

# NEWSLETTER

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BGSE FINANCAILS LTD

**OVERVIEW****Market This past Week**

Indian indices registered losses for the third straight session amid continued FII selling. At the close, Nifty settled at 17,859, shedding 132 points or 0.74%. In 5 days of 2023, the indices lost around 3%. Except Nifty and FMCG, all other indices ended in the red, with Nifty IT logging the maximum cut of 2%.

The breaking of the super-low interest regime and the rise of inflation in the US market are the biggest heartbreaks for investors across the world. Nobody had expected them, but they happened, and the phenomenon is likely to stay. In other words, the relationship of central banks, which were once the BFFs of the investment world, has turned sour.

High-interest rates in the US markets have a contagion effect across the globe, including India. In the last two years, the 10-year G-secs in India have moved up from 6% to 7.3%. Similarly, the yield on 10-year bonds in the US has moved from 1% to 3.88%. More likely, rates may not increase from here onwards. But will they come down?

Chances of a low-rate scenario anytime soon are less likely. But here is a silver lining. While most equity markets experienced a steep fall in 2022, India has remained an exception.

When compared to global indices like S&P 500, the domestic benchmark index, Nifty 50, fared better last year. While the Nifty moved up 3%, S&P 500 was down 20% last year. The Nifty has become slightly cheaper with its PE moving from 24.5x

Part of the reason why Indian markets have been resilient is due to the phenomenal rise of its retail investors, who are taking the SIP route very seriously. Despite a volatile global market, most Indian retail investors believe that the Indian equity market is the perfect place to park their long-term savings.

**RECOMMENDATIONS**  
**VALUE STOCKS LIKELY TO PERFORM**

Sl No	Scrip Name	Sector	Fundamentals					Technical				
			CMP	Market Cap	Price/Bookvalue	Earnings yield	6 Month Return	Buy	Target	Stop-Loss	RSI	50 DAY EMA
1	Hinduja Global Solutions	IT Enabled Services	1308.1	6870.7	0.54	1.43	24.66%	1275-1350	1403-1503	1188	51	Close Above EMA of 1230
2	Rec	Finance-Term Lending	123.6	32572.98	0.47	0.41	25.52%	115-127	135-145	102	62	Close Above EMA of 98
3	Union Bank Of India	Banking - Public Sector	80.8	55224.76	0.4	0.19	134.74%	75-80	99-114	71	72	Close Above EMA of 63
4	Steel Authority of India	Steel-Public Sector	85.9	35481.21	0.75	0.3	20.57%	80-85	93-103	75	54	Close Above EMA of 84
5	Hindustan Zinc	Metals-Non Ferrous	332.8	140618.62	3.82	0.07	29.02%	312-333	368-375	300	63	Close Above EMA of 296
6	National Aliminum Company	Aluminium-Public Sector	81.3	14931.82	1.78	0.13	16.86%	78-85	92-102	72	53	Close Above EMA of 83
7	Power Finance Corporation	Finance-Term Lending	157.15	41488.88	0.41	0.47	35.14	146-160	170-185	133	65.27	Close Above EMA of 111
8	Hindustan Petroleum Corporation	Refineries	249.9	35449.52	0.92	0.19	8.26%	240-255	264-282	225	57	Close Above EMA of 250

**Fundamental Valuation**

- 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.
- Earnings Yield-** Earnings yield refers to the earnings per share in a financial period, divided by the current share price. It is the reciprocal of the P/E ratio. The earnings yield helps investors know how much he has earned per share. If a company has an earnings yield of 8%, it means that the investor has earned Rs.8 for Rs.100 worth of shares owned.
- 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**

- 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.

**Rule 1)** Buy (go long) when the current market price turns greater than the 50 days EMA. Once you go long, you should stay invested till the necessary sell condition is satisfied.

**Rule 2)** Exit the long position (square off) when the current market price turns lesser than the 50 days EMA.

So, for the above-mentioned stocks the Stop loss is Below the 50 Day EMA.

