

**Key Benchmark indices across the globe**

Index	June 20, 2023	Prev. close	Change	% change	Open	High	Low
<b>Nifty</b>	18,816.70	18,755.45	<b>61.25</b>	<b>0.33</b>	18,752.35	18,839.70	18,660.65
<b>Sensex</b>	63,327.70	63,168.30	<b>159.40</b>	<b>0.25</b>	63,176.77	63,440.19	62,801.91
<b>Shanghai Composite</b>	3,240.36	3,255.81	<b>15.45</b>	<b>0.48</b>	3,252.54	3,252.84	3,237.79
<b>Hang Seng</b>	19,607.08	19,912.89	<b>305.81</b>	<b>1.56</b>	19,863.86	19,863.86	19,504.63
<b>Kospi</b>	2,604.91	2,609.50	<b>4.59</b>	<b>0.18</b>	2,602.83	2,610.03	2,596.82
<b>Dow Jones</b>	33,974.84#	34,299.12	<b>324.28</b>	<b>0.95</b>	34,117.51	34,206.66	33,890.62
<b>Nasdaq</b>	13,577.88#	13,689.57	<b>111.70</b>	<b>0.82</b>	13,642.30	13,711.18	13,576.80
<b>FTSE</b>	7,576.23#	7,588.48	<b>12.25</b>	<b>0.16</b>	7,588.48	7,607.53	7,568.55
<b>CAC</b>	7,295.11#	7,314.05	<b>18.94</b>	<b>0.26</b>	7,303.24	7,322.57	7,281.12
<b>DAX</b>	16,113.95#	16,201.20	<b>87.25</b>	<b>0.54</b>	16,100.29	16,184.30	16,069.10

#denotes levels of June 20, 2023 at the time of writing this report

**Key macroeconomic indicators**

Index	June 20, 2023	June 19, 2023
<b>Brent Crude Oil (\$ per barrel)</b>	74.97#	76.09
<b>Gold (\$ per ounce)</b>	1,935.13#	1,950.12
<b>Indian Rupee against US\$</b>	82.12	81.94
<b>India 10 year bond yield (%)</b>	7.06	7.05
<b>US 10 year G-sec (%)</b>	3.71#	3.82

#denotes levels of June 20, 2023 at the time of writing this report

**FII & DII activity**

Index	June 20, 2023	June 19, 2023
<b>FII activity (Rs. in Crore)</b>	<b>1,942.62</b>	<b>1,030.90</b>
<b>DII activity (Rs. in Crore)</b>	<b>1,972.51</b>	<b>365.20</b>

**Indian benchmark indices end in green; midcaps and smallcaps continue to rally..**

- 1) On Tuesday, the Indian benchmark indices witnessed a good come back and ended in the positive terrain. The Nifty opened on a negative note and later erased all the losses to touch an intraday high of 18,839.70. Finally, the Nifty ended the day up by 61.25 points or 0.33 percent to end at levels of 18,816.70. On the other hand, the Sensex ended the day up by 159.40 points or 0.25 percent to end the day at levels of 63,327.70.
- 2) Among the Nifty 50 stocks, the major gainers were Tata Motors, HCL Technologies, Power Grid Corporation of India, HDFC Life, Eicher Motors up in the range of 2.04 percent to 3.07 percent. On the other hand, the major losers were Bajaj Finance, Bajaj Finserv, Sun Pharmaceutical Industries, Mahindra & Mahindra, Bharat Petroleum Corporation down in the range of 0.57 percent to 1.80 percent.
- 3) The broader markets too were upbeat on Tuesday. The Nifty Midcap 100 index was up by 0.49 percent and the Nifty Smallcap 100 index was up by 0.52 percent.
- 4) In terms of the sectoral indices performance, the major gainers were Nifty Financial Services 25/50 index up by 0.89 percent, Nifty IT index up by 0.78 percent, Nifty Metal index up by 0.70 percent, Nifty Realty index up by 0.49 percent, Nifty Private Bank index up by 0.38 percent.

- 5) On Tuesday, FIIs have net sold equities worth Rs. 1,942.62 Crore. On the other hand, DIIs net bought equities worth Rs. 1,972.51 Crore. Month till date, FIIs have net bought equities worth Rs. 3,913.25 Crore and DIIs have net bought equities worth Rs. 5,937.06 Crore. In the month of May 2023, FIIs have net bought equities worth Rs. 27,856.48 Crore and DIIs have net sold equities worth Rs. 3,306.35 Crore.

### Sectors & Stocks

- 1) Shares of Shilpa Medicare Limited ended up by 10.33 percent to Rs. 264.90 at the NSE on Tuesday. The Company has established presence in Active Pharmaceutical Ingredients (APIs) and Formulations for domestic & international markets. The Company is pursuing niche growth businesses like Biologics, Transdermal & Oral Dissolving Films Formulations. The Company's robust research orientation is resulting in innovative products. The Company has very strong R&D background including development, pathway engineering and characterization of biologics.

