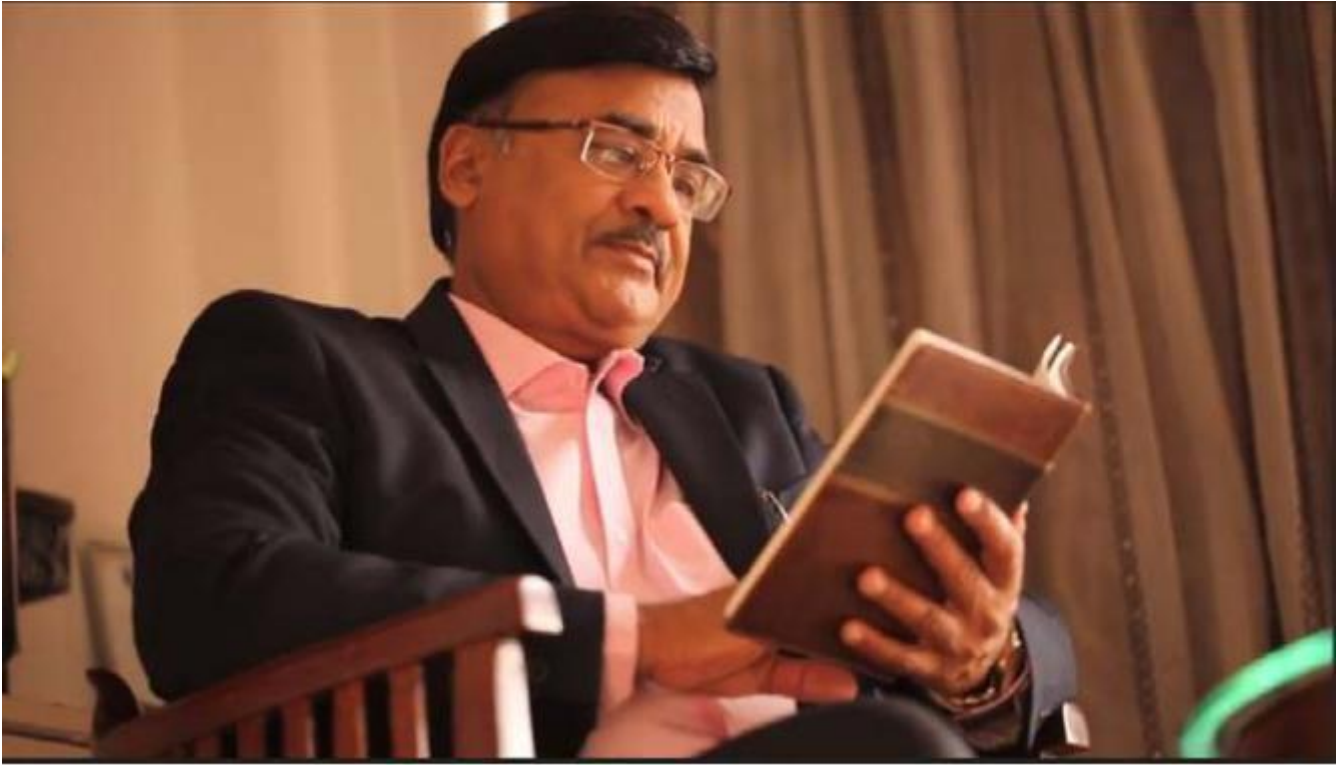




AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS



CA(Dr.)Ashok Ajmera's Weekly Column as on February 16, 2024

Amidst ongoing volatility, this week saw the conclusion of major companies' earnings reports, shaping mixed market trends with cautious optimism prevailing.