- 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****Indian economy estimated to grow at 7 pc in 2022-23: Govt data**

The Indian economy is estimated to grow at 7 per cent in 2022-23, as against 8.7 per cent in the previous fiscal, mainly due to poor performance of the manufacturing sector, the National Statistical Office (NSO) said on Friday. Releasing the first advance estimates of National Income for 2022-23, the NSO stated, "Real GDP or GDP at Constant (2011-12) Prices in the year 2022-23 is estimated at Rs 157.60 lakh crore, as against the Provisional Estimate of GDP for the year 2021-22 of Rs 147.36 lakh crore, released on 31st May, 2022." The growth in real GDP during 2022-23 is estimated at 7.0 per cent as compared to 8.7 per cent in 2021-22, it stated. The output of the manufacturing sector is estimated to decelerate to 1.6 per cent as against a growth of 9.9 per cent in FY22..

**ADB, India sign USD 300 million loan to improve connectivity in Assam**

The Asian Development Bank (ADB) and the government of India have signed a USD 300-million loan to upgrade over 300 kilometers (km) of state highways and major district roads (MDRs) in Assam. Rajat Kumar Mishra, Additional Secretary, Department of Economic Affairs, the Ministry of Finance, and Nilaya Mitash, Officer-in-Charge, India Resident Mission, ADB, have signed the agreement of the Assam South Asia Subregional Economic Cooperation (SASEC) Corridor Connectivity Improvement project. After signing the loan agreement, Mishra stated that the project supports the government of Assam's flagship Asom Mala road improvement programme to enhance the quality and service of priority sections of state highway and MDR networks and fill critical infrastructure gaps. "Improved connectivity and safe road networks developed through the project will enhance mobility and accessibility of people in the less developed areas of the state to markets and services to spur growth and contribute to its potential as a growth catalyst for the SASEC region," Mitash said in a statement of the finance ministry, which was released on Tuesday evening.

The roads, which are to be upgraded under the project including six road sections in the state's western, central and southern regions, are connected to SASEC corridors linking India with Bhutan and Bangladesh, according to the ministry of finance. These roads are expected to boost cross-border trade and transport. The ministry said the project would complement the multimodal logistics park being built in Jogighopa and another proposed in Silchar to serve road, rail, inland waterway, and air transport facilities. The project will expand state highways and major district roads from single-lane to two lanes and introduce new climate- and disaster-resilient structures, according to the ministry's statement. It will establish pedestrian and public transport facilities, elevate highways in flood-prone areas, and include landslide prevention structures in hilly and mountainous regions.

### **India Services PMI rises to 58.5 in December**

The seasonally adjusted S&P Global India Services PMI Business Activity Index rose from 56.4 in November to 58.5 in December, highlighting the strongest rate of expansion since mid-2022. December data highlighted an improvement in the health of the Indian service sector, with a quicker upturn in new business boosting output growth. More jobs were created and companies remained strongly upbeat towards the year-ahead outlook for business activity. There was a sharp rise in firms' expenses amid greater energy, food, staff and transportation costs which led to a further increase in prices charged for the provision of services. The finance & insurance segment recorded the quickest increase in output, whereas real estate & business services propped the rankings. Pollyanna De Lima, economics associate director at S&P Global Market Intelligence, said: "December saw a welcome expansion in Indian services activity, underscoring the resilience of demand as 2022 came to an end.

As we head into 2023, companies signaled strong optimism towards the outlook for output. Around 31% of panelists forecast growth, while only 2% anticipate a contraction. "Positive sentiment and ongoing growth of new business continued to support job creation, but there were areas where capacities were reportedly adequate to cope with current requirements. "Inflation trends were mixed, as input prices rose at a faster pace and the upturn in charges moderated. On the expense front, services firms reported pressure from energy, food, staff and transportation costs. Although easing from November, the rate of output charge inflation remained elevated as several companies felt the need to transfer escalating costs through to clients." Meanwhile, the S&P Global India Composite PMI Output Index rose from 56.7 in November to 59.4 in December, highlighting the quickest rate of growth since January 2012. Indian private sector firms signaled a strong performance at the end of 2022, with manufacturers and service providers recording faster expansions in output.

