

NEWSLETTER

04th March 2023
BGSE FINANCAILS LTD

OVERVIEW

Nifty/Sensex Bounce Back into green!

The benchmark Nifty and Bank Nifty rebounded smartly after retesting the Budget-day low. The headline Nifty tinkered with the 200-DMA for a few days before witnessing a recovery towards 17500.

Though Nifty breached the 200-DMA twice in a quick session, follow-up selling was lacking, which eventually led to a pullback.

The Nifty50 has been rolling down within a falling channel and may continue to fall lower till it doesn't witness a trend reversal.

The short-term trend remains negative as long as it closes below 17650. However, on the daily chart, the index has given a consolidation breakout, suggesting a rise in optimism for the near term.

The momentum oscillator RSI is in a bullish crossover on the daily timeframe. On the higher end, the Nifty may move higher once it moves above 17650; on the higher end, resistance is visible at 17800/18000/18200.

On the lower end, support is visible at 17470/17300.

Meanwhile, the BANK NIFTY index on the weekly chart has found support near 39500 which was the previous swing low. The index has witnessed a pullback rally and is likely to head higher toward the level of 42000 where stiff resistance is visible. The index in the coming week is likely to trade in the range of 40,000-42,000 and within the range, the undertone remains bullish with a buy-on-dip approach.

Fed Chairman Jerome Powell will testify about the economic outlook and recent monetary policy action before the Joint Economic Committee in the next week, which the investors must remain watchful about. ADP Nonfarm Employment Changes for the Month of February, Nonfarm Payroll, and the Unemployment Rate will also be released in the US, which is going to impact market movement.

RECOMMENDATIONSGROWTH STOCKS LIKELY TO PERFORM

Scrip Name	Sector	Fundamentals					Technicals				
		CMP	Market Cap(In Cr)	Price/Bookvalue	P/E	6 Month Return	Buy	Target	Stop-Loss	RSI	50 DAY EMA
Axis Bank	Private-Banking	852.65	2,71,458.82	1.97	18.52	31.12%	850-900	935-975	835	40	911
SBI-Life	Insurance	1130	1,13,899.59	9.64	75.03	15.70%	1100-1150	1175-1265	1090	30	1262
Adani Enterprises	Trading	1879	1,80,895.38	10.26	266.15	46.59%	1300-1700	2250-2500	1250	11.33	3576
Titan	Precious metals	2396	2,18,670.61	24.26	98.64	21.97%	2400-2475	2550-2672	2391	53.54	2526
Ambuja cements	Cements	391.85	74,183.71	2.96	27.99	24.94%	365-385	423-456	321	29.29	527

Fundamental Valuation

1. **Price to Book Value-The price-to-book (P/B)-** Price to book value ratio measures whether or not a company's stock price is undervalued. The higher the ratio, the higher the premium the market is willing to pay for the company above its hard assets. A company either is undervalued or in a declining business if the value of 1 or less.
2. **Price to earnings-** Price to Earnings Ratio or Price to Earnings Multiple is the ratio of share price of a stock to its earnings per share (EPS). PE ratio is one of the most popular valuation metrics of stocks. It provides indication whether a stock at its current market price is expensive or cheap.

Axis Bank & Ambuja Cements PE are in not that expensive (can Label them as a Value Buy) compared to the other 3 stocks. Growth stocks PE is usually high since it has High volume and large number of Investors who prefer to invest in them because of strong fundamentals, the reason for the premium in price.
3. **Market Capitalization-**Market capitalization refers to how much a company is worth as determined by the stock market. It is defined as the total market value of all outstanding shares.

Technical Analysis

1. **Moving Average** -The moving average can be used to identify buying and selling opportunities with its own merit. When the stock price trades above its average price, it means the traders are willing to buy the stock at a price higher than its average price. This means the traders are optimistic about the stock price going higher. Therefore, one should look at buying opportunities.

In the above case all the stocks are trading below the Moving averages, meaning its trading at a Discount to its past 50day trading prices, it's a good time to enter and capitalize on such growth stocks.