Earlier, Commenting on Q4FY23 performance, Mr. Vishnukant Bhutada, Managing Director Shilpa Medicare Limited said "We have maintained revenue performance relative to the sequential previous quarter and have benefited from an enhanced business mix during the quarter, translating into improvement in margins QoQ. For our Jadchakra formulation unit, all the actionable of MCAP have been completed and letter has been sent to USFDA informing the same. With this we expect the remedial costs to remain under control. We are also actively driving initiatives to rationalize over all costs across various units within the group. For our formulation business, we are making progress on our strategy of activating third party sites. I am happy to state that we have recently received our first 505(b)(2) NDA approval from USFDA for our novel formulation of Pemetrexed RTU, which will be commercialised by Amneal Pharmaceuticals LLC for the US market. Additionally, our ANDA for Apremilast tablets, has also received USFDA's final approval. This should provide boost to our US formulation business as we continue to scale up in EU, RoW, India markets with a select portfolio of products. The CDMO business is witnessing a good traction where are partnering with MNCs for their high-end requirements. We continue to witness a stream of enquiries and few of them have been crystallized, while we also have received repeat orders from existing customers. This can become a future growth vertical for the company. We expect continuing impact in the form of lower pricing for key products and are engaged in mitigating this through better efficiencies at manufacturing levels and focusing on complex products where we have a specific advantage. Our robust portfolio combined with our research/manufacturing capabilities position us well for performance-oriented business partnerships."

- 2) Shares of Jamna Auto Industries Limited ended up by 9.97 percent to Rs. 105.90 at the NSE on Tuesday. The Company is a renowned suspension manufacturer for commercial vehicles. The Company has world class Manufacturing infrastructure with 10 Manufacturing units including 1 In-house R&D center. The Company is manufacturing ~300+ OEM parts ~5,000+ AMI parts. In Q4FY23, the Company launched Rotavator, Fertilizer broadcaster and Cultivator. This will mark the Company's entry into new business segment. In Q4FY23, Series supply started for NODO Bracket to Ashok Leyland and sample order expected to be received for Bogie Bracket. The Company added new countries Portugal & Hungary in After Market Export segment. The Company also added new distributors in Germany, Russia, Turkey and UK for both Spring and Allied Products.
- 3) Shares of Morepen Laboratories Limited ended up by 8.49 percent to Rs. 31.30 at the NSE on Tuesday. According to the Company's Investor presentation, in Q4FY23, the Company had got three landmark recognitions including one USFDA approval, one PMDA inspection and one ISO13485 Approval. During Q4FY23, the business had stabilised and the consolidated revenues stood at Rs.367 crores against Rs. 372 crores in the same quarter last year. Annual revenues of Rs. 1424 crores have also paced a CAGR of 18% though in the current year revenues of all segments maintained a steady position except Medical Devices. Medical devices business which peaked during covid due to increased demand and inventory buildup has also stabilized in last quarters and is on upward journey. Formulation Business witnessed a growth of 28% in Q4FY23. Enhanced focus on marketing and advertising activities for better reach and brand recall, had affected the profitability levels.

### Key developments

- 1) European stocks and U.S. futures fell on Tuesday after China cut interest rates by less than expected and the market awaited more detail on Beijing's plans to shore up a stuttering economic recovery. China cut its benchmark loan prime rates (LPR) for the first time in 10 months on Tuesday, with a smaller-than-expected 10-basis point reduction in the five-year LPR. (Source: Reuters)

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

- 1) On Tuesday, Indian benchmark indices ended in the positive terrain. Midcaps and smallcaps too were upbeat today. At the time of writing this report, both US and European indices were under pressure as China reduced interest rates which was below global investors expectations.
- 2) Domestically, we suggest investors to remain stock specific and be wary of valuations of companies getting out of comfort zone. At the moment, companies in the sectors like NBFCs, Banking, Capital Goods, select companies in the Infrastructure space, Railways and Defence. Select companies in the new age business segment can also be considered as they have seen good improvement in performance in Q4FY23.
- 3) 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. Domestically, the economy is doing well which is evident from the recent GST collection data, manufacturing PMI and Services PMI data, and other indicators like passenger air traffic, hotel occupancy, power consumption, auto sales, coal production data etc. Q4FY23 earnings season has been decent. IT giants had reported weak performance but IT midcaps have delivered good Q4FY23 performance. Results announced by PSU Banks, NBFCs announced indicates good times for Banking and Financial Services sector. Private Banks too had reported decent Q4FY23 performance.
- 4) Recent inflation data was good with India's WPI inflation data lowest since November 2015 at -3.48 percent (lowest in seven-and-a-half years). India's retail inflation data had fallen to a 25 month low in May 2023 and Index of Industrial Production (IIP) data which stood at 4.2 per cent in April 2023 as against 1.1 percent in March 2023 which lifted 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.



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