### **Indian Industry has huge untapped potential: Piyush Goyal**

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Piyush Goyal said India has the potential to become a world leader in Footwear and leather sector with the efforts of both government and industry. Goyal asked the organizers to explore the possibility of encouraging new companies, entrepreneurs, startups and those who come up with innovative ideas, enter into uncharted territory with newer markets and products, by recognizing them through these awards. He suggested some niche award segments can be created for recognizing their contribution- such as rewarding those who make effective use of FTAs etc. The Minister said as we celebrate Azadi Ka Amrit Mahotsav, we hope to achieve higher exports than last year - both in goods and services.

He said while most of the developed world, who are large consumers of leather products, are going through inflation and subdued consumer spending, he was happy to get reassurance from Leather sector that it would see higher growth compared to last year. Goyal asked the leather industry to utilize the FTAs being signed by India with various countries to grow. He cited the example of UAE, where exports in the sector registered a jump of 64 percent in November last year as a result of the new agreement. The Minister emphasized that Indian Industry has huge untapped potential. He noted that while the Quality of Products manufactured is good, more focus is required on packaging and branding to get better value for the product. Indian Mission across the world can help in providing support in terms of outreach and can help connect them with international companies engaged in branding business.

**MARKET PERFORMANCE**
**52 WEEKS HIGH AND LOWS**

Ticker Name	LTP(Rs.)	52-Week High (Rs.)	52-Week Low (Rs.)
AAVAS FINANC	1,744.50	3,336.95	1697.65
ABBOTT INDIA	22342.65	22382.65	15525
APOLLO TYRES	327.80	339.50	165.40
BIOCON INDIA	256.3	410.5	254.65
KRSNAADIAGNO	443.15	799.90	440.3
ORIENT REFRA	861.95	893.15	364.4
PFC	157.25	160.75	97.15
PSP PROJECTS	742.8	775.55	458.9
RBL BANK	183.95	189.20	74.15
RURAL ELECTR	123.6	126.15	82.28

**TOP GAINERS**

Company Name	LTP	Prev. Close	Change (Rs.)	Change (%)	High	Low	52 Week High/Low	TTQ	TTV (in Lakhs)
GATI LTD.	159.45	139.70	19.75	14.14	161.00	139.85	222/126	400326	614.56
IDBI BANK	59.05	54.75	4.3	7.85	59.75	56.10	61/31	9044456	5,267.86
APTECH	380.40	355.65	24.75	6.96	386.50	351.10	448/196	95937	361.44
RADICO KHAITAN	1,069.60	1,012.50	57.1	5.64	1,084.95	1,011.05	1300/731	14216	149.76
KPIT TECHNOLOGI	716.50	682.25	34.25	5.02	719.20	680.00	800/440	90241	634.38
GODREJ INDUSTRI	450.80	430.10	20.7	4.81	460.85	433.60	662/403	81093	366.68
GSFC	145.20	138.80	6.4	4.61	146.45	137.05	199/115	655465	938.24
RAJESH EXPORTS	793.50	758.55	34.95	4.61	822.25	732.40	995/516	35024	273.56
CEAT LTD.	1,740.70	1,666.00	74.7	4.48	1,762.85	1,656.95	1981/890	15643	268.03
NAVA L	257.05	246.50	10.55	4.28	261.40	247.55	279/109	132091	338.33