CA(Dr.)Ashok Ajmera's Weekly Column

In a week marked by moderate volatility, the Nifty 50, Sensex, and Nifty mid-cap index closed positively, while the Nifty small cap index ended on a negative note. Profit booking amidst market fluctuations was evident. Notably, the earning season for the quarter came close to its end this week with all major companies having released their reports. DII demonstrated sustained positive net purchases, indicating investor confidence. However, cautionary signals persisted regarding expensive valuations, particularly in small and mid-cap stocks, emphasising the importance of closely monitoring FII activity, even as DII bulls overpowered FII sellers during the week.

The top gainers in the Nifty 50 index were M&M (up by 11.49%), Wipro (up by 10.71%), UPL (up by 7.20%), Bajaj Auto (up by 6.94%) and BPCL (up by 6.56%). The major losers in the Nifty 50 index were Hindalco (down by 12.79%), Grasim (down by 2.90%), ITC (down by 2.62%), HUL (down by 2.02%) and Sun Pharma (down by 1.62%).

FII and DII Activity

In the week gone by, FII were net sellers at Rs. 6237.55 Crores and DII were net buyers at Rs. 8731.60 Crores. In the previous week FII were net sellers at 5868.41 Crores and DII were net buyers at 5325.79 Crores. In the month of January 2024, FIIs had net sold equities worth Rs. 35,977.87 Crore and DIIs had net bought equities worth Rs. 26,743.63 Crore.

Sector Movement

Nifty Auto was the outperforming sector of the week, closing at an all-time high during the week, up by 4.33%. Nifty PSU banks and Nifty PSE also saw great momentum during the week. The worst performing sector was Nifty Metal which was down by 1.47% and Nifty Media which was down by 1.23%.

Global Market and Major Developments

The annual core consumer price inflation rate in the United States, which excludes volatile items such as food and energy, stood at a 2-1/2-year low of 3.9% in January 2024, unchanged from the prior month and above market forecasts of 3.7%.

The United Kingdom's inflation rate was unchanged at 4.0% in January 2024, holding close to November's two-year low and falling below the market expectation of 4.2%. However, it remained double the Bank of England's target of 2.0%.

The British economy went down 0.2% year-on-year in the fourth quarter of 2023, the first contraction since 2021, following a downwardly revised 0.2% growth in the previous period.

The Japanese economy shrank 0.7% QoQ in Q3 of 2023, compared with a flash figure of a 0.5% contraction and after a downwardly revised 0.9% growth in Q2. It was the first GDP contraction since Q3 of 2022, amid elevated cost pressure and mounting global headwinds.

Major Developments in Domestic Markets

1. Tata Power's Q3FY24 net profit increased by 2% to Rs 1,076.12 crore, with revenue growing by 6.2% to Rs 15,294.13 crore.
2. ONGC's consolidated net profit for the December quarter dropped by 8% to Rs 10,748 crore, with revenue falling by 2.2% to Rs 1,65,569 crore.
3. One97 Communications formed a Group Advisory Committee chaired by former SEBI chief M Damodaran to strengthen compliance and regulatory matters.
4. Apeejay Surrendra Park Hotels Ltd debuted 15% higher after its public issue, opening at Rs 187 from its issue price of Rs 155 per share.
5. IRFC's net profit for Q3FY24 fell by 1.78% to Rs 1,604 crore, while revenue from operations grew by 8.43% to Rs 6,742 crore.
6. NHPC posted a 19% fall in consolidated net profit for the December quarter and announced an interim dividend of Rs 1.4 per share for FY23-24.
7. Dr. Reddy's Laboratories' R&D center in Hyderabad passed a Good Manufacturing Practice inspection by the USFDA.

