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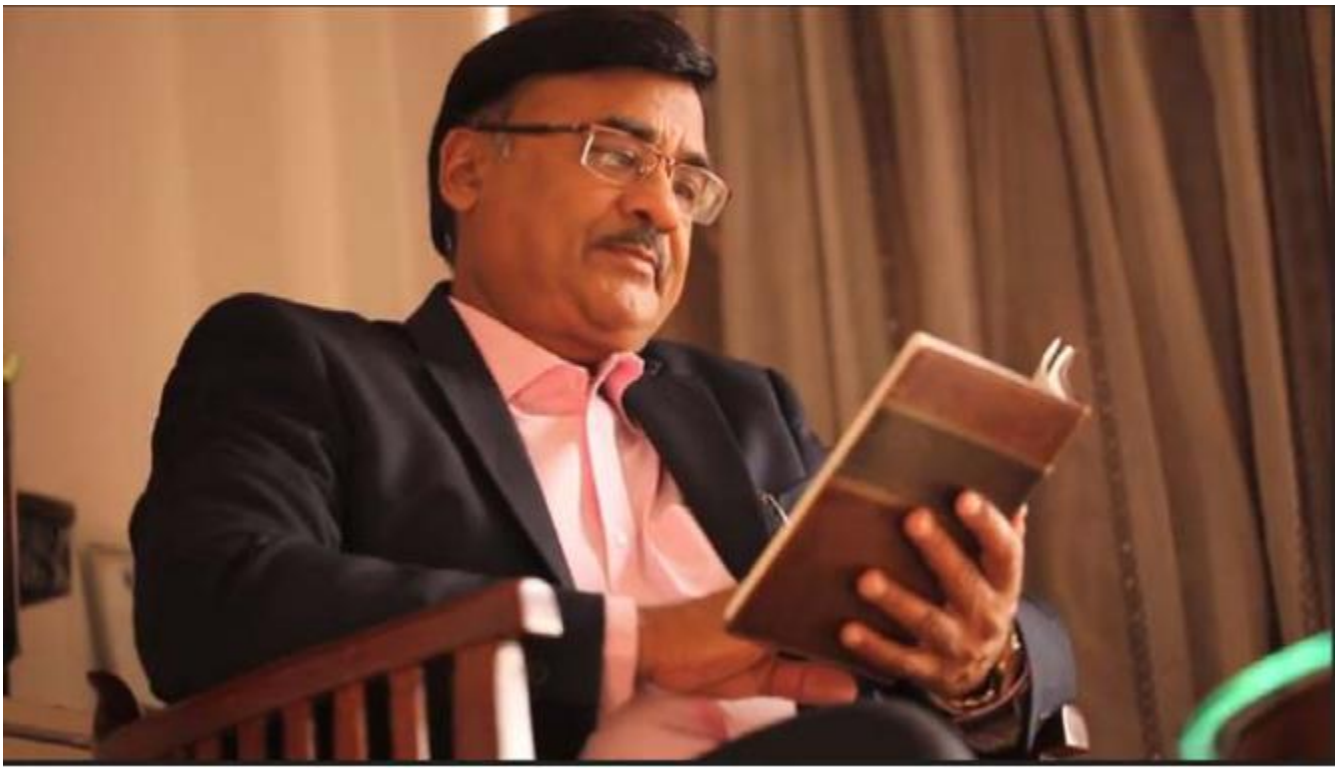

CA (Dr.) Ashok Ajmera's Weekly Column as on March 15th, 2025

"IT , Midcap & small cap stocks were hammered again during the truncated week"

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CA (Dr.) Ashok Ajmera's Weekly Column

India's main indexes resumed their downward trend this week, as concerns over an increasing global trade war dragging on the US economy weighed heavily on heavyweight information technology firms. The Nifty 50, Nifty Midcap 100, and Nifty Small Cap 100 indices fell by 0.69%, 2.17%, and 3.91%, respectively, for the week ending March 13, 2025.

