

NEWSLETTER

18th March 2023
BGSE FINANCAILS LTD

OVERVIEW

Banks, IT lift Sensex 355 pts higher, Nifty atop 17,100!

The Sensex and Nifty ended higher for the second straight trading session on Friday backed by renewed buying interest in IT and banking stocks. Realty shares too logged strong gains, while auto and pharma shares signed-off on a weak note.

Among the Sensex 30 stocks, HCL Technologies soared over 3.5 per cent. UltraTech Cement, Nestle and Kotak Bank were the other major gainers, up over 2 per cent each. Tata Steel, ICICI Bank, HDFC, HDFC Bank, Bharti Airtel, Infosys, SBI and Wipro were the other significant gainers. TCS swung between zones and finally ended a tad in red at Rs 3,179, a day after its CEO & MD Rajesh Gopinathan resigned. Analysts caution against the near-term volatility in the stock price as the development comes amid a challenging macro-environment including fears of a potential recession in the US.

The 30-share benchmark index ended at 57989.9 up by 355.06 points or by 0.62 % and then NSE Nifty was at 17100.05 up by 114.45 points or by 0.67 %. Sensex touched intraday high of 58178.94 and intraday low of 57503.9 The NSE Nifty touched intraday high of 17145.8 and intraday low of 16958.15

The top gainers of the BSE Sensex pack were HCL Technologies Ltd. (Rs. 1110.50,+3.58%), UltraTech Cement Ltd. (Rs. 7288.70,+2.53%), Nestle India Ltd. (Rs. 18870.95,+2.32%), Tata Steel Ltd. (Rs. 107.05,+1.90%), Kotak Mahindra Bank Ltd. (Rs. 1691.20,+1.63%), among others. The top losers of the BSE Sensex pack were ITC Ltd. (Rs. 375.75,-1.51%), Maruti Suzuki India Ltd. (Rs. 8310.75,-1.48%), NTPC Ltd. (Rs. 177.35,-1.25%), Asian Paints Ltd. (Rs. 2861.90,-1.14%), Sun Pharmaceutical Industries Ltd. (Rs. 957.75,-0.99%), among others.

Realty index was at 3199.59 up by 98.01 points or by 3.16%. Prestige Estates Projects Ltd. (Rs. 421.00,+5.20%), Phoenix Mills Ltd. (Rs. 1289.05,+5.06%), DLF Ltd. (Rs. 375.15,+4.21%), Macrotech Developers Ltd. (Rs. 892.35,+4.19%), Brigade Enterprises Ltd. (Rs. 470.00,+4.05%), Auto index was at 28211.26 down by -144.48 points or by -0.51%. Tube Investments of India Ltd. (Rs. 2545.45,-4.54%), Eicher Motors Ltd. (Rs. 2980.00,-1.83%), Maruti Suzuki India Ltd. (Rs. 8310.75,-1.48%), Samvardhana Motherson International Ltd. (Rs. 67.81,-0.93%), Balkrishna Industries Ltd. (Rs. 1962.90,-0.92%), The Market breadth, indicating the overall strength of the market, was weak. On BSE out of total shares traded 3870 , shares advanced were 2169 while 1548 shares declined and 153 were unchanged.

RECOMMENDATIONS

18-03-2023											
Sl No	Scrip Name	Sector	Fundamentals				6 Month Return	Buy	Target	Stop-Loss	Technicals
			CMP	Market Cap(In Cr)	Price/Bookvalue	P/E					50 Day EMA
1	Tata consumers	FMCG	707.7	65606	4.74	276.45	-14.34%	685-710	740-770	670	45
2	Hdfc Bank	Banking	1572.65	877373	3.3	71.52	10.97%	1550-1600	1635-1675	1500	44
3	UPL	Agro Chemicals/Pesticid	715.65	53717	2.72	166.43	6.17%	700-720	730-760	685	46
4	Vedanta	Mining Minerals	284.5	105754	2.3	22.60	5.32%	275-290	305-320	255	44
5	Mahindra & Mahindra	Auto	1171.5	145640	1.9	91.81	-7.65%	1150-1200	1230-1310	1125	30

GROWTH STOCKS LIKELY TO PERFORM

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.
- 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.
- 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.

