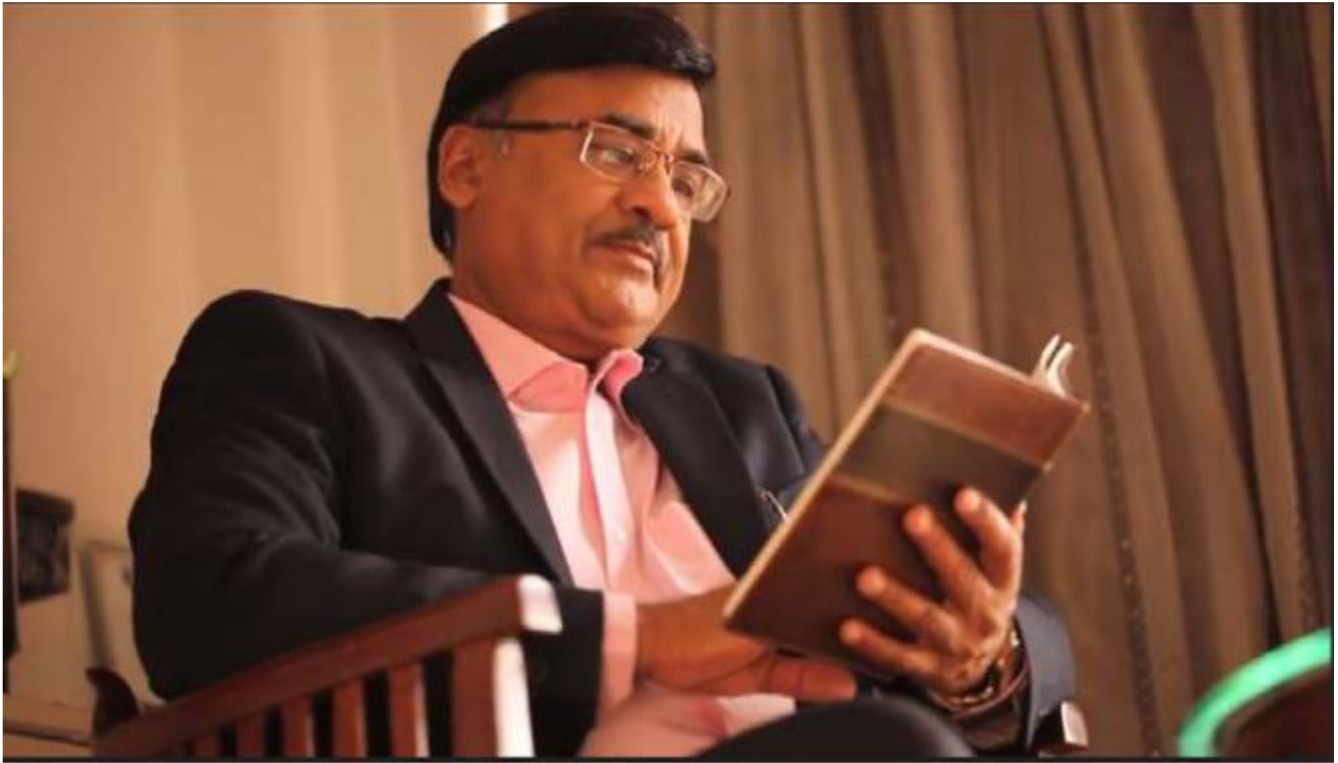




AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS



CA (Dr.) Ashok Ajmera's Weekly Column as on December 22, 2023

The broader market witnessed a good fight between the bulls and bears as markets saw profit booking after hitting an all time high.



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

CA (Dr.) Ashok Ajmera's Weekly Column

The domestic bourse saw a volatile week with profit booking witnessed during the week. Both, the Nifty 50 and the Sensex closed in a negative territory on a weekly basis after 7 consecutive positive closing. We had already given a warning signal last week regarding profit booking and expensive valuations especially in the small and midcap stocks which was also visible in both Nifty Midcap 100 closing with a loss on 1.08% index and the Nifty smallcap 100 index down by 0.27%.

The top gainers in the Nifty 50 index were Britannia (up by 5.03%), Nestle (up by 4.11%), Tata Consumer Product (up by 3.99%), Coal India (up by 3.79%) and Wipro (up by 3.61%). The major losers in in the Nifty 50 index were Adani Enterprises (down by 6.13%), M&M (down by 5.26%), HDFC Life (down by 4.94%), UPL (down by 4.78% and Adani Ports (down by 4.73%).