The top gainers in the Nifty 50 index were Sun Pharma (up 4.30%), Kotak Mahindra (up 3.30%), Reliance (up 3.17%), ICICI Bank (up 2.63%) and Bharat Elec (up 2.61%). The major losers in in the Nifty 50 index were IndusInd Bank (down 30.81%), Infosys (down 7.93%), Wipro (down 7.66%), Tech Mahindra (down 4.18%), and Shriram Finance (down 3.85%)

FII and DII activity

In the week gone by, FII were net sellers at Rs. 5,729.68 Crores and DII were net buyers at Rs. 5,499.47 Crores. In the previous week FII were net sellers at Rs. 15,501.57 Crores and DII were net buyers at Rs. 20,950.89 Crores. In the month of February 2025, FIIs had net sold equities worth Rs. 58,988.08 Crore and DIIs had net bought equities worth Rs. 64,853.19 Crore.

Sector Movement

The outperforming sector was Nifty Financial Services, up by 0.66% and the worst performing sector was Nifty IT down by 4.49% in the week.

Global Market and Major Developments

US stocks posted losses for the week, with the S&P 500 Index, Nasdaq Composite, and Russell 2000 Index all notching a fourth consecutive week of negative returns and the S&P MidCap 400 Index falling for the seventh week in a row, while the Dow Jones Industrial Average slid 3.07%, putting all five indexes into negative territory for the year. The week's relatively light economic calendar was highlighted by Wednesday's release of the Labor Department's consumer price index (CPI), which indicated that consumer prices rose 0.2% month over month in February, while core CPI (less food and energy) saw its lowest year-over-year increase since April 2021, rising 3.1% over the prior 12 months. February's readings for both monthly and annual inflation slowed from January, and both were slightly below consensus expectations. Producer price index (PPI) data painted a similar picture for February, with headline prices unchanged from January and core prices declining for the first time since July compared with expectations for a 0.3% increase for both readings. In local currency terms, the pan-European STOXX Europe 600 Index ended 1.23% lower amid worries about how US trade tariffs would affect economic growth and uncertainty over monetary policy. Days after the European Central Bank (ECB) decided to lower interest rates for a sixth time since June, comments from a clutch of policymakers appeared to cast doubt on another cut in April. The UK economy unexpectedly shrank 0.1% in January, reflecting a fall in production. Gross domestic product (GDP) had expanded 0.4% sequentially the month before. Nevertheless, the rolling quarterly growth rate of 0.2% was higher than the 0.1% posted in December. Germany's coalition government-in-waiting and the Greens agreed to a deal for a huge increase in state borrowing, according to two sources close to the talks cited by Reuters. Friedrich Merz, the next chancellor, wants the outgoing parliament to approve a EUR 500 billion infrastructure fund and a loosening of the so-called debt brake to increase spending on defense. Japan's stock markets rose modestly over the week, with the Nikkei 225 Index gaining 0.45% and the broader TOPIX Index up 0.27%.Investors focused on the takeaways from Japan's spring "shunto" labor-management wage negotiations, which secured the largest pay deal in more than three decades and indicated a steady wage growth trend, including among smaller companies. Mainland Chinese stock markets rose on stimulus hopes after Beijing said it would hold a press conference on Monday with policymakers focusing on boosting consumption. The onshore benchmark CSI 300 Index advanced 1.59%, and the Shanghai Composite Index added 1.39% in local currency terms, according to FactSet. In Hong Kong, the benchmark Hang Seng Index shed 1.06%.