In the above case all the stocks are trading below the Exponential 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"

- 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 banking system is resilient and strong

Emphasizing that Indian banking system is resilient and strong, Union Minister of State for Electronics & IT and Skill Development & Entrepreneurship, Rajeev Chandrasekhar said startups should therefore opt for Indian banks as their preferred banking partners. During a fireside chat at the Lenovo Tech World India 2023, the Minister also spoke about the transfer of bank deposits worth over \$200 million to GIFT City, Gujarat as a sign of the Indian banking system's growing prominence. Special provisions available at GIFT City can be a quick and impactful support for the Indian startups, he added. Today what is attractive about the banking system is not their appetite to take risk instead it is their prudence which makes them strong. What startups are looking for is not risk or risky instruments, instead they are looking for safe havens where capital can be deposited, he stressed.

Economy likely to log in a tepid 6 per cent growth next fiscal: Crisil

The economy is likely to log in a tepid 6 per cent growth next fiscal, in line with the consensus estimates, rating agency Crisil said on Thursday. The agency also sees the economy averaging a growth rate of 6.8 per cent over the next five fiscals. Crisil further said it expects the corporate revenue to log in double-digit rise again next fiscal. The National Statistical Organisation (NSO) had pencilled in a 7 per cent growth for the outgoing fiscal -- something most analysts consider to be an ambitious number because for the economy to close the year with 7 per cent growth, it will have to grow at over 4.5 per cent in the present quarter of fiscal 2023, which looks ambitious. In its annual growth forecast, Crisil chief economist D K Joshi said a complex interplay of geopolitical events, stubbornly high inflation -- and sharp rate hikes to counter that -- have turned the global environment gloomier.

On the domestic front, he said, the peak impact of the rate hikes -- 250 basis points since May 2022, which has pushed interest rates above pre-Covid levels -- will play out more in the next fiscal. Consumer inflation is expected to moderate to 5 per cent on average in fiscal 2024 from 6.8 per cent in fiscal 2023, owing to high-base effect and some softening of crude and commodity prices.

However, a good rabi harvest would help cool food inflation, while the slowing economy should moderate core inflation. The risks to inflation are tilted upward, given the ongoing heat wave and the World Meteorological Organization's prediction that an El Niño warming event is likely over the next couple of months, Joshi said. Joining him, Amish Mehta, the agency's managing director, said the country's medium-term growth prospects are healthier. Over the next five fiscals, "we expect GDP to grow at 6.8 per cent annually", with the next fiscal delivering 6 per cent, driven by capital and productivity increases. He further said what is also good to see is the increasing sustainability footprint of capex. At present, nearly 9 per cent of the infrastructure and industrial capex is green. "We see this number rising to 15 per cent" by this fiscal. Joshi further said for India Inc, revenue growth is expected to touch double-digits in fiscal 2024 despite a global slowdown and interest rate hikes, an analysis of 748 listed companies from fiscal 2011 onwards shows. This will be driven by a 10-12 per cent growth in revenue for the non-commodity sectors, even as commodity prices remain benign.

Wholesale inflation eases to 3.85 pc in February

The wholesale price-based inflation eased for the ninth consecutive month to 3.85 per cent in February on easing prices of manufactured items and fuel and power, showed the government data released on Tuesday. The wholesale price index (WPI) based inflation rate was 4.73 per cent in January this year and 13.43 per cent in February 2022. Inflation in food articles, however, rose to 3.81 per cent in February, as against 2.38 per cent in January. "Decline in the rate of inflation in February 2023 is primarily contributed by fall in prices of crude petroleum & natural gas, non-food articles, food products, minerals, computer, electronic & optical products, chemicals & chemical products, electrical equipment and motor vehicles, trailers & semi-trailers," the commerce and industry ministry said. Inflation in pulses was 2.59 per cent, while in vegetables was (-)21.53 per cent. Inflation in oil seeds was (-)7.38 per cent in February 2023.

Fuel and power basket inflation eased to 14.82 per cent from 15.15 per cent in the preceding month. In manufactured products it was 1.94 per cent, against 2.99 per cent in January. The deceleration in WPI comes in line with the dip in retail inflation, data of which was released on Monday. Consumer price index based retail inflation declined to 6.44 per cent in February from 6.52 per cent in January. In its monetary policy review last month, the Reserve Bank of India had hiked key interest rate by 25 basis points to 6.50 per cent, saying core inflation still remains sticky.

FICCI's manufacturing survey says momentum of growth has continued for domestic economy

With growth expected to continue for Indian manufacturing sector in Jan-March Q-4 2022-23, there are signs that cost pressure witnessed in the last many months seems to be softening a bit for the sector, notes latest FICCI Manufacturing Survey. FICCI's latest quarterly survey on Manufacturing reveals that after experiencing revival of Indian economy in the FY 2021-22, momentum of growth has continued for the subsequent quarters of FY 2022-23 with some temporary effect of global slowdown on Indian manufacturing. In the Q3 Oct-Dec FY 2022-23, 58% of the respondents reported higher production levels.