### TOP LOSERS

Company Name	LTP	Prev. Close	Change (Rs.)	Change (%)	High	Low	52 Week High/Low	TTQ	TTV (in Lakhs)
GENERAL INS. CO	180.70	195.05	-14.35	-7.36	194.00	179.00	204/108	433217	808.31
THE NEW INDIA A	127.80	135.30	-7.5	-5.54	135.00	126.80	148/78	378701	494.33
CCL PRODUCTS IN	518.85	541.55	-22.7	-4.19	542.55	514.80	572/316	20867	109.21
BIRLA CORPORATI	950.55	988.90	-38.35	-3.88	989.05	935.20	1627/823	9972	95.14
UCO BANK	31.00	32.20	-1.2	-3.73	32.50	30.65	38/11	3386809	1,060.76
LIC HOUSING FI	404.95	420.50	-15.55	-3.7	422.45	402.45	444/292	209078	848.53
CHEMPLAST SANMA	449.45	466.50	-17.05	-3.65	469.90	447.65	685/358	17855	81.22
SWAN ENERGY LTD	311.00	322.60	-11.6	-3.6	323.85	307.10	339/131	45354	143.01
MAHA. SEAMLESS	318.75	330.60	-11.85	-3.58	328.60	318.00	455/236	34840	112.30
PRISM JOHNSON	105.85	109.75	-3.9	-3.55	110.40	104.20	160/97	25252	26.92

### SUPER STOCK MOVERS

Company Name	Jan-06	Jan-05	Jan-04	Jan-03	Jan-02
ABB	2,843.30	2,806.20	2705.2	2688.3	2,681.00
ABBOTT INDIA	22,342.65	22,090.35	21944.35	21680.25	21,423.05
ALKYL AMINE	2,716.10	2,704.70	2698	2681.65	2,658.75
GRINDWLNORTN	1,935.05	1,920.00	1894.2	1846.45	1,834.05
HAVELLSINDIA	1,192.65	1,167.00	1148.35	1127.95	1,100.80
HDFC LIFE	611.55	609.45	598.4	595.5	570.35
HPCL	249.50	245.85	241	237.6	237.20
MAX FINANCE	742.10	735.40	713.8	710.05	684.55
MRS BECTORS	442.00	439.60	435.1	433.9	433.50
PAYTM	550.70	541.25	540.15	535.2	531.90

**TOP QUANTITY TRADED**

Company Name	LTP	Prev. Close	Change(Rs.)	Change (%)	High	Low	TTQ	TTV (in Lakhs)
VODAFONE IDEA L	7.79	7.87	-0.08	-1.02	7.9	7.71	93915147	7292.35
SUZLON ENERGY L	10.21	10.26	-0.05	-0.49	10.38	10.07	44872579	4571.34
YES BANK LTD.	21.1	21.45	-0.35	-1.63	21.7	20.95	23495479	4974.99
IDBI BANK	59.05	54.75	4.3	7.85	59.75	56.1	9044456	5267.86
JAIPRAKASH POWE	7.4	7.45	-0.05	-0.67	7.5	7.33	8171841	604.08
GTL INFRASTRUCT	1.2	1.21	-0.01	-0.83	1.21	1.19	7171014	86.28
PUNJ. NATIONLBA	56.4	56.75	-0.35	-0.62	57.6	56	5900836	3340.61
HIND.CONSTRUCTI	20.85	21.15	-0.3	-1.42	21.5	20.55	5573975	1173.1
INDIAN OVERSEAS	30.95	31.55	-0.6	-1.9	31.85	30.75	5236664	1629.42
INDIAN RAILWAY	32.75	32.8	-0.05	-0.15	33.1	32.35	4991728	1628.23

