

**Key Benchmark indices across the globe**

Index	August 29, 2023	Prev. close	Change	% change	Open	High	Low
<b>Nifty</b>	19,342.65	19,306.05	<b>36.60</b>	<b>0.19</b>	19,374.85	19,377.90	19,309.10
<b>Sensex</b>	65,075.82	64,996.60	<b>79.22</b>	<b>0.12</b>	65,201.35	65,229.03	64,956.67
<b>Nikkei 225</b>	32,226.97	32,169.99	<b>56.98</b>	<b>0.18</b>	32,280.57	32,389.12	32,186.57
<b>Straits Times</b>	3,223.09	3,213.68	<b>9.41</b>	<b>0.29</b>	3,222.98	3,228.44	3,217.25
<b>Kospi</b>	2,552.16	2,543.41	<b>8.75</b>	<b>0.34</b>	2,550.76	2,556.98	2,545.27
<b>Hang Seng</b>	18,484.03	18,130.74	<b>353.29</b>	<b>1.91</b>	18,261.69	18,583.80	18,239.92
<b>Shanghai Composite</b>	3,135.89	3,098.64	<b>37.25</b>	<b>1.19</b>	3,091.94	3,145.76	3,090.44
<b>Dow Jones</b>	34,696.31#	34,559.98	<b>137.32</b>	<b>0.40</b>	34,550.41	34,728.50	34,531.12
<b>Nasdaq</b>	13,894.87#	13,705.13	<b>189.74</b>	<b>1.38</b>	13,686.80	13,898.02	13,677.06
<b>FTSE</b>	7,463.76#	7,338.58	<b>125.18</b>	<b>1.71</b>	7,338.58	7,471.14	7,338.58
<b>CAC</b>	7,372.39#	7,324.71	<b>47.68</b>	<b>0.65</b>	7,345.57	7,378.05	7,322.45
<b>DAX</b>	15,924.40#	15,792.61	<b>131.79</b>	<b>0.83</b>	15,844.76	15,936.07	15,805.42

#denotes levels of August 29, 2023 at the time of writing this report

**Key macroeconomic indicators**

Index	August 29, 2023	August 28, 2023
<b>Brent Crude Oil (\$ per barrel)</b>	84.85#	84.42
<b>Gold (\$ per ounce)</b>	1,936.20#	1,919.66
<b>Indian Rupee against US\$</b>	82.70	82.64
<b>India 10 year bond yield (%)</b>	7.18	7.18
<b>US 10 year G-sec (%)</b>	4.13#	4.21

#denotes levels of August 29, 2023 at the time of writing this report

**FII & DII activity**

Index	August 29, 2023	August 28, 2023
<b>FII activity (INR in Crore)</b>	<b>61.51</b>	<b>1,393.25</b>
<b>DII activity (INR in Crore)</b>	<b>305.09</b>	<b>1,264.01</b>

**Domestic bourses end in green; midcaps and smallcaps continue to witness buoyancy..**

- 1) On Tuesday, the Indian benchmark indices ended in the positive terrain. The Nifty opened on a positive note and later touched an intraday high of 19,377.90. Finally, the Nifty ended the day up by 36.60 points or 0.19 percent to end at levels of 19,342.65. On the other hand, the Sensex ended the day up by 79.22 points or 0.12 percent to end the day at levels of 65,075.30.
- 2) Among the Nifty 50 stocks, the major gainers were Jio Financial Services, UPL, Hindalco Industries, Tata Steel, Hero Motocorp up in the range of 1.80 percent to 5 percent. On the other hand, the major losers were Bharti Airtel, Hindustan Unilever, Reliance Industries, Dr. Reddy's Laboratories, Axis Bank down in the range of 0.84 percent to 1.73 percent.
- 3) The broader markets were upbeat on Tuesday. The Nifty Midcap 100 index was up by 0.34 percent and the Nifty Smallcap 100 index was up by 0.54 percent.

- 4) In terms of the sectoral indices performance, the major gainers were Nifty Realty index up by 1.69 percent, Nifty Metal index up by 1.28 percent, Nifty Media index up by 0.77 percent, Nifty Auto index up by 0.67 percent. On the other hand, the major losers were Nifty PSU Bank index down by 0.49 percent, Nifty FMCG index down by 0.33 percent, Nifty Pharma index down by 0.27 percent.
- 5) On Tuesday, FIIs have net bought equities worth Rs. 61.51 Crore. On the other hand, DIIs net bought equities worth Rs. 305.09 Crore. Month till date, FIIs have net sold equities worth Rs. 17,152.87 Crore and DIIs have net bought equities worth Rs. 19,310.95 Crore. In the month of July 2023, FIIs had net bought equities worth Rs. 13,922.01 Crore and DIIs had net sold equities worth Rs. 1,184.33 Crore.

