

Key Benchmark indices across the globe

Index	Feb. 21, 2023	Feb. 20, 2023	Change	% change	Open	High	Low
Nifty	17,826.70	17,844.60	17.90	0.10	17,905.80	17,924.90	17,800.30
Sensex	60,672.72	60,691.54	18.82	0.03	60,770.43	60,976.59	60,583.72
Shanghai Composite	3,306.52	3,290.34	16.18	0.49	3,308.79	3,282.44	3,291.63
Kospi	2,458.96	2,455.12	3.84	0.16	2,466.07	2,446	2,457.51
Dow Jones	33,338.93#	33,733.40	394.47	1.17	33,459.77	33,699.69	33,307.97
Nasdaq	11,599.22#	11,787.27	188.05	1.60	11,641.29	11,682.26	11,581.09
FTSE	7,995.32#	8,014.31	18.99	0.24	8,014.31	8,014.40	7,952.48
CAC	7,322.75#	7,335.61	12.86	0.18	7,319.93	7,342.68	7,241.21
DAX	15,441.50#	15,477.55	36.05	0.23	15,450.62	15,470.52	15,286.71

at the time of writing this report

Key macroeconomic indicators

Index	Feb. 21, 2023	Feb. 20, 2023
Brent Crude Oil (\$ per barrel)	84.2	84.1
Gold (\$ per ounce)	1,835	1,841
Indian Rupee against US\$	82.80	82.73
10 year G-sec (7.262032)	7.39	7.37
US 10 year G-sec	3.88	3.81

FII & DII activity

Index	Feb. 21, 2023	Feb. 20, 2023
FII activity (Rs. in Crore)	525.80	158.95
DII activity (Rs. in Crore)	235.23	86.23

Indian benchmark indices end in red; global cues to drive market direction in the near term..

- 1) On Tuesday, Indian benchmark indices were lacklustre and ended in the negative terrain. The Nifty had witnessed a positive opening and later gave up all gains to touch an intraday low of 17,800.30. Finally, the Nifty ended the day down by 17.90 points or 0.10 percent to end at levels of 17,826.70. On the other hand, the Sensex ended the day, down by 18.82 points or 0.03 percent to end the day at levels of 60,672.72
- 2) Among the Nifty 50 stocks, the major gainers were NTPC, Britannia, Tata Steel, Reliance Industries, Power Grid up in the range of 0.83 percent to 3.25 percent. On the other hand, the major losers were Adani Enterprises, Apollo Hospitals, Coal India, Bajaj Auto, Tata Motors down in the range of 1.53 percent to 3.55 percent.
- 3) The broader markets too were under pressure today. The Nifty Midcap 100 index was down by 0.36 percent and the Nifty Smallcap 100 index was down by 0.36 percent.
- 4) In terms of sectoral indices performance, the major gainers were Nifty FMCG index up by 0.11 percent, Nifty Financial Services index up by 0.05 percent. On the other hand, the major losers were Nifty PSU Bank index down by 1.79 percent, Nifty Realty index down by 1.20 percent, Nifty IT index down by 0.88 percent, Nifty Media index down by 0.86 percent.
- 5) On Tuesday, FIIs net bought equities worth Rs. 525.80 Crore. On the other hand, DIIs net sold equities worth Rs. 235.23 Crore. Month till date, FIIs have net sold equities worth Rs. 1,041.51 Crore and DIIs net bought equities worth Rs. 9,039.15 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 Lumax Auto Technologies Limited (LATL) ended up by 10.77 percent to Rs. 271.10 at the NSE on Tuesday. The Company has signed strategic agreement to acquire majority stake in IAC International Automotive India (IAC India) business. IAC India was incorporated on March 11, 2008 in the state of Maharashtra. The registered office of IAC India is located at Chakan - Pune. As on date, IAC India is a wholly owned subsidiary of IAC Mauritius. IAC India is a well-established Tier-1 interior systems and components supplier to key automotive OEMs in India including Mahindra, Maruti Suzuki, Volkswagen and Volvo Eicher Commercial Vehicles among others. IAC India also has a strong and well-established engineering center providing advanced design and engineering services to customers in India and overseas which provides it a competitive advantage.

The acquisition will offer benefits and synergies like the addition of significant business in the PV & SUV segment, expansion of product portfolio in plastics, increased content per vehicle, long-term partnership with a global leader in plastic interiors and exteriors, IAC technological capabilities & engineering center to be leverage across products, strong and experienced independent professional management team, interiors and lighting to offer integrated solutions, LATL to add new customers to IAC's existing business, LATL's current product portfolio can be leveraged by doing interior vehicle development and EPS accretive acquisition.