"The target if you notice for all the stocks are below its 50 day EMA, because of the correction and sell off which took place last week the stocks are trading below its average trading price"

2. **Relative strength Index**-The RSI provides technical traders with signals about bullish and bearish price momentum, and it is often plotted beneath the graph of an asset's price. An asset is usually considered overbought when the RSI is above 70 and oversold when it is below 30. The RSI line crossing below the overbought line or above oversold line is often seen by traders as a signal to buy or sell. The RSI works best in trading ranges rather than trending market.

ECONOMY NEWS

India's services sector activity hits 12-year high in Feb: PMI

The Indian services sector expanded at the strongest rate in 12 years in February supported by favorable demand conditions and new business gains, a monthly survey said on Friday. The seasonally adjusted S&P Global India Services PMI Business Activity Index rose from 57.2 in January to 59.4 in February -- its highest level in 12 years. For the 19th straight month, the headline figure was above the neutral 50 threshold. In Purchasing Managers' Index (PMI) parlance, a print above 50 means expansion while a score below 50 denotes contraction.

"The service sector more than regained the growth momentum lost in January, posting the sharpest expansion in output for 12 years as demand resilience and competitive pricing policies underpinned the joint-best upturn in sales over the same period," said Pollyanna De Lima, Economics Associate Director at S&P Global Market Intelligence. On the prices front, there was substantial moderation in cost pressures as input prices increased at the slowest pace in nearly two-and-a-half years and output charge inflation softened to a 12-month low.

New orders placed with service providers rose further in February, with several firms suggesting that competitive pricing boosted sales, the survey said. Still, capacity pressures remained mild and jobs rose only marginally, it added. "Despite the strong upturn in new business intakes, service providers noted only mild pressure on their capacities and, as a result, a large proportion of firms left payroll numbers unchanged," Lima said, adding that hiring growth was also dampened by a lack of confidence in the business environment.

The degree of optimism recorded in February was the lowest for seven months and below the historical trend as some companies doubted demand would remain this resilient. Others displayed concerns surrounding fierce competition for new work. Meanwhile, the S&P Global India Composite PMI Output Index -- which measures combined services and manufacturing output -- rose from 57.5 in January to 59 in February, highlighting a sharp and stronger rate of expansion. "Services firms also recorded a faster upturn in new business than their manufacturing counterparts. At the composite level, sales expanded at the joint-quickest rate in 11 years," the survey said.

The S&P Global India Services PMI is compiled by S&P Global from responses to questionnaires sent to a panel of around 400 service sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in December 2005.

Manufacturing companies record lower sales growth of 10.6% On Year In Q3: RBI Data

Sales growth (y-o-y) of listed private non-financial companies moderated to 12.7 per cent in Q3:2022-23 from 22.6 per cent in the previous quarter, according to data released by the Reserve Bank of India (RBI) on Thursday. Manufacturing companies recorded lower sales growth (y-o-y) of 10.6 per cent in Q3:2022-23 as compared with 20.9 per cent in the previous quarter; the moderation was broad-based across the industries, except for cement. Information technology (IT) companies remained on high growth trajectory and recorded 19.4 per cent rise (y-o-y) in sales during the latest quarter. Revenue growth for non-IT services companies was supported by steady performance in trade, transport and telecommunication sectors. The Reserve Bank of India (RBI) has released data on the performance of the private corporate sector during the third quarter of 2022-23 drawn from abridged quarterly financial results of 2,779 listed non-government non-financial companies.

India's core sector output jumps 7.8% in January 2023

India's core sector output, comprising eight sectors including coal and electricity accounting for nearly 40 per cent of industrial output, jumped 7.8 per cent in January 2023, the official data showed yesterday. The production of fertilizers, coal, electricity, steel, natural gas, cement and refinery products increased in January 2023 over the corresponding month of last year.

