

**Key Benchmark indices across the globe**

Index	March 24, 2023	March 23, 2023	Change	% change	Open	High	Low
<b>Nifty</b>	16,945.05	17,076.90	<b>131.85</b>	<b>0.77</b>	17,076.20	17,109.45	16,917.35
<b>Sensex</b>	57,527.10	57,925.28	<b>398.18</b>	<b>0.69</b>	57,890.66	58,066.40	57,422.98
<b>Shanghai Composite</b>	3,265.65	3,286.65	<b>21.00</b>	<b>0.64</b>	3,282.74	3,282.74	3,260.84
<b>Hang Seng</b>	19,915.68	20,049.64	<b>133.96</b>	<b>0.67</b>	19,919.65	20,118.29	19,834.45
<b>Kospi</b>	2,414.96	2,424.48	<b>9.52</b>	<b>0.39</b>	2,421.27	2,423.76	2,399.49
<b>Dow Jones</b>	32,237.53	32,105.25	<b>132.28</b>	<b>0.41</b>	31,946.34	32,247.24	31,805.18
<b>Nasdaq</b>	11,823.96	11,787.40	<b>36.56</b>	<b>0.31</b>	11,747.62	11,823.88	11,670.67
<b>FTSE</b>	7,405.45	7,499.60	<b>94.15</b>	<b>1.27</b>	7,499.60	7,499.60	7,335.71
<b>CAC</b>	7,015.10	7,139.25	<b>124.15</b>	<b>1.77</b>	7,108.16	7,335.71	6,953.58
<b>DAX</b>	14,957.23	15,210.39	<b>253.16</b>	<b>1.69</b>	15,135.50	15,135.65	14,809.82

**Key macroeconomic indicators**

Index	March 24, 2023	March 23, 2023
<b>Brent Crude Oil (\$ per barrel)</b>	74.99	75.91
<b>Gold (\$ per ounce)</b>	1,983.80	1,995.90
<b>Indian Rupee against US\$</b>	82.48	82.26
<b>India 10 year bond yield (%)</b>	7.32	7.35
<b>US 10 year G-sec (%)</b>	3.37	3.40

**FII & DII activity**

Index	March 24, 2023	March 23, 2023
<b>FII activity (Rs. in Crore)</b>	<b>1,720.44</b>	<b>995.01</b>
<b>DII activity (Rs. in Crore)</b>	<b>2,555.53</b>	<b>1,668.85</b>

**Bears were in control; domestic bourses expected to remain volatile amidst weak global cues..**

- 1) On Friday, the Indian benchmark indices came under pressure led by key domestic developments like increase in STT on Futures & Options trading and the surprise move of removing the indexation benefit of debt mutual funds from April 01, 2023 affected the investor sentiments. In addition, the weak cues too had a toll on market sentiments. The Nifty opened on a negative note and later touched an intraday low of 16,917.35. Finally, the Nifty ended the day down by 131.85 points or 0.77 percent to end at levels of 16,945.05. On the other hand, the Sensex ended the day, down by 398.18 points or 0.69 percent to end the day at levels of 57,527.10.
- 2) Among the Nifty 50 stocks, the major gainers were Cipla, Kotak Mahindra Bank, Apollo Hospitals, Tech Mahindra, Infosys up in the range of 0.32 percent to 1.07 percent. On the other hand, the major losers were Bajaj Finserv, Bajaj Finance, Tata Steel, Hindalco Industries, Adani Ports down in the range of 2.69 percent to 3.94 percent.
- 3) The broader markets too were under pressure on Friday. The Nifty Midcap 100 index was down by 1.17 percent and the Nifty Smallcap 100 index was down by 1.67 percent.
- 4) In terms of sectoral indices performance, the major losers were Nifty Media index down by 2.38 percent, Nifty Realty index down by 2.33 percent, Nifty Metal index down by 2.27 percent, Nifty PSU Bank index down by 2.14 percent.
- 5) In the week gone by, the Sensex fell by 462.8 points or 0.79 percent to end at levels of 57,527.1. On the other hand, the Nifty declined by 155 points or 0.90 percent to end at levels of 16,945.05. The broader markets too were pressure in the week gone by. The BSE Smallcap index fell by 1.5 percent and the BSE Midcap index declined by 2 percent.

