National Highways Authority of India for "Construction of 6 - lane Greenfield Varanasi- Ranchi- Kolkata Highway from Anarbansalea village to Sagrampur village (From KM. 151+200 to KM. 184+700, Pkg-7, Total Length = 33.50 Km) under Bharatmala Pariyojana in the state of Bihar on Hybrid Annuity Mode." The Bid Project cost is Rs. 1,248.37 Crore.

Earlier, Mr. Ajendra Kumar Agarwal - Managing Director of the Company in the analyst Q3FY23 concall had said " In order book mostly 90% shares are of Roads and Highway Development Projects. In the quarter third of FY23, the Company has achieved all the financial closures and till date the Company has 9 operational and 14 under construction projects. In FY23 till now the Company has submitted bid of almost Rs. 51,800 crores in which highway projects are worth of Rs. 42,100 crores, ropeway projects worth of Rs. 2,500 crores, railway and metro projects worth of Rs. 5,000 crores and transmission projects worth Rs. 2,200 crores."

- 2) Shares of Ramkrishna Forgings Limited ended up by 6.20 percent to Rs. 281.95 at the NSE on Wednesday. Ramkrishna Forgings was incorporated in 1981 with the objective to manufacture forged products. The Annualized installed capacity after commissioning of Hollow Spindle Line, a new 7000 Ton Press Line, a 2000 Ton warm/hot Forming Press and a fabrication facility is 187,100 MT. Headquartered at Kolkata, the company has state-of-the-art manufacturing facilities at Jamshedpur along with offices at Detroit in USA, Toluca and Monterrey in Mexico, Istanbul in Turkey having warehousing facilities at Hagerstown, Louisville, Detroit in USA, Toluca, Monterrey in Mexico and Westerloo in Belgium. Over the years, the company increased its forging and die-making capacities and added machining and heat treatment facilities, including isothermal annealing, which enabled it to undertake manufacturing of components for OEMs and Tier 1 companies.

The Company's press release said "Ramkrishna Forgings Limited, one of the leading suppliers of rolled, forged, and machined products, in consortium with Titagarh Wagons Limited has been declared the Lowest Bidder (L1) by the Ministry of Railways for manufacturing and supplying of forged wheels under the 'Atmanirbhar Bharat' initiative. As recently announced by the Hon'ble Union Minister, Shri Ashwini Vaishnaw this tender is aimed at reducing the Indian Railway's import-dependence, by inviting the industry to set up a facility to produce these wheels, which will primarily be used for semi-high speed trains (Vande Bharat) and high-speed trains (bullet train). Indian Railways has been focused on pursuing growth with emphasis on the Make in India policy under Atma Nirbhar Bharat initiative of the Government. The Consortium of Ramkrishna Forgings and Titagarh Wagons, being L1, as the selected bidder would be required to set up a wheel test centre at a railway site for prototype testing of newly designed wheels. The Consortium will set up a state-of-the-art manufacturing facility in India for forged wheel production and will supply approximately 1.6-million-wheel discs of different rolling stocks of Indian Railways over a period of 20 years at about 80,000 wheels per annum. "

Mr. Naresh Jalan, Managing Director, Ramkrishna Forgings Limited said, "We are delighted to have been declared L1 in the bid for the manufacturing and supply of forged wheels for Indian Railways. This is a testament to our strong technical capabilities and our commitment to delivering high-quality products to our customers. Also, the partnership with Titagarh Wagons Limited is a strategic move towards expanding our presence in the railway segment and we are confident that our joint efforts will enable us to deliver world-class products and services to the Indian Railways."

- 3) Shares of Varroc Engineering Limited closed up by 5.58 percent to Rs. 270.45 at the NSE on Wednesday. Varroc is a Leading Indian Auto Technology Group with a Global Footprint. The Company's four primary business lines are Electrical - Electronics, Lighting, Polymer, Metallic (Forging and Valves). The Company has strong, long-lasting, growing customer relationships with marquee Global OEM's.

Mr. Tarang Jain - Chairman and Managing Director in the Company's Q3FY23 concall had said " On a year-on-year basis, we saw good growth in most of the segments due to easing of the semiconductor issues and improving economic activity. But 2 wheelers saw tepid growth as the lower end of the segment is still not picking up. 2-wheelers production grew only by near 0.5%, 3-wheelers by 13.13%, passenger vehicles by 21.4% and commercial vehicles by 12% on a year on-year basis. We continue to add strong order wins for new businesses in the 9 months FY '23 across business

units, enabling our future growth in India. The order books also reflect our effort to diversify, as you see nearly 48% lifetime order wins from the 4-wheeler segment and 52% from the 2 and 3 wheeler segment. Diversification can also be seen in the order book from a customer perspective as the top customer new order book is only 19%. As stated previously also, profitable business wins, improving of the contribution margin, focusing on profit before tax instead of EBITDA margins, sweating of the assets, inventory reduction, commercialization of our R&D efforts, controls on overall costs, growing free cash flows and debt reduction and prudent capital allocation remains the focus of the company."