Growth outlook continues, though lower sequentially. Further, around 50% of the respondents expect a higher level of production in Q4 Jan-Mar 2022-23 with an average increase in production in double digits. This assessment is also reflective in order books as 52% of the respondents in Q-3 Oct-Dec 2022-23 have had higher number of orders and demand conditions continue to be optimistic in Q-4 too. There seems to be some softening of cost pressures on manufacturers in Q-4 note FICCI survey. The cost of production as a percentage of sales for manufacturers in the survey has risen for 73% respondents, which is lower than 94% as reported in previous survey.

MARKET PERFORMANCE

52 WEEKS HIGH AND LOWS

Ticker Name	LTP(Rs.)	52-Week High(Rs.)	52-Week Low(Rs.)
AARTI DRUG	316.95	531.60	314.7
AAVAS FINANC	1,660.80	2,632.95	1637
ADV.ENZYME	237.50	328.35	236.8
ALEMBIC PHAR	477.95	792.30	475
ALKYL AMINE	2,304.80	3,450.00	2301
ASTEC LIFE	1,229.20	2,285.65	1225.2
AVANTI FEEDS	343.05	527.95	342
BAYER CROP	3,986.25	5,661.70	3958.75
BIOCON INDIA	201.80	387.80	199.7
CAPLIN POINT	610.65	856.00	605.5

TOP GAINERS

Comapny Name	LTP	Prev. Close	Change(Rs.)	Change (%)	High	Low	52 Week High/Low	TTQ	TTV (in Lakhs)
JUBILANT PHARMO	312.85	278.00	34.85	12.54	318.00	280.90	496/274	141183	441.69
JK PAPER LTD.	385.30	350.45	34.85	9.94	393.00	351.00	453/267	184445	710.67
JBM AUTO	628.05	573.00	55.05	9.61	639.00	573.00	673/362	86054	540.46
KALYAN JEWELLER	119.50	109.05	10.45	9.58	122.20	108.80	134/55	1239149	1,480.78
HLE GLASSCOAT	527.00	486.10	40.9	8.41	543.45	486.10	1180/478	48234	254.19
MIRZA INTERNATI	278.00	256.50	21.5	8.38	280.00	262.55	380/156	204450	568.37
MEDPLUS HEALTH	773.65	715.30	58.35	8.16	792.70	701.45	1047/570	21891	169.36
LAXMI ORGANIC I	252.45	234.95	17.5	7.45	257.55	235.65	493/234	188504	475.88
KPIT TECHNOLOGI	870.15	815.35	54.8	6.72	879.00	826.45	879/440	265897	2,313.70
EQUITAS SMALL F	68.17	64.41	3.76	5.84	69.66	64.20	78/38	591321	403.10

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	2,674.05	3046/1440	14,990.00	411.46
SHREE CEMENT	25,628.65	26,602.05	-973.4	-3.66	26,604.55	25,457.6	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-14	Mar-16	Mar-15	Mar-14	Mar-13
ABBOTT INDIA	20,909.20	20,718.30	20366	20349.65	20205.55
AUROBNDOPHRM	475.80	473.90	458.75	450.45	448.35
BHEL	76.26	75.49	75.09	74.76	74.23
BPCL	351.45	350.90	330.15	326.35	322.55
CENTURY TEXT	671.95	652.45	628.5	618.35	606.85
CHOLA.INVEST	763.65	748.90	746.55	743.3	740.2
CONCOR	594.60	592.35	589.65	585.65	580
GESHIPPING	594.75	591.45	590.05	583.95	579.5
GMR INFRA	42.68	41.72	41.3	39.46	38.85
IDFC	78.00	77.70	76.64	76.57	76.53

TOP QUANTITY TRADED

Comapny Name	LTP	Prev. Close	Change(Rs.)	Change (%)	High	Low	TTQ	TTV (in Lakhs)
YES BANK LTD.	15.02	14.89	0.13	0.87	15.85	14.5	33250218	4,994.18
JAIPRAKASH POWE	6.06	6.06	0	0	6.20	5.85	28874768	1,749.81
VODAFONE IDEA L	6.39	6.44	-0.05	-0.78	6.51	6.36	25535667	1,631.73
GTL INFRASTRUCT	0.72	0.72	0	0	0.74	0.71	20070949	144.51
SUZLON ENERGY L	7.99	7.93	0.06	0.76	8.13	7.9	18782598	1,500.73
RELIANCE POWER	10.68	10.55	0.13	1.23	10.95	10.58	7582353	809.80
PUNJ. NATIONLBA	47.95