India's Manufacturing Sector Continues Growth With 55.3 PMI In February

India's manufacturing industry sustained robust growth of output and new orders halfway through the final fiscal quarter, albeit with a notable slowdown in the rate of international sales expansion. Companies continued to scale up input purchases, while job numbers expanded only fractionally amid a general lack of pressure on operating capacities. Meanwhile, input cost inflation accelerated to a four-month high but there was a softer upturn in selling charges. The seasonally adjusted S&P Global India Manufacturing Purchasing Managers' Index (PMI) was at 55.3 in February, little-changed from 55.4 in January and signaling a strong improvement in the health of the sector.

The headline figure was also above its long-run average of 53.7. Amid reports of accommodative demand conditions and successful marketing campaigns, manufacturers experienced an increase in new work intakes. Data implied that the domestic market was the main source of new business growth, as new orders from abroad increased only fractionally. February data pointed to twentieth consecutive rise in manufacturing production. Input costs in the manufacturing industry increased further. Some firms opted to pass cost increases through to clients by lifting their selling prices, while the vast majority (94%) left their fees unchanged in attempts to boost sales. Ongoing increases in sales and efforts to rebuild inventories prompted firms to lift input purchasing in February. Business confidence improved in February, with firms expecting demand strength, new product releases and investments to bode well for growth prospects.

MARKET PERFORMANCE

52 WEEKS HIGH AND LOWS

Ticker Name	LTP(Rs.)	52-Week High(Rs.)	52-Week Low(Rs.)
ABSLAMC	378.20	559.95	377.4
ALEMBIC PHAR	501.55	792.30	476.3
BAYER CROP	4,223.35	5,661.70	4212.25
CIPLA	878.85	1,185.20	877.2
CPSE ETF	39.70	40.05	30.53
EQUITAS BANK	75.79	76.82	37.5
FINOLEXCABLE	776.20	784.10	344
HYD INDS	2,257.60	4,288.30	2236
ION EXCHANGE	3,429.45	3,445.00	1500.7
IPCA LABS	800.45	1,089.00	798.9

TOP GAINERS

Comapny Name	LTP	Prev. Close	Change(Rs.)	Change (%)	High	Low	52 Week High/Low	TTQ	TTV (in Lakhs)
ADANI ENTERPRIS	1,879.35	1,606.70	272.65	16.97	1,905.00	1690.35	4190/1017	14,13,077.00	25539.41
KIRI INDUSTRIES	335.90	305.40	30.5	9.99	335.90	314.55	567/256	46,677.00	153.49
FINOLEX CABLES	776.20	706.25	69.95	9.9	784.10	708.05	784/344	1,40,431.00	1066.31
ADANI PORTS & S	684.35	623.20	61.15	9.81	694.00	650.2	988/395	43,03,980.00	29061.25
RELIANCE POWER	10.72	9.79	0.93	9.5	10.76	9.8	45,224.00	2,37,64,666.00	2509.18
INDIGO PAINTS	1,080.75	995.40	85.35	8.57	1,127.95	1002.5	1774/992	70,923.00	759.49
UNION BANK OF I	72.45	66.87	5.58	8.34	73.00	67.16	96/34	40,12,672.00	2843.92
UCO BANK	28.01	25.95	2.06	7.94	28.39	26.13	38/11	84,74,965.00	2334.65
JAIN IRRIGATION	28.85	26.80	2.05	7.65	29.30	26.98	48/27	5,40,016.00	151.21
TECHNO ELECTRIC	338.45	317.60	20.85	6.56	345.00	321.7	391/224	31,307.00	105.46