Particulars	Close (13/03/2025: Thursday)	Open (10/03/2025: Monday)	Previous Close (07/03/2025: Friday)	Change (%)
Nifty 50	22397.20	22521.85	22552.50	-0.69%
Sensex	73828.91	74474.98	74332.58	-0.68%
Nifty Midcap 100	48125.10	49248.40	49190.60	-2.17%
Nifty Small cap 100	14897.35	15525.45	15504.30	-3.91%
		Sectoral Indices		
Nifty Bank	48060.40	48312.00	48497.50	-0.90%
Nifty Auto	20554.05	20946.40	21009.70	-2.17%
Nifty IT	36122.50	37791.60	37820.45	-4.49%
Nifty PSU Bank	5783.85	5927.70	5931.40	-2.49%
Nifty Fin Services	23290.00	23110.00	23136.20	+0.66%
Nifty Pharma	20386.85	20429.95	20378.30	+0.04%
Nifty FMCG	51879.25	51789.60	51891.80	-0.02%
Nifty Metal	8777.65	8924.65	8926.90	-1.67%
Nifty Realty	800.15	816.65	816.35	-1.98%
Nifty Media	1437.80	1488.80	1488.95	-3.44%
Nifty Energy	31483.00	31788.45	31788.45	-0.96%
Nifty Private Bank	23955.70	24183.85	24292.95	-1.39%
Nifty Infra	7939.75	8002.40	8000.85	-0.76%
Nifty Commodities	8008.45	8065.70	8063.05	-0.68%
Nifty Consumption	10285.95	10386.85	10394.40	-1.04%
Nifty PSE	8610.70	8659.00	8657.30	-0.54%
Nifty Serv. Sector	29396.75	29642.45	29664.15	-0.90%
Nifty Healthcare	13075.75	13058.70	13034.85	+0.31%
Nifty Oil & Gas	10021.80	10086.75	10101.50	-0.79%
Nifty INDIA MFG	12591.30	12720.55	12720.15	-1.01%
		US Indices		
Dow Jones	41488.19	42507.65	42801.72	-3.07%
S&P 500	5638.93	5705.37	5770.19	-2.27%
NASDAQ 100	19704.64	19826.96	20201.37	-2.46%
		Commodities		
Gold (in Rs./ 10 gram)	87991	85981	85877	+2.46%
Brent Crude oil	70.51	70.31	70.33	+0.26%

Major Developments in Domestic Markets

1. India's central bank said on Saturday that private lender IndusInd Bank is well-capitalised and the financial position of the bank remains satisfactory.
2. India's telecom regulator plans to recommend that satellite broadband spectrum be allotted for around five years to assess initial market adoption, defying Elon Musk's Starlink, which is seeking a 20-year permit, said a senior government source.
3. Indian IT major Wipro is realigning its four global business lines from April 1 to better address client needs, the company said.
4. Indian banks and non-bank finance companies (NBFCs) should consider setting up a common pool of bankable projects for climate-related financing, the country's central bank chief Sanjay Malhotra said.
5. India's retail inflation fell below 4% in February for the first time in six months mainly due to a decline in vegetable prices, giving the central bank room to cut rates further in coming meetings.
6. India's Industrial output, in January outpaced expectations, powered by strong manufacturing and mining activity, government data showed.
7. India's Ola Electric, has managed to save 900 million rupees ($10.3 million) a month from a cost-cutting programme it began in November, the electric scooter maker said.
8. Bessemer Venture Partners, an early backer of Swiggy, has raised $350 million for an India-focused fund to invest in AI-enabled businesses, fintechs and direct-to-consumer brands among others, the company said.
9. Skoda Auto plans to manufacture electric cars in India and will invest in the country by itself if its search for a local partner fails, the Czech carmaker's CEO said, as its parent Volkswagen Group fights a $1.4 billion tax demand case.
10. Gold broke through the key $3,000 barrier for the first time as investors piled on to a historic rally in the safe-haven asset to seek cover from economic uncertainty sparked by US President Donald Trump's tariff war.

Ajcon Global's observations and view:

Short term view:

1. In spite of continued selling by FPIs, we continue to recommend building up a strong portfolio at the current prices.

2. In our opinion, many of the corrected stocks have become attractive and the investors must keep accumulating them.

3. We continue to put our bet on beaten down PSUs, PSBs & many of the FMCG, Auto, Chemical, Pharma, Infra, banking & financial stocks which look promising at the current levels in spite of threat of increased tariff by US .

4. It's a time to do some bottom fishing.

Long term view

1. We believe that the domestic economy though slowed down a bit, is still strongly placed as compared to the global peers as the recent numbers also suggest.

2. Our faith remains in the Equity as the best asset class in the World but advice caution to the investors to be selective & remain invested in fundamentally strong companies. These are the times to build a strong long term portfolio at a reasonable price to make big money.

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