Particulars	Close (16/02/2024: Friday)	Open (12/02/2024: Monday)	Previous Close(09/02/ 2024: Friday)	Change (%)
Nifty50	22040.70	21800.80	21782.50	1.19%
Sensex	72426.64	71722.31	71595.49	1.16%
NiftyMidcap 100	49131.95	49137.65	48889.05	0.50%
NiftySmallcap 100	16194.00	16286.75	16269.30	-0.46%
Sectoral Indices				
NiftyBank	46384.85	45664.30	45634.55	1.64%
NiftyAuto	20423.45	19644.00	19576.00	4.33%
NiftyIT	38477.05	37770.00	37699.25	2.06%
NiftyPSUBank	7135.00	6981.65	6944.95	2.74%
NiftyFin Services	20472.75	20198.40	20203.30	1.33%
NiftyPharma	18870.80	18685.65	18617.10	1.36%
NiftyFMCG	53518.60	54005.55	53867.10	-0.65%
NiftyMetal	7976.45	8135.75	8095.60	-1.47%
NiftyRealty	882.70	876.45	875.95	0.77%
NiftyMedia	2164.80	2199.15	2191.80	-1.23%
NiftyEnergy	39682.40	38937.40	39037.65	1.65%
NiftyPrivate Bank	23240.90	22938.75	22913.80	1.43%
NiftyInfra	8077.75	7979.75	7977.05	1.26%
NiftyCommoditie s	8312.90	8249.00	8244.85	0.83%
NiftyConsumptio n	9819.45	9679.20	9664.50	1.60%
NiftyPSE	9424.10	9170.45	9170.05	2.77%
NiftyServ. Sector	27809.55	27452.05	27445.15	1.33%
NiftyHealthcar e	12039.05	11947.20	11898.25	1.18%
NiftyOil&Gas	11854.10	11510.25	11541.40	2.71%
NiftyINDIA MFG	11698.15	11523.70	11483.90	1.87%
USIndices				
DowJones	38628.00	38656.76	38671.70	-0.11%
S&P500	5005.56	5026.83	5026.62	-0.42%
NASDAQ100	17685.98	17942.28	17962.41	-1.54%
Commodities				
Gold(inRs./10 gram)	61878	62240	62303	-0.68%
Brent Crudeoil	83.22	81.56	81.91	1.60%



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

8. Bharat Forge Ltd reported a surge of over 220% in consolidated net profit for Q3FY24 and expected growth moderation in the coming quarter and FY24-25.
9. Bandhan Bank lent out loans worth Rs 23,300 crore under credit guarantee schemes, raising concerns of evergreening by the NCGTC.
10. Divi's Labs reported a 17% year-on-year increase in net profit to Rs 358 crore for Q3FY24.
11. JSW Neo Energy received Letter of Awards for a wind capacity of 500 MW from SECI.
12. HFCL secured a purchase order of Rs 141 crores for supply of Unlicensed Band Radios to BSNL.
13. BPCL's board approved the sale of up to 68,36,948 equity shares held by BPCL ESPS Trust.
14. Bharat Electronics received a Rs 2,167.47-crore order from the Indian Navy for the supply of EW suite for use on-board warships.
15. Wipro acquired a majority stake in insurtech firm Aggne Global Inc and its Hyderabad-based affiliate for \$66 million.
16. Yes Bank's stake worth Rs 1,129 crore was sold in a bulk deal.
17. Vedanta sold a 2.2% equity stake for Rs 2,255 crore in a block deal.
18. Subramanian Swamy alleged a private bank's involvement in a Rs 5,100-crore scam.
19. HDFC Mutual Fund bought a stake worth Rs 91 crore in Sudarshan Chemical Industries in a bulk deal.
20. Mahindra and Mahindra Limited signed an agreement for Volkswagen components to be used in its electric vehicles.
21. India's retail inflation, which is measured by the consumer price index (CPI), eased to 5.10% in January 2024 from 5.69% in December 2023

Events in the Coming Week

Next week, Asia anticipates key economic updates. South Korea will reveal its year-on-year inflation rates alongside its interest rate decision. Similarly, Japan will unveil its own inflation figures, while also releasing its balance of trade data. In IPO news, Vibhor Steel Tubes Limited is set to debut on February 20th. These events will shape investor sentiment and influence market dynamics in the region.