TOP LOSERS

Comapny Name	LTP	Prev. Close	Change(Rs.)	Change (%)	High	Low	52 Week High/Low	TTQ	TTV (in Lakhs)
EKI ENERGY SERV	661.95	692.95	-31	-4.47	709.00	658.35	2964/512	85,337.00	576.5
TUBE INVESTMENT	2,712.05	2,817.60	-105.55	-3.75	2,832.95	2674.05	3046/1440	14,990.00	411.46
SHREE CEMENT	25,628.65	26,602.05	-973.4	-3.66	26,604.55	25457.6	27013/17900	1,804.00	465.71
YES BANK LTD.	16.86	17.49	-0.63	-3.6	17.69	16.8	45,285.00	4,18,64,707.00	7192.13
ZENSAR TECHNOLO	269.15	276.60	-7.45	-2.69	283.05	267.25	395/202	1,91,014.00	523.48
CERA SANITARYWA	6,275.25	6,448.45	-173.2	-2.69	6,502.95	6188	6789/3519	2,360.00	150.41
MAHINDRA HOLIDA	272.60	279.85	-7.25	-2.59	282.45	271.1	314/195	22,301.00	61.57
CRISIL	3,388.25	3,475.45	-87.2	-2.51	3,491.55	3373	3860/2616	1,334.00	46.01
CARTRADE TECH	482.00	494.25	-12.25	-2.48	490.05	480.1	735/445	15,586.00	75.53
SINDHU TRADE LI	17.95	18.38	-0.43	-2.34	18.80	17.5	48/15	21,549.00	3.91

SUPER STOCK MOVERS

CompanyName	Mar-03	Mar-02	Mar-01	Feb-28	Feb-27
AB CAPITAL	154.45	152.20	152.15	145.65	141.80
ABB	3,329.15	3,321.80	3312.3	3213.5	3,107.30
ACC	1,894.05	1,802.05	1769.4	1732.25	1,694.35
ADANI ENTER	1,879.35	1,606.70	1564.55	1364.05	1,194.20
ADANI GREEN	562.00	535.25	509.8	485.55	462.45
ADANI PORTS	684.35	623.20	602.15	592.6	562.00
ADANI POWER	169.45	161.40	153.75	146.45	139.50
ADANI WILMAR	418.30	398.40	379.45	361.4	344.20
AMBUJA CEM	392.00	370.85	353.4	342.05	329.70
ANANTRAJINDS	115.35	112.60	108.05	104.8	103.95

TOP QUANTITY TRADED

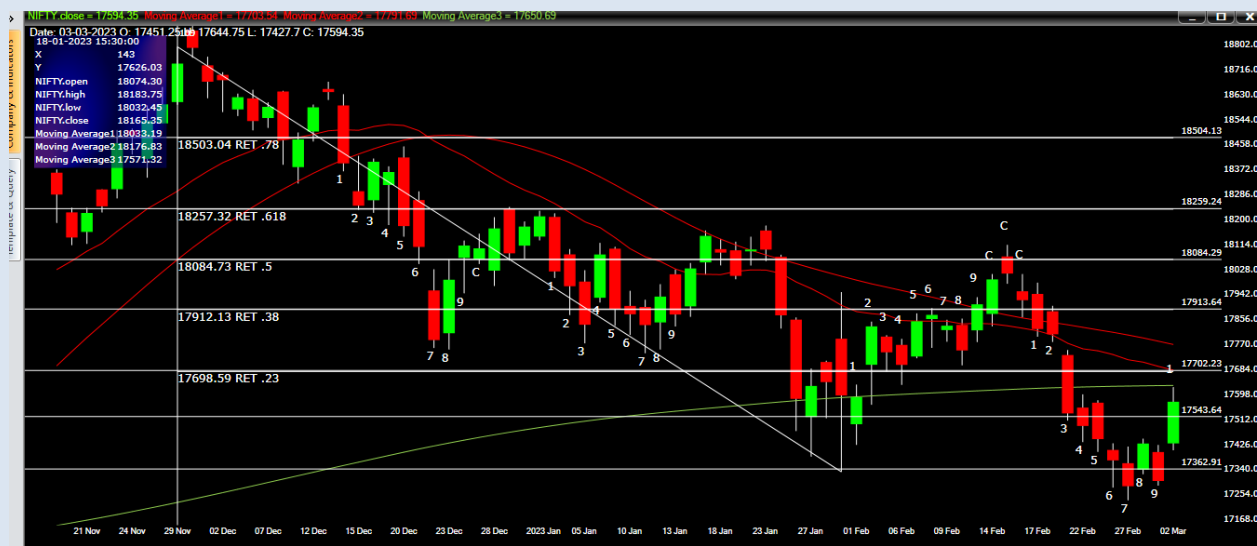
Comapny Name	LTP	Prev. Close	Change(Rs.)	Change (%)	High	Low	52 Week High/Low	TTQ	TTV (in Lakhs)
YES BANK LTD.	16.86	17.49	-0.63	-3.6	17.69	16.8	45,285.00	4,18,64,707.00	7192.13
SUZLON ENERGY L	8.51	8.24	0.27	3.28	8.73	8.3	45,089.00	2,75,57,996.00	2344.09
RELIANCE POWER	10.72	9.79	0.93	9.5	10.76	9.8	45,224.00	2,37,64,666.00	2509.18
VODAFONE IDEA L	6.90	6.95	-0.05	-0.72	7.03	6.87	45,089.00	2,28,23,276.00	1577.25
GTL INFRASTRUCT	0.86	0.86	0	0	0.88	0.85	44,928.00	2,19,95,757.00	189.18
JAIPRAKASH POWE	6.71	6.64	0.07	1.05	6.92	6.65	45,055.00	1,67,91,221.00	1139.01
HIND.CONSTRUCTI	14.98	14.24	0.74	5.2	15.40	14.24	45,253.00	1,03,45,603.00	1551.99
PUNJ. NATIONLBA	51.78	49.76	2.02	4.06	51.90	50.1	62/28	95,85,932.00	4926.27
UCO BANK	28.01	25.95	2.06	7.94	28.39	26.13	38/11	84,74,965.00	2334.65
BRIGHTCOM GROUP	22.09	21.88	0.21	0.96	22.74	20.8	108/21	81,77,182.00	1782.41