FII and DII activity

In the week gone by, FII were net sellers at Rs. 6,422.24 Crores and DII were net buyer at Rs. 9,093.99 Crores. In the previous week FII were net buyers at Rs. 18,858.34 Crores and DII were net sellers at Rs. 2,592.35 crores. In the month of November 2023, FIIs had net bought equities worth Rs. 5,795.05 Crore and DIIs had net bought equities worth Rs. 12,762.14 Crore.

Sector Movement

FMCG was the outperforming sector of the week, hitting an all-time high during the week, up by 1.69%. Nifty Pharma and Nifty Oil and Gas were other two sectors which saw good momentum during the week. All other sectorial indices gave a negative or a subdued positive closing.

Global Market and Major Developments

The US market gave a marginally positive closing with NASDAQ 100 index gaining the most. The NAHB/Wells Fargo Housing Market Index in the United States edged up to 37 in December 2023 from 34 in November, which was the lowest in nearly a year, and beating forecasts of 36. Housing starts in the US unexpectedly soared 14.8% month-over-month to an annualized 1.56 million in November of 2023, the highest rate in six months, and well above market forecasts of 1.36 million, benefiting from a fall in mortgage rates and low inventory. The number of Americans filing for unemployment benefits edged higher by 2,000 to 205,000 on the week ending December 16th, holding close to the two-month low of 203,000 hit in the previous week and well below market expectations of 215,000. The American economy expanded an annualized 4.9% in the third quarter of 2023, slightly below 5.2% in the second estimate, but matching the 4.9% initially reported in the advance estimate. It still marks the strongest growth since Q4 2021. Foreign direct investment (FDI) into China declined by 10% year-on-year to CNY 1.04 trillion or \$145.51 billion in the first eleven months of 2023, in a sign foreign investors have not fully returned to the country after Covid, while sentiment about the Chinese recovery remains weak.

Major Developments in Domestic Markets

- 1) Landmark Cars Limited during the week received an approval from Mercedes-Benz India for opening a workshop at Hyderabad.
- 2) KPI Green during the week raised Rs. 3000 crores from QIBs at the issue price of Rs. 1,183.00 per Equity Share.
- 3) Infosys announced the inauguration of a new state-of-the-art development centre (DC) at the Mihan-SEZ in Nagpur, Maharashtra. Spread across 265,000 sq.ft., Infosys has invested over INR 230 crore in the development of this facility, which will provide greater flexibility for

Particulars	Close (22/12/2023: Friday)	Open (18/12/2023: Monday)	Previous Close (15/12/2023: Friday)	Change (%)
Nifty 50	21,349.40	21,434.80	21,546.65	-0.50
Sensex	71,106.96	71,437.35	71,483.75	-0.53
Nifty Midcap 100	45,094.80	45,678.60	45,586.55	-1.08
Nifty Smallcap 100	14,846.05	14,940.55	14,885.80	-0.27
Sectoral Indices				
Nifty Bank	47,491.85	48,068.50	48,143.55	-1.35
Nifty Auto	17,778.90	18,048.45	18,038.25	-1.44
Nifty IT	35,637.80	35,707.30	35,782.45	-0.40
Nifty PSU Bank	5,584.95	5,757.00	5,762.60	-3.08
Nifty Fin Services	21,197.15	21,513.15	21,529.75	-1.54
Nifty Pharma	16394.35	16,196.40	16,179.80	1.33
Nifty FMCG	55101.05	54,070.90	54,186.20	1.69
Nifty Metal	7652.65	7712.10	7,735.35	-1.07
Nifty Realty	763.05	769.25	767.05	-0.52
Nifty Media	2390.50	2425.95	2,437.05	-1.91
Nifty Energy	32810.15	32640.05	32,580.65	0.70
Nifty Private Bank	24485.30	24909.50	24,944.65	-1.84
Nifty Infra	7134.59	7154.20	7,141.30	-0.09
Nifty Commodities	7470.45	7512.75	7,506.75	-0.48
Nifty Consumption	9279.00	9259.35	9,257.05	0.24
Nifty PSE	7611.60	7644.35	7,626.90	-0.20
Nifty Serv. Sector	27341.60	27672.15	27,695.85	-1.28
Nifty Healthcare	10353.15	10296.40	10,283.75	0.67
Nifty Oil & Gas	9287.05	9165.60	9,150.90	1.49
Nifty INDIA MFG	10702.30	10698.15	10,694.80	0.07
US Indices				
Dow Jones	37,385.98	37,330.14	37,305.17	0.22
S&P 500	4,754.64	4,725.58	4,719.18	0.75
NASDAQ 100	16,777.40	16,631.11	16,623.45	0.93
Commodities				
Gold (in Rs./ 10 gram)	62,954	62,193	62,192	1.23
Brent Crude oil	78.87	77.01	76.86	2.62