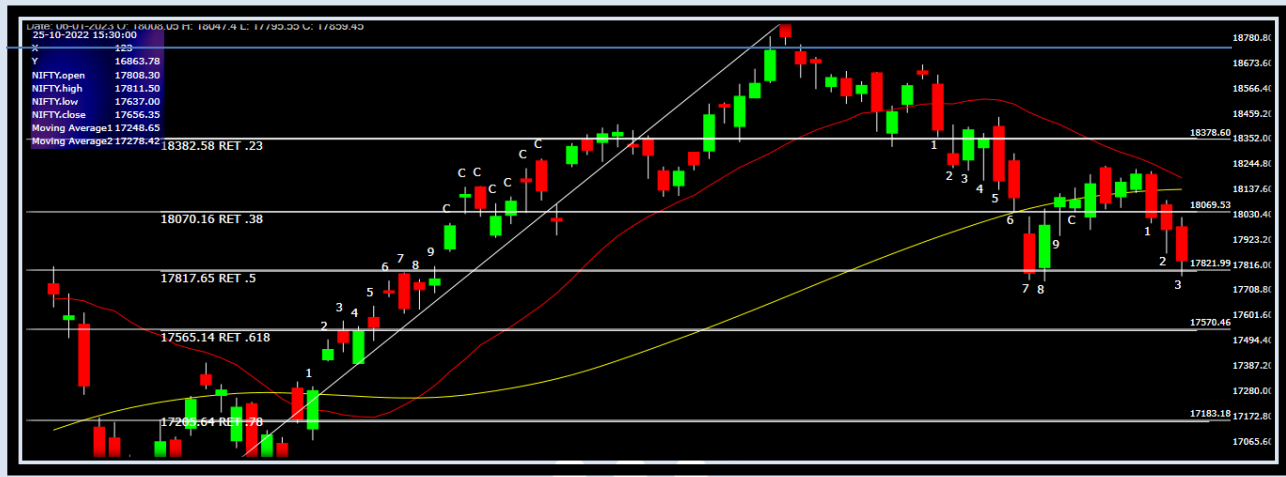
**TOP VALUE TRADED**

Company Name	LTP	Prev. Close	Change(Rs.)	Change (%)	High	Low	TTQ	TTV (in Lakhs)
BOMBAY BURMAH	956.45	936.6	19.85	2.12	974.65	922.05	1316185	12218.1
VODAFONE IDEA L	7.79	7.87	-0.08	-1.02	7.9	7.71	93915147	7292.35
BAJAJ FINANCE L	5980.6	6099.85	-119.25	-1.95	6139.95	5941	92968	5593.03
IDBI BANK	59.05	54.75	4.3	7.85	59.75	56.1	9044456	5267.86
YES BANK LTD.	21.1	21.45	-0.35	-1.63	21.7	20.95	23495479	4974.99
SUZLON ENERGY L	10.21	10.26	-0.05	-0.49	10.38	10.07	44872579	4571.34
TATA STEEL	115.6	116.6	-1	-0.86	117.8	115.25	3823792	4459.21
INFOSYS	1448.85	1475.2	-26.35	-1.79	1474.6	1447	295849	4310.9
PUNJ. NATIONLBA	56.4	56.75	-0.35	-0.62	57.6	56	5900836	3340.61
TATA CONSULTANC	3212	3310.35	-98.35	-2.97	3300.05	3200	91907	2974.36



**WHAT TO EXPECT GOING FORWARD?**

Nifty Daily chart



Nifty has closed Below the 50Day EMA on the Daily charts, Indicating oversold zones, market seems very bearish taken the many factors impacting its Momentum from 1) Potential Future rate Hikes 2) Earning season 3) Rising COVID cases 4) Geopolitical tension (Russia-Ukraine war) RSI closing at 38. Has technically broken crucial support levels of 18000. Now 17850 is the major support levels if broken can test lower levels of 17500 & 17450. Upper levels remain 18000-18150.

The global markets showed some resurgence on Friday Indicating moderate to strong support to our Domestic markets going into next week. Investors right time to buy Value stocks for long term, Traders must take active risk as market is going to be volatile next week, trade with minimum quantity with the levels mentioned below

Nifty Levels

Resistance-**18250/18150/18000**

Support-**17850/17710/17550**

## **WHAT TO EXPECT FORWARD IN 2023?**

In 2023 Both Nifty and Sensex might face a tough growth aspect as COVID cases still on the rise and Geopolitical issues active, Crude oil demand & supply, more interest rate Hikes possible if inflation is not curbed, 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 February End 2023, all stocks will have T+1 settlement.
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.
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.
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.

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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

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