### Sectors & Stocks

- 1) Shares of BEML Limited ended up by 12.74 percent to Rs. 2,452 after hitting an intraday high of Rs. 2,492 at the NSE on Tuesday. Recently, the Company had received contract for export order from M/s KAMSS Ltd, Russia, for BEML Dozer BD355 valuing 19.71 million USD. Contract to be executed in different phases starting from August, 2023, for which purchase order has been received. Earlier, on August 7, 2023, the Company had secured Letter of Acceptance from Bangalore Metro Rail Corporation (BMRC) for supply of Rolling stock contract 5RS-DM valued at approximately Rs 3,177 crore.
- 2) Shares of DCX Systems Limited ended up by 11.62 percent to Rs. 335.80 after hitting an intraday high of Rs. 343.60 at the NSE on Tuesday. DCX Systems Limited ("DCX Systems"), one of the leading Indian Defence Manufacturing Player offering a full service and manufacturing of Electronic Sub-Systems and Cable & Wire harness Assemblies for both International and Domestic reputed customers. The Company commenced operations in 2011 and has been a preferred Indian Offset Partner ("IOP") for foreign original equipment manufacturers ("OEMs") for executing defence manufacturing projects. DCX is primarily engaged in system integration and manufacturing a comprehensive array of cables and wire harness assemblies and are also involved in kitting". DCX is a rapidly growing company in the Indian defence space manufacturing and one of the largest Indian Offset Partner ("IOP") for ELTA Systems Limited and Israel Aerospace Industries Limited, System Missiles and Space Division (together, the "IAI Group"), Israel, for the Indian defence market. Over the years, the Company has expanded their manufacturing capabilities and grown their order book. The Company operates through their manufacturing facility located at the Hi-Tech Defence and Aerospace Park SEZ in Bengaluru, Karnataka. This facility is spread over an area of 30,000 square feet and is set up for complete in-house environmental and electrical testing and wire processing. The location of the facility is in the same city as certain of DCX's key domestic customers like Bharat Electronics Limited, Alpha Design Technologies Private Limited, Alpha Elsec Defence and Aerospace Systems Private Limited and Centum Adeno India Private Limited which ensures shorter delivery time. DCX's customers include certain Fortune 500 companies, multinational corporations and start-ups in Israel, United States, Korea and India, across different sectors, ranging from defence and aerospace to space ventures and railways.

Commenting on the company's performance, Dr. H.S. Raghavendra Rao, Chairman & Managing Director, DCX Systems, said, "Our Q1 FY24 performance has been in line with the policy of improvement of margins at various levels of operating efficiency and strong supply chain management. On a quarter comparative analysis despite revenue dip of 20.24%, the company has shown strong PAT from Rs.5.77 crores in Q1FY23 to Rs. 9.85 crores in Q1FY24, improving margins at PAT level by 309 bps and registering a percentage growth of 71.01%. The historical data would suggest that the major portion of business targets are achieved in the 3rd and 4th quarter of the financial year and FY 24 first quarter has been no exception to this. The first quarter witnessed stability in business, stabilized supply chain management and results of risk management strategy fully executed. He further added "We have a healthy pipeline of orders, based on which we are optimistic for the near and medium-term future, while consistently striving to maintain and improve operational efficiencies and thereby margins in operations."

- 3) Shares of Bharat Heavy Electricals Limited (BHEL) ended up by 4.93 percent to Rs. 114.95 at the NSE on Tuesday. BHEL is India's largest engineering and manufacturing enterprise in the energy and infrastructure sector. Established in 1964, BHEL is a leading power equipment manufacturer globally and one of the earliest and leading contributors towards building an Aatmanirbhar Bharat. The company is engaged in the design, engineering, manufacture, construction, testing, commissioning and servicing of a wide range of products and services for the core sectors of the economy. BHEL serves its customers with a comprehensive portfolio of products, systems and services in the areas of power-thermal, hydro, gas, nuclear & solar PV; transmission; transportation; defence & aerospace; oil & gas and new areas like BESS and EV chargers.

BHEL plays a crucial role in the strategic sectors of the nation, being the sole Indian supplier for many technology intensive products and systems. BHEL is the only supplier of nuclear steam turbines in the country; the only company



associated with all three stages of India's Nuclear Power programme; a major supplier of critical equipment and services in defence & aerospace sector for over three decades; and a trusted supplier of naval guns to Indian navy for their warships.

### **Key recent developments**

- 1) Germany's coalition on Tuesday set aside weeks of squabbling to agree to a total of 32 billion euros (\$34.63 billion) in corporate tax cuts over four years to boost the flagging economy.

A previous attempt to pass the "Growth Opportunities Law" earlier this month failed in what was widely seen as a sign the governing coalition of two socially-minded leftist parties and one economically liberal party was too unwieldy to govern. "We'll discuss how to achieve a big boost," Chancellor Olaf Scholz said at the start of a two-day cabinet retreat at Schloss Meseberg, a baroque castle outside Berlin. "The German economy can do more."

The German economy stagnated in the second quarter, showing no sign of recovery from a winter recession and cementing its position as one of the world's weakest major economies.

(Source: Reuters)

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

- 1) On Tuesday, Indian benchmark indices ended in the positive terrain. Buoyancy was witnessed in the midcaps and smallcaps space. The rally can be attributed to positive demand outlook for companies led by start of the festive season. In addition, positive global cues like US Fed not likely to go for rate hikes in the future and China economy showing improvement also aided positivity.
- 2) Domestically, we expect stock specific action likely to continue in the broader markets. After the recent rally, profit booking is also not ruled out. Domestically, we suggest investors to remain stock specific and be wary of valuations of companies getting out of comfort zone especially in smallcaps. At the moment, companies in the sectors like Auto, Auto ancillaries, Banking, NBFCs, Capital Goods, Defence, Engineering, Real Estate, select companies in the Infrastructure space, Railways can be considered. 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, increase in investment led spending and other indicators like passenger air traffic, hotel occupancy, power consumption, auto sales, coal production data etc. Encouraging Q1FY24 results suggest that economy is doing well. Results announced by PSU Banks, NBFCs announced indicated good times for Banking and Financial Services sector. Private Banks too had reported good Q1FY24 performance.



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