- 6) On Friday, FIIs net sold equities worth Rs. 1,720.44 Crore. On the other hand, DIIs net bought equities worth Rs. 2,555.53 Crore. Month till date, FIIs have net sold equities worth Rs. 246.04 Crore. On the other hand, DIIs have net bought equities worth Rs. 25,592.99 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 ITI Limited ended up by 8.10 percent to Rs. 94.75 at the NSE on Friday. ITI Limited, country's premier telecom company and multi-unit central public sector undertaking, is a total solutions provider in telecommunications segment. The company has state-of-art manufacturing facilities in six locations (Bengaluru, Naini, Raebareli, Mankapur, Srinagar and Palakkad) along with an in-house R&D centre in Bengaluru and marketing, sales & projects (MSP) offices spread across the country. The Company offers complete range of telecom products covering the whole spectrum of switching, transmission, and access & subscriber premises equipment. Besides offering the latest telecom solutions and customized support to a variety of business, ITI Ltd has dedicated Network System Unit (NSU) for carrying out installation and commissioning of equipment and for undertaking turnkey projects. ITI Ltd is focused on manufacturing of diversified products in defense and railway sectors and the manufacturing of solar equipment, NGN products, GPON, LED lighting systems, optical products, PMP microwave along with other allied products like HDPE, OFC, LI-ION batteries, smart cards, defense equipment, Wi-Fi etc. The company is also consolidating more of its diversifications into defense, IOT, E-governance, IT projects and services sector to gain competitive edge. The company is also successfully running state-of-art Data Centre at Bengaluru unit and offering its services to government institutions/departments, banks etc.
- 2) Shares of Minda Corporation Limited ended up by 4.01 percent to Rs. 209 at the NSE on Friday. Earlier, Mr. Aakash Minda - Executive Director of the Company in the Company's business update analyst concall had said "We truly believe that the automotive instrument as a product is set to grow and has big potential. It will go through lot of premiumization in the upcoming future. We believe an Indian company should lead this market space. Minda Corporation has an advanced technology center, which is working and developing future technologies in the space of instrument clusters and electric vehicle mobility. We are very strongly positioned in technology and our own capabilities to lead this industry. We understand this sector and the business space very well. We understand and are very bullish on the instrument clusters business. As a part of the long-term strategy for instrument clusters, we had invested about INR 161 crores in Minda Instruments last year by acquiring 49% stake of our joint venture partner which is in instrument cluster business."

Mr. Ashok Minda - Group Chairman in the Company's Q3FY23 analyst concall had said "The auto industry saw steady growth on year-on-year basis in the third quarter of FY2023 and the growth is visible across vehicle segments. Supply side constraint seems to be easing out with better semiconductor situation but uncertainty and long lead time still continues which is likely to persist until the end of FY2023. Export saw an improving trend but situation yet to be normalized on the back of certain macroeconomic factors. Among the headwinds and the tailwinds, I am pleased to report that Minda Corporation has continued its growth momentum with revenue growth faster than the industry and double-digit EBITDA margin for tenth straight quarter. The Company's revenue from operation stood at Rs.1,068 Crores registering a growth of 45% year-on-year and 22% on like-to-like basis excluding Minda Instruments. With EBITDA margin of 10.7% PAT for the quarter stood at Rs.52 Crores with PAT margin of 4.9%. The growth was driven by better revenue visibility in both business verticals, improving product mix, increasing content per vehicle and increasing in share of business. He further added "We have inaugurated one of more state-of-the-art wiring harness plant in Chakan, Pune. This plant is spread across 190000 square feet and the factory is equipped with advanced machine backed by cutting edge technology." He said "Successful EV launches by key OEMs like Tata, Hyundai, Mahindra, Bajaj, Honda, etc., was clear sign of EV transformation on the ground and we at Minda Corporation are all set to capture the fast growing EV space with products like smart key, DC-DC converters, battery chargers, IPS, and telematics. Nine months FY2023 EV order constitutes 24% of the total order book by Minda Corporation."