Ajcon Global's observations and view:

Short term view:

- 1) Continuous net selling by the FPIs makes the sentiments a bit negative as the DII net buying may not match the same in the coming weeks. The markets continues to be in the overbought zone, so a cautious stance is recommended. We have already given warning signals with regards to expensive valuation in small and mid-cap stocks. We continue to advise partial profit booking in blue chips which have given good rally in recent past and substantial profit booking in small and mid-cap stocks as any negative result or news can bring them under pressure. We advise investors to sit on some cash to take advantage of corrections, which is imminent, some of which can be very sharp.
- 2) We suggest investors to remain stock specific and be wary of valuations of companies which are out of comfort zone especially in the smallcap pack. At the moment, specific companies in the sectors like FMCG, Auto, Auto ancillaries, Banks,, Consumer Durables, Capital Goods, Defence, Engineering, Real Estate, Infrastructure space and Railways many of which have not yet caught the fancy of the market can identified & added in small quantities.

Long term view

1. The RBI has in the recent Policy announcement increased the GDP forecast to 7% signalling 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 Q3/FY 24 results suggest that economy is doing well.
2. Structurally, Indian economy is poised to do well in the coming years, hence one can play a long term bet without bothering at the intermittent fluctuations.



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

Disclaimer

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Ajcon Global Services Limited is a SEBI registered Research Analyst entity bearing registration Number INH000001170 under SEBI (Research Analysts) Regulations, 2014.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provides any assurance of returns to investors.

Individuals employed as research analyst by Ajcon Global Services Limited or their associates are not allowed to deal or trade in securities that the research analyst recommends within thirty days before and within five days after the publication of a research report as prescribed under SEBI Research Analyst Regulations, 2014.

Subject to the restrictions mentioned in above paragraph, We and our affiliates, officers, directors, employees and their relative may: (a) from time to time, have long or short positions acting as a principal in, and buy or sell the securities or derivatives thereof, of Company mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage.

Ajcon Global Services Limited is a fully integrated stock broking, investment banking, merchant banking, corporate advisory, commodity and currency broking Company. It may therefore have commercial relationship for the above said services with the Company covered in this Report. Ajcon Global Services Limited research analysts responsible for the preparation of the research report may interact with trading desk personnel, sales personnel and other parties for gathering, applying and interpreting information.

Ajcon Global Services Limited encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Ajcon Global Services Limited or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither Ajcon Global Services Limited nor Research Analysts have any material conflict of interest at the time of publication of this report.

Ajcon Global Services Limited or its associates may have commercial transactions with the Company mentioned in the research report with respect to advisory services.

The information and opinions in this report have been prepared by Ajcon Global Services Limited and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of Ajcon Global Services Limited. While we would endeavor to update the information herein on a reasonable basis, Ajcon Global Services Limited is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent Ajcon Global Services Limited from doing so. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed.

This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Ajcon Global Services Limited will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Ajcon Global Services Limited accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. Ajcon Global Services Limited or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

It is confirmed that CA (Dr.) Ashok Ajmera or any other Research Analysts of this report has not received any compensation from the company mentioned in the report in the preceding twelve months. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Ajcon Global Services Limited or its subsidiaries collectively or Directors including their relatives, Research Analysts, do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Ajcon Global Services Limited may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. Neither the Research Analysts nor Ajcon Global Services Limited have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on Ajcon Global Services Limited by any Regulatory Authority impacting Equity Research Analysis activities.

Analyst Certification

I, CA (Dr.) Ashok Ajmera, research analyst, author and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. I also certify that no part of compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view (s) in this report.

For research related queries,

Contact: Mr. Aadesh Gosalia - Research Analyst at - research@ajcon.net

Website: www.ajcononline.com

Registered and Corporate office

408 - (4th Floor), Express Zone, "A" Wing, Cello - Sonal Realty, Near Oberoi Mall and Patel's, Western Express Highway, Goregaon (East), Mumbai - 400063. Tel: 91-22-67160400, Fax: 022-28722062