TOP VALUE TRADED

Comapny Name	LTP	Prev. Close	Change(Rs.)	Change (%)	High	Low	52 Week High/Low	TTQ	TTV (in Lakhs)
ADANI PORTS & S	684.35	623.20	61.15	9.81	694.00	650.2	988/395	43,03,980.00	29061.25
ADANI ENTERPRIS	1,879.35	1,606.70	272.65	16.97	1,905.00	1690.35	4190/1017	14,13,077.00	25539.41
SBI	561.10	533.80	27.3	5.11	564.00	541.2	630/425	21,88,942.00	12199.43
AMBUJA CEMENTS	392.00	370.85	21.15	5.7	399.25	375.75	598/274	28,29,990.00	11030.67
YES BANK LTD.	16.86	17.49	-0.63	-3.6	17.69	16.8	45,285.00	4,18,64,707.00	7192.13
RELIANCE INDS.	2,385.05	2,327.85	57.2	2.46	2,393.00	2340.9	2855/2181	2,66,949.00	6324.45
BANK OF BARODA	172.95	164.65	8.3	5.04	173.60	166.8	197/90	30,39,056.00	5226.93
PUNJ. NATIONLBA	51.78	49.76	2.02	4.06	51.90	50.1	62/28	95,85,932.00	4926.27
ADANI TOTAL GAS	781.85	744.65	37.2	5	781.85	756	3998/655	5,63,255.00	4392.83
BAJAJ FINANCE L	6,102.40	6,083.35	19.05	0.31	6,141.70	6073	7777/5236	66,471.00	4056.34

WHAT TO EXPECT GOING FORWARD?

Nifty Daily chart



Nifty has closed just Below the 200Day EMA on the Daily charts, indicating a consolidation recovery, market after its 10 day Bearish hiatus the bulls has struck back on Friday with a promising momentum going forward with 17360 acting as the bottom support and upwards towards 17700 towards 17900.

Fed Chairman Jerome Powell will testify about the economic outlook and recent monetary policy action before the Joint Economic Committee in the next week, which the investors must remain watchful about.