AJCONGLOBAL
YOUR FRIENDLY FINANCIAL ADVISORS

employees to work in a hybrid mode and enable re-skilling and up-skilling of local talent. The new centre will also give employees the opportunity to work on next-gen technologies like cloud, AI, and digital across multiple industries, such as telecommunications, banking, retail, aerospace, automobile, logistics, and manufacturing, among others.

4) 3 companies got listed on the domestic bourses- DOMS Industries Limited got listed at ~77% premium, India Shelter Finance Listed at ~25% premium and Inox India got listed at ~43%.

5) The Department of Economic Affairs, Ministry of Finance vide Office Memorandum dated December 20, 2023 has decided in the public interest, to grant one-time exemption to Life Insurance Corporation of India to achieve 25% Minimum Public Shareholding (MPS) within 10 years from the date of listing i.e., till May 2032.

6) Telecommunication bill was passed this week which cements rules for spectrum allocation and provides for a non-auction route for giving airwaves for satellite-based communication services. It also lays down stringent provisions for phone number spoofing for fraud and moots a "digital-by-design" online grievance redressal mechanism for addressing users' complaints. The Telecommunications Bill, 2023 also seeks to tighten the noose on pesky callers through various means, including by checking misuse of SIM.

7) During the week The Ministry of Mines announced that it will call bids for over 100 critical minerals blocks from February. There will also be an auction of 15 offshore minerals.

8) Allcargo Logistics announced group restructuring during the week. Shareholders of Allcargo Logistics will get 1:1 share in Allcargo ECU Limited in addition to their holding in Allcargo Logistics. Shareholders of Allcargo Gati (other than Allcargo Logistics itself) will get 63 equity shares of Allcargo Logistics (post ISC demerger) for every 10 equity shares held by them. This factors in 3:1 bonus approved by shareholders of Allcargo recently.

9) Bharat Electronics Limited (BEL) received orders worth Rs. 2,673 Crs from Goa Shipyard Limited (Value: Rs. 1701 Crs) and Garden Reach Shipbuilders & Engineers (Value: Rs. 972 Crs) for supply of 14 types of sensors for use on Next Generation Offshore Patrol Vessels (NGOPV).

10) UPL announced raising funds aggregating up to Rs. 4200 crores by way of issue of equity shares on rights issue basis.

11) The Covid cases are again on the rise in the country with active cases standing at 2,997 as on 22nd December, 2023 as per the Health Ministry data.

Events in the Coming Week

In the coming week the following events are scheduled- BOJ Gov. Ueda Speech, Unemployment Rate (Nov), Chicago Fed National Activity Index (Nov), S&P/Case-Shiller Home Price MoM (Oct) and S&P/Case-Shiller Home Price YoY (Oct).

Ajcon Global's observations and view:

Short term view:

1) Further action in the domestic market will be guided by the movement in global & domestic bond yields, economic data and crude oil prices. The continuing rally in the domestic market has shifted the market towards the overbought zone and so a cautious stance is recommended. Always remember corrections in a structural bull market will keep markets healthy. We advise partial profit booking in general and full profit booking in some of the small caps in short term & sit on more cash to take advantage of corrections, which is imminent. The next week is Christmas week and so we may see subdued participation from the FII side.

2) We suggest investors to remain stock specific and be wary of valuations of companies which are out of comfort zone especially in the smallcaps pack. At the moment, companies in the sectors like FMCG, Auto, Auto ancillaries, Banking, NBFCs, Consumer Durables, Capital Goods, Defence, Engineering, Real Estate, Infrastructure space and Railways which have not yet caught the fancy of the market can be considered.

Long term view

1) 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 Q2FY24 results suggest that economy is doing well.

2) Structurally, Indian economy is poised to do well after major reforms like thrust on digital economy after demonetisation, implementation of GST, RERA, Insolvency and Bankruptcy Code, reforms in power sector, investment led spending to drive growth with impetus on Privatisation, thrust on Aatmanirbhar Bharat resulting into Production Linked Incentive (PLI) schemes for various sectors, reforms in Direct Taxes, thrust on renewables sector, Ethanol blending, scrapping policy etc. etc.

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

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