## Key developments

- 1) US stocks closed higher on Friday, marking the end of a tumultuous week as Federal Reserve officials calmed investor fears over a potential liquidity crisis in the banking sector. While all three major U.S. stock indexes started the session sharply lower on the heels of a sell-off among European banks, those losses reversed by closing bell, repeating the intraday roller coaster ride of recent sessions. At the conclusion of an up-and-down week, marked by a Fed interest rate hike and mounting worries over the health of the banking system, all three indexes notched weekly gains.

In separate appearances, three regional Fed bank presidents said that their confidence that the banking system was not facing a liquidity crisis is what led to the decision to implement a 25 basis point policy rate hike on Wednesday. But

while Fed officials continue to see additional rate hikes as a strong possibility, financial markets are now pricing in an 87% likelihood of a no hike at all at the conclusion of its next policy meeting in May.

Worries over potential contagion beyond regional banks to threatens to spread to their larger peers was sparked by a sell-off of European bank shares. That selloff was prompted by the rising cost of insuring Deutsche Bank's debt, expressed by its credit default swaps, coming on the heels of the state-sponsored buyout of Credit Suisse, has fed into the narrative of sector-wide stress. (Source: Reuters)

- 2) Domestically, The Finance Ministry on Friday evening clarified that the securities transaction tax (STT) on options trading has been hiked by 25 per cent from 0.05 per cent to 0.0625 per cent, and not from 0.017 per cent to 0.021 per cent, saying that it was a typographical error and the rectification will be done in accordance with the extent procedure of the government. The STT for futures trading remains the same, as was announced in the amendments to the Finance Bill 2023, i.e., it has been raised to 0.0125 per cent from 0.01 per cent. The hikes in STT for both futures and options trading would be effective from April 1, 2023. In short, the STT has been hiked by up to 25 per cent on futures and options (F&O) trading as per the amendments to the Finance Bill 2023, which was passed in the Lok Sabha earlier in the day through voice vote, without any discussion. By effecting a hike in STT on F&O trading, the government aims to tax such transactions more as turnover is higher in them. As per the amendments, option traders will have to pay Rs. 6,250 for every Rs. 1 crore worth of turnover as against Rs. 5,000 that is being paid currently, which translates into a hike of around 25 per cent. Also, traders will now have to pay STT of Rs. 1,250 on Rs 1 crore of turnover while selling futures. (Source: IANS)
- 3) The Union Cabinet on Friday increased the dearness allowance and dearness relief by 4 per cent to 42 per cent to benefit 47.58 lakh central government employees and 69.76 lakh pensioners. The combined impact on the exchequer on account of both Dearness Allowance and Dearness Relief will be Rs 12,815.60 crore per annum, I&B Minister Anurag Thakur told reporters after the meeting of Cabinet Committee on Economic Affairs (CCEA). The release of the additional instalment of dearness allowance to employees and dearness relief to pensioners will be effective from January 01, 2023. (Source: Press Trust of India)

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

- 1) On Friday, Indian equities ended in red led by weak global cues. Domestically, increase in STT on Futures & Options trading and the surprise move of removing the indexation benefit of debt mutual funds from April 01, 2023 also affected the investor sentiments.
- 2) Globally, the investors have digested the interest rate hike of 25 bps by the US Fed. The efforts made globally by the US authorities to restore confidence amongst the investors after the recent turmoil in the US Banking system has yielded results in the form of some improvement in the investor sentiments. In addition, after the UBS - Credit Suisse deal, investors have gained some sigh of relief in the near term.
- 3) Going ahead, all eyes would be on Monthly Auto Sales numbers and upcoming Q4FY23 earnings season.
- 4) 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.
- 5) Domestically, valuation of certain companies especially PSU Banks and select IT companies have turned attractive post the recent fall in Indian equity markets. 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. 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.



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