Key developments

- 1) Renewed unease gripped world markets on Wednesday as news that Credit Suisse's largest investor said it could not provide the Swiss bank with more financial assistance sent its shares and broader European shares sliding once more. Signs of calm and stability in banking stocks, that have tanked in the past week, following the collapse of Silicon Valley Bank (SVB), soon paved way for renewed selling as Credit Suisse shares fell to fresh record lows. The European Central Bank is still leaning towards a half-percentage-point rate hike on Thursday, despite turmoil in the banking sector, given high inflation, a source close to its Governing Council told Reuters. (Source: Reuters)
- 2) China's economic activity strengthened in the first two months of the year as investment picked up and consumer spending recovered following the ending of Covid restrictions. Retail sales rose 3.5% from the same period last year, figures from the National Bureau of Statistics showed Wednesday, in line with forecasts and reversing from a 1.8% drop in December. Industrial output growth accelerated to 2.4% in the two-month period, slightly below expectations. Fixed-asset investment climbed 5.5% during the two-month period, better than the 4.5% estimate and 5.1% growth for the whole of last year. The jobless rate rose to 5.6% following the Lunar New Year holidays, with the rate for young people jumping to a six-month high of 18.1%. China abruptly dropped its Covid Zero strategy in December, leading to a surge in infections through January. Cases peaked earlier than expected, though, prompting people to travel and spend again and providing a boost to the services sector. Factories also benefited as logistics bottlenecks and restrictions ended. (Source: Bloomberg)
- 3) India's exports dipped in February for the third consecutive month by 8.8 per cent to USD 33.88 billion against USD 37.15 billion in the same month last year, according to the data released by the commerce ministry on Wednesday. Imports also declined by 8.21 per cent to USD 51.31 billion as against USD 55.9 billion recorded in the corresponding month last year. The country's trade deficit in February stood at USD 17.43 billion. During April-February this fiscal, however, the country's overall merchandise exports rose by 7.5 per cent to USD 405.94 billion. Imports during the period increased by 18.82 per cent to USD 653.47 billion. (Source: Press Trust of India)

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

- 1) On Wednesday, Indian equities started on positive note but later gave up all the gains led by weak global cues. The panic has set in after the fall of US based Silicon Valley Bank and Signature Bank which has raised 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 would investor sentiments in the near term and would provide opportunities to investors at lower levels. After the recent fall, 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.



Disclaimer

Ajcon Global Services Limited is a fully integrated investment banking, merchant banking, corporate advisory, stock broking, commodity and currency broking. Ajcon Global Services Limited research analysts responsible for the preparation of the research report may interact with trading desk personnel, sales personnel and other parties for gathering, applying and interpreting information.

Ajcon Global Services Limited is a SEBI registered Research Analyst entity bearing registration Number INH000001170 under SEBI (Research Analysts) Regulations, 2014.

Individuals employed as research analyst by Ajcon Global Services Limited or their associates are not allowed to deal or trade in securities that the research analyst recommends within thirty days before and within five days after the publication of a research report as prescribed under SEBI Research Analyst Regulations.

Subject to the restrictions mentioned in above paragraph, We and our affiliates, officers, directors, employees and their relative may: (a) from time to time, have long or short positions acting as a principal in, and buy or sell the securities or derivatives thereof, of Company mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage.

Ajcon Global Services Limited or its associates may have commercial transactions with the Company mentioned in the research report with respect to advisory services.

The information and opinions in this report have been prepared by Ajcon Global Services Limited and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Ajcon Global Services Limited. While we would endeavour to update the information herein on a reasonable basis, Ajcon Global Services Limited is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Ajcon Global Services Limited from doing so. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Ajcon Global Services Limited will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Ajcon Global Services Limited accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Ajcon Global Services Limited or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

Ajcon Global Services Limited encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Ajcon Global Services Limited or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Ajcon Global Services Limited nor Research Analysts have any material conflict of interest at the time of publication of this report.

It is confirmed that Akash Jain – MBA (Financial Markets) or any other Research Analysts of this report has not received any compensation from the company mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.



Ajcon Global Services Limited or its subsidiaries collectively or Directors including their relatives, Research Analysts, do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

It is confirmed that Akash Jain – MBA (Financial Markets) research analyst or any other Research Analysts of Ajcon Global do not serve as an officer, director or employee of the companies mentioned in the report.

Ajcon Global Services Limited may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor Ajcon Global Services Limited have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on Ajcon Global Services Limited by any Regulatory Authority impacting Equity Research Analysis activities.

Analyst Certification

I, Akash Jain MBA (Financial Markets), research analyst, author and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. I also certify that no part of compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view (s) in this report.

For research related queries contact:

Mr. Akash Jain – Vice President (Research) at, research@ajcon.net, akash@ajcon.net

CIN:L74140MH1986PLC041941

SEBI registration Number: INH000001170 as per SEBI (Research Analysts) Regulations, 2014.

Website: www.ajcononline.com

Registered and Corporate office

408 - (4th Floor), Express Zone, "A" Wing, Cello – Sonal Realty, Near Oberoi Mall and Patel's, Western Express Highway, Goregaon (East), Mumbai – 400063. Tel: 91-22-67160400, Fax: 022-28722062