As part of the agreement, IAC to continue a 25% shareholder in IAC India while a 75% shareholding to be acquired in IAC India on a fully diluted basis through SPV (acquisition vehicle) for Rs. 440 Crore (75% of IAC India's equity value of Rs. 587 Crore). The Cash consideration will be backed by internal accruals and external debt. Cash flow for IAC India to be used for debt repayment and strong free cash flow generation in LATL & IAC India will ensure debt repayment in 5 years, Lumax Auto Technologies said in the Investor Presentation of the Company on Acquisition of IAC International Automotive India.

- 2) Shares of Shilpa Medicare Limited ended up by 5.64 percent to end at Rs. 287.70 at the NSE on Tuesday. The Company's Bengaluru facility for manufacture and testing of Orodispersible films and Transdermal systems has been successfully registered with Ministry of Health, United Arab Emirates. This registration enables company to register the products (Orodispersible films and Transdermal systems) in UAE for commercialization. The facility is involved in manufacturing and testing of specialized dosage forms eg. Orodispersible Films and Transdermal systems. The facility is backed up with strong Research and Development of Orodispersible films and transdermal technologies. The GMP facility is equipped with state of art machinery for the needs of Global commercial requirements. The facility has already been issued GMP by UK MHRA. The facility also manufactures dietary supplements in orodispersible films and was registered with US FDA Food Facility registry. The facility is actively exporting dietary supplements to US Market.
- 3) Shares of Ratnamani Metals & Tubes closed up by 5.40 percent to Rs. 2,217 at the NSE on Tuesday. Established in 1983, Ratnamani Metals and Tubes Limited is one of the leading manufacturers of critical piping and tubing products for customers in the Oil and Gas, Petrochemical & Refinery, Fertiliser & Chemical, Power, Water, Infrastructure and other critical high-growth industries. The Company has diverse product portfolio which includes Nickel Alloy/Stainless Steel Seamless Tubes & Pipes, Stainless Steel Welded Tubes & Pipes, Titanium Welded Tubes, Carbon Steel Welded Pipes, Stainless Steel/Carbon Steel Pipes with Coating and Induction Bends. Headquartered in Ahmedabad with state-of-the-art manufacturing facilities at Chhatral & Indrad (near Ahmedabad) and Bhimasar (near Gandhidham, Kutch), the Company caters to customers in domestic as well as overseas markets across AsiaPacific, Europe, Middle East and America. Ratnamani has an impressive clientele comprising of major public, private and joint sector companies across the globe, which are leaders in their respective segments. The tubes and pipes are supplied in accordance with the appropriate international standards as well as customer specifications in large variety of grades and dimensions.

Key development

- 1) Russian President Vladimir Putin declared Tuesday that Moscow was suspending its participation in the New START treaty - the last remaining nuclear arms control pact with the United States - sharply upping the ante amid tensions with Washington over the fighting in Ukraine. Speaking in his state-of-the-nation address, Putin also said that Russia should stand ready to resume nuclear weapons tests if the U.S. does so, a move that would end a global ban on nuclear weapons tests in place since Cold War times. Explaining his decision to suspend Russia's obligations under New START, Putin accused the U.S. and its NATO allies of openly declaring the goal of Russia's defeat in Ukraine. "They want to inflict a 'strategic defeat' on us and try to get to our nuclear facilities at the same time," he said. "In this context, I have to declare today that Russia is suspending its participation in the Treaty on Strategic Offensive Arms" — the New START pact. (Source: Associated Press)

- 2) Hon'ble Prime Minister of India, Shri Narendra Modi and Hon'ble Prime Minister of Singapore, Mr. Lee Hsien Loong today witnessed the launch of cross-border linkage between India and Singapore using their respective Fast Payment Systems, viz. Unified Payments Interface (UPI) and PayNow. The facility was launched through token transactions by Reserve Bank Governor, Shri Shaktikanta Das and Managing Director of Monetary Authority of Singapore, Mr. Ravi Menon using the UPI-PayNow linkage. The UPI-PayNow linkage will enable users of the two fast payment systems in either country to make convenient, safe, instant, and cost-effective cross-border funds transfers using their respective mobile apps. Funds held in bank accounts or e-wallets can be transferred to / from India using just the UPI-id, mobile number, or Virtual Payment Address (VPA). (Source: Reserve Bank of India)

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

- 1) Indian benchmark indices ended in red on Tuesday led by new tensions between Russia - US and Ukraine. Going forward, investors will eye US inflation data and US Fed stance. No doubt, there are headwinds like recession concerns in Europe and expectations of US Fed likely to hike interest rates led by good economic data in US. However, we believe and once again reiterate that the domestic economy is strongly placed as compared to the global peers which will attract investors. At the moment, sectors like Capital Goods, select companies in the Infrastructure space, Railways, Defence, Banking, NBFCs and new age business segment can be considered.
- 2) Street participants will continue to watch global bond yields, crude oil price movement, rupee movement against the US Dollar, economic activity in China, developments related to ongoing war between Russia and Ukraine and its financial implications on the western world.
- 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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