



Mr. Ashok Ajmera, CMD

Mr. Ajmera's column as on May 16, 2015

Domestic bourses end higher amidst volatility; value investing is the key...

Nifty ended the volatile week on positive note after 4 consecutive negative weekly close gaining 71 points or 0.77% at 8,262.35 after hitting the 17 weeks low of 7,997.15. The paints sector outperformed by 4.07% followed by finance and automobiles which gained by more than 3%. The Real Estate sectors was a major underperformer losing 6% followed by FMCG which lost 2.61%. In CNX Nifty stocks; Bank of Baroda, HeroMoto and SBI gained nearly 10% while DLF and HindUnilever lost 5.98% and 5.63% respectively. Commodities showed positive momentum where COMEX Gold rose by 3% to \$1226 and Silver hits 14 weeks high gaining 6.8% at \$17.568. INR appreciates against USD to 63.46 after price hits 20 months low of 64.28

Key developments

Wholesale price index (WPI)-based inflation for April fell to a new low of -2.65 percent, the sixth successive month of deflating prices. The WPI reading for March was -2.33 percent. Given the weakness in industrial output and downtrend in inflation, expectations of a rate cut by the RBI at its June meet have risen

With the controversial land acquisition bill being referred to a joint parliamentary committee, government on Thursday said it would re-promulgate the related ordinance for the third time. Rural Development Minister Chaudhary Birender Singh said there were 13 legislations which are already out of the purview of the present 2013 Land Acquisition legislation and to include those we issued that ordinance and now for the continuation of that ordinance if we have to issue another fresh ordinance



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

Crude Oil

Oil slipped below \$65 a barrel on Monday as signs that U.S. shale oil production was recovering after a recent price rally renewed concerns of a growing global supply glut. China's latest move to bolster its economy offset some of the losses as it raised hopes that the world's top energy consumer would help absorb supplies.

China overtook the United States as the world's top importer of crude oil for the first time in April, and its purchases are expected to remain strong despite a slowing economy, with far-reaching consequences for global oil and commodities markets. The soaring imports came as a surprise as growth in the world's second-largest economy was sputtering and its oil demand was expected to ease.

Oil prices will remain below the psychologically important \$100-a-barrel mark until at least 2025, according to a draft report by the Organization of the Petroleum Exporting Countries (OPEC), seen by The Wall Street Journal. In its most optimistic scenario, OPEC, which represents 12 oil-producing countries, forecast that oil will sell for around \$76 per barrel in 10 years' time, according to the report. However, it warned that crude oil could cost as little as \$40 per barrel in 2025.

Global Market

The number of Americans filing new claims for unemployment benefits unexpectedly fell last week, indicating the jobs market was on solid footing even as the economy struggles to regain momentum after abruptly slowing in the first quarter. Initial claims for state unemployment benefits slipped 1,000 to a seasonally adjusted 264,000 for the week ended May 9, the Labor Department said on Thursday, within a whisker of a 15-year low reached two weeks ago. US shares ended little changed on Friday, with the S&P 500 edging up to a record high for a second straight session after a ream of weak economic data. The S&P 500 gained 1.63 points, or 0.08 percent, to end at 2,122.73. That followed a more substantial 1.08 percent jump on Thursday that fueled speculation the benchmark index might trend higher after having oscillated in a range for much of the past three months. However, weak industrial output and consumer sentiment reports on Friday did little to instill confidence in investors about the economy's growth momentum. The major indices spent most of the day in the red. The Dow Jones industrial average rose 20.32 points, or 0.11 percent, to end at 18,272.56. The Nasdaq Composite dropped 2.50 points, or 0.05 percent, to 5,048.29. For the week, the Dow closed 0.4 percent higher, the S&P rose 0.3 percent and the Nasdaq added 0.9 percent.

Outlook

We believe that every fall in the prices of good quality stocks due to selling by FIIs is providing a good opportunity for domestic investors to get into these stocks. We are cautiously optimistic on Indian markets.



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

Disclaimer

Ajcon Global Services Ltd. is a fully integrated investment banking, merchant banking, corporate advisory, stock broking, commodity and currency broking. Ajcon Global Services Ltd. 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.

Individuals employed as research analyst by Ajcon Global Services Ltd. or their associates are not allowed to deal or trade in securities that the research analyst recommends within thirty days before and five days after the publication of a research report.

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

The information and opinions in this report have been prepared by Ajcon Global Services Ltd. 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 Ltd. While we would endeavour to update the information herein on a reasonable basis, Ajcon Global Services Ltd. 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 Ltd. 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 Ltd. 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 Ltd. 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 Ltd. 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.

Ajcon Global Services Ltd. or its associates have not received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

Ajcon Global Services Ltd. encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Ajcon Global Services Ltd. or its analysts did not



Ajcon Global™
Your Friendly Advisor
Since 1986



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

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 Ltd. nor Research Analysts have any material conflict of interest at the time of publication of this report.

It is confirmed that CA Ashok Ajmera, research analyst of this report have not received any compensation from the companies 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 Ltd. or its subsidiaries collectively or 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.

It is confirmed that CA Ashok Ajmera research analyst do not serve as an officer, director or employee of the companies mentioned in the report.

Ajcon Global Services Ltd. 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 Ltd. 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 Ltd. by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Ajcon Global Services Ltd. and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

For research related queries contact:

Mr. Akash Jain – Vice President (Research) at research@ajcon.net

CIN: L74140MH1986PLC041941

Website: www.ajcononline.com

Corporate and Broking Division : 408 – (4th Floor), Express Zone, “A” Wing, Cello – Sonal Realty, Near Oberoi Mall and Patel’s, Western Express Highway, Malad (East), Mumbai – 400063. Tel: 91-22-67160400, Fax: 022-28722062

Registered Office: 101, Samarth, Off. Hinduja Hospital, 151 Lt. P.N. Kotnis Road, Mahim (West), Mumbai – 400016. Tel: 022-24460335/36/40