ADP Nonfarm Employment Changes for the Month of February, Nonfarm Payroll, and the Unemployment Rate will also be released in the US, which is going to impact market movement.

Nifty Levels

Resistance-**17700/17825/18000**

Support-**17500/17350**

WHAT TO EXPECT FORWARD IN 2023?

In 2023 Both Nifty and Sensex might face a tough growth aspect because of Geopolitical issues active, Crude oil demand & supply, more interest rate Hikes possible if inflation is not curbed, Upcoming Elections impacting the market movement, Budget Dictating sector specific movement and decline, Mergers, Acquisitions & takeovers, earning season and Lot of market Events which will impact the market sentiments starting from.

1. **From start of 2023, all stocks will have T+1 settlement. (Already Implemented)**
2. Existing Mutual Funds investors will have to file for nomination on or before March 31, 2023, or else their units could be frozen.
3. **Auto companies will hike prices in January.(Price rise has been done for most of the Auto companies)**
4. **For FX exposures banks need to do a provisioning of 20 to 80 bps from January.**
5. **Auto Expo to be held in January in Greater Noida.(Event completed)**
6. From January, rating agencies will have to scrutinize the company themselves before giving Credit Enhancement (CE) rating. Earlier, they could have outsourced the facility.
7. **From January, Delhi NCR will ban the use of coal due to increasing air pollution issues.**
8. The HDFC-HDFC Bank merger is expected to be completed by the Q2 or Q3 of FY24. PVR-Inox merger to be finalized in 2023.
9. From April 1, 2023, Bharat NCAP - which is used to measure safety of vehicles - will be applicable.
10. From April 1, 2023 all Centre and state government vehicles which have completed 15 years or more will be scrapped.
11. From October 1, 2023, six airbags will be compulsory in all passenger vehicles.
12. China will reopen its borders and will ease Covid quarantine rules from January 8.
13. On May 6, the Coronation ceremony of King Charles III and Camilla will be conducted at Queen Consort, Westminster Abbey, London.
14. In 2023, Ukraine too will have parliamentary elections.
15. **In February, State Legislative Elections will be held in Tripura, Meghalaya, Nagaland.**
16. In May, State Legislative Elections will be held in Karnataka, and Jammu and Kashmir.
17. In November, Chhattisgarh, Madhya Pradesh, Mizoram will have State Legislative Elections.
18. Rajasthan, Telangana will have State Legislative Elections in December 2023.
19. India will host G20 New Delhi summit on September 9 and September 10.

Suggestions

“Investors should focus on Value Buying (Discounted stocks), stocks with steady earnings (Growth stocks) focus on sectors which are domestically oriented sectors (Supply chain of raw materials sourced locally) & fair valuation which is very important in selecting stocks.

One of the best ways to deal with a highly volatile market is to stay diversified. To some extent, a hybrid fund along with investments in gold and international markets should do the trick.

“The global sentiment and outlook will have an impact on Indian equity outcomes. We will continue to expect low teen returns from equities over the next 3-5 years using volatility as a lowered entry point. While the long-term outlook is solid, markets from the near-term lens seem to be fairly priced. In this context, investors looking to add fresh investment could invest in equity-oriented hybrid funds, allocate via SIPs, or keep aside say 20%-30% while making lump sum commitments for any plausible correction.

WHAT WE DO AND OFFER OUR CLIENTS?

We offer Research related services by our SEBI authorized Research team in respect to,

Positional Calls- Positional Calls identifies stocks on basis of technical analysis and derivative. Calls are released during market hours or weekends as an when opportunities are available. Each calls includes a target price and stop loss. We provide short term and long-term position equity trading calls with entry, exit and stop-loss levels. These equity positional calls are continuously monitored by our technical analyst expert. The stop-losses and targets of our equity calls are revised based on market condition. We provide positional call-in stocks, bank nifty, or nifty

“We are a team of seasoned stock market analysts providing Equity related research services.

Our team of analysts works round the clock to track the movements in the market. We continuously track scripts for possible movements and provide calls and recommendations.

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