

Key Benchmark indices across the globe

Index	April 19, 2023	April 18, 2023	Change	% change	Open	High	Low
Nifty	17,618.75	17,660.15	41.40	0.23	17,653.35	17,666.15	17,579.85
Sensex	59,567.80	59,727.01	159.21	0.27	59,745.89	59,745.89	59,452.72
Shanghai Composite	3,370.13	3,393.33	23.20	0.69	3,391.35	3,394.96	3,364.64
Nikkei 225	28,606.76	28,658.83	52.07	0.18	28,619.84	28,677.22	28,531.54
Kospi	2,575.08	2,571.09	3.99	0.15	2,570.06	2,582.11	2,568.46
Dow Jones	33,916.43#	33,976.63	60.20	0.18	33,931.38	33,951.86	33,814.65
Nasdaq	12,163.58#	12,153.41	10.17	0.08	12,060.98	12,168.66	12,060.17
FTSE	7,898.77#	7,909.44	10.67	0.14	7,909.44	7,909.44	7,871.43
CAC	7,549.44#	7,533.63	15.81	0.21	7,530.54	7,558.95	7,513.77
DAX	15,895.20#	15,882.67	12.53	0.08	15,850.52	15,908.47	15,829.55

denotes April 19, 2023 levels at the time of writing this report

Key macroeconomic indicators

Index	April 19, 2023	April 18, 2023
Brent Crude Oil (\$ per barrel)	83.37#	84.77
Gold (\$ per ounce)	1,991.10#	2,004.93
Indian Rupee against US\$	82.23	82.05
India 10 year bond yield (%)	7.23	7.22
US 10 year G-sec (%)	3.61#	3.57

#denotes levels of April 19, 2023 at the time of writing this report

FII & DII activity

Index	April 19, 2023	April 18, 2023
FII activity (Rs. in Crore)	13.17	810.60
DII activity (Rs. in Crore)	110.42	401.66

Indian equities remain lackluster; IT stocks continue to remain under pressure..

- 1) On Wednesday, the Indian benchmark indices came under pressure led by selling in IT stocks. The Nifty opened on a negative note and touched an intraday low of 17,579.85. Finally, the Nifty ended the day down by 41.40 points or 0.23 percent to end at levels of 17,618.75. On the other hand, the Sensex ended the day down by 159.21 points or 0.27 percent to end the day at levels of 59,567.80.
- 2) Among the Nifty 50 stocks, the major gainers were BPCL, Divis Lab, Bajaj Auto, Axis Bank, Mahindra & Mahindra up in the range of 0.89 percent to 2.39 percent. On the other hand, the major losers were HCL Technologies, IndusInd Bank, Infosys, SBI Life, NTPC down in the range of 1.85 percent to 2.48 percent.
- 3) The broader markets too were under pressure on Wednesday. The Nifty Midcap 100 index was down by 0.09 percent and the Nifty Smallcap 100 index was down by 0.10 percent.
- 4) In terms of the sectoral indices performance, the major gainers were Nifty Metal index up by 0.53 percent, Nifty Oil & Gas index up by 0.21 percent, Nifty Realty index up by 0.16 percent, Nifty Pharma index up by 0.14 percent. On the other hand, the major losers were Nifty IT index down by 1.77 percent, Nifty Media index down by 1.71 percent, Nifty PSU index down by 0.84 percent, Nifty Private Bank index down by 0.28 percent.

- 5) On Wednesday, FIIs net sold equities worth Rs. 13.17 Crore. On the other hand, DIIs net sold equities worth Rs. 110.42 Crore. Month till date, FIIs have net bought equities worth Rs. 3,602.75 Crore. On the other hand, DIIs have net sold equities worth Rs. 2,123.06 Crore. In the month of March 2023, FIIs have net bought equities worth Rs. 1,997.70 Crore. On the other hand, DIIs have net bought equities worth Rs. 30,548.77 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 Patel Engineering Limited (PEL) ended up by 17.82 percent to Rs. 17.85 at the NSE on Wednesday. Patel Engineering Limited is a 73-year company established in the year 1949, have evolved as a construction company specializing in the hydro power generation and irrigation segments. The Company is engaged in the construction of dams, bridges, tunnels, roads, piling works, industrial structures and other kinds of heavy civil engineering works and have executed a variety of infrastructure projects in the hydro power, irrigation and water supply, urban infrastructure and transportation segments primarily as civil contractors. The Company has presence in various technology intensive areas like hydro, irrigation and water supply, urban infrastructure and transport especially in tunnels and underground works for hydroelectric and transportation projects.

Recently, Patel Engineering Limited in Joint Venture declared L1 for Dibang Multipurpose Project worth Rs. 3,637.12 crore located in Arunachal Pradesh from NHPC Limited, A Government of India Enterprise. The Company's share in this order is Rs.1,818.56 Crore. Patel Engineering Limited has emerged as L1 bidder in Financial Bid Opening through e-Reverse Auction for the tender invited by NHPC Limited, for Construction of Civil Works for LOT-4: Comprising Head Race Tunnels including Intake, Pressure Shafts, Penstocks, Power House & Transformer Cavern, Tail Race Tunnels, Pothead Yard, Adits etc. for Dibang Multipurpose Project 2880 MW (12 X 240 MW), located in Arunachal Pradesh, India. The said Project is to be executed in a period of 86 months. The Project is to be executed in a Joint Venture, of which PEL's share is 50%. Majority of the Company's order book comprises of projects which are awarded by Central / State Governments or other Government undertakings/ Public Sector Undertakings.

- 2) Shares of Balrampur Chini Mills Limited ended up by 3.18 percent to Rs. 422 at the NSE on Wednesday. Balrampur Chini Mills Limited (BCML) is one of the largest integrated sugar companies in India. The allied businesses of the Company comprise distillery operations and cogeneration of power. The Company presently has ten sugar factories located in Uttar Pradesh (India) having an aggregate sugarcane crushing capacity of 77,500 TCD, distillery capacity of 560 KLPD and saleable co-generation - 175.7 MW. BCML is one of the most efficient integrated sugar producers in the country. The Company has grown its capacity by well-planned capacity expansion projects and the acquisition of existing companies.

The Company is focusing on increasing the share of revenue / profit from distillery. The Company has a track record of timely completion of projects. The Company is actively working on varietal re-balancing of cane / disease management activities. Because of sugar sacrifice for conversion into Ethanol, there has been a corresponding sacrifice of potential profit on the sacrificed sugar, resulting in enhanced profitability in the distillery segment. In view of the aggressive diversion of cane towards B-heavy molasses route resulting in sacrifice of sugar for production of Ethanol, dependence on sugar export has declined.

Commenting on the performance for Q3FY23, Mr. Vivek Saraogi, Chairman and Managing Director, Balrampur Chini Mills Limited, said: "Our results for the quarter were impacted by seasonal factors, leading to lower sugar volumes. However, the decline was partially offset by higher realizations. The decrease in sugar volume was a result of the lower quota allocated to us during the period. Adverse weather conditions in Eastern U.P. at the start of the quarter impacted cane growth. This coupled with delay in modernization and upgradation of some of the plants due to delay in supplies by vendors led to delayed start of the season. This affected our crushing volumes, leading to higher production costs for sugar. Legacy effect of last year's lower crushing volume and delayed start of current season led to lower sugar production and reduced feedstock availability for our distillery. However, lower crushing during the quarter will have spillover effect in subsequent quarters. Despite the late start of some of our plants, we were able to crush a similar volume of cane as compared to the corresponding quarter last year. Accordingly, we remain optimistic about crushing an estimated 1,030 lac quintal of cane for the season. This, along with better sugar recovery than last year should support our overall performance, going forward.

- 3) Shares of Bajaj Electricals Limited ended up by 3.18 percent to Rs. 1,076.50 at the NSE on Wednesday. Mr. Anuj Poddar - Managing Director and Chief Executive Officer of the Company, in Q3FY23 concall had said "We are extremely pleased with our performance in Q3 and this is despite of a tough environment in terms of muted demand for



consumer goods as we have seen around that year. We are back to having crossed INR 1000 Crores of revenue in our consumer product business. Our lighting business, while our revenue basis has been flat, our profit on lighting business has increased substantially and that is the guidance that we have been given that we will be driving profitable growth for the lighting business with a margin expansion.

He further added "Our EPC business which has broken even about three quarters ago continues to be at breakeven stroke pointed level but also more positive for us is that in terms of revenue and order book that is expanding growth in the direction that we wanted to grow. We feel now it is achieving a certain amount of traction in revenue side that we think will make that business viable and profitable into the future while yet maintaining our approach of being selective and then ensuring quality of order that we take such that it also remains profitable at a project level. We have timed that such that we are in cusp of demerger in the quarter or two and so as the demerger happens this business will also be a healthy business going forward."

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

- 1) On Wednesday, Indian benchmark indices came under pressure. The Q4FY23 earnings season has start on weak note as IT giants have witnessed subdued performance. However, the quarterly business updates of PSU Banks, Private Banks, NBFCs announced till date indicates good times for Banking and Financial Services sector. Domestically, cooling of CPI inflation data (falling to 15 month low of 5.66 percent in March 2023) and the strong inflow in Mutual Funds will act as positive triggers.
- 2) Globally, US markets and the European markets were mixed at the time of writing this report. Earlier, US inflation fell to 5 percent in March 2023 and is at the lowest point in almost 2 years. The efforts made globally by authorities to restore confidence amongst the investors after the recent turmoil in the US and European Banking system has also yielded results in the form of some improvement in the investor sentiments. While the global central banks especially in US and Europe are grappling with issues like balancing inflation and growth; however, Reserve Bank of India is balancing inflation and growth in a good manner. In addition, the Indian Banking has proved to be resilient to global factors and macroeconomic headwinds. This will infuse confidence amongst investor community which will attract FIIs inflows.
- 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 tussle between China and Taiwan, key implications of ongoing war between Russia and Ukraine.
- 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.
- 5) At the moment, companies in the sectors like Banking, NBFCs, Capital Goods, select companies in the Infrastructure space, Railways, Defence and select companies in the new age business segment can be considered. In addition select companies in Diagnostics and Pharma sector can be considered as COVID-19 cases have started increasing in India. It may be noted that majority of the Companies had delivered decent set of numbers in Q3FY23 results considering global concerns. The quarterly business updates announced by companies indicate that Q4FY23 earnings season for majority of the Companies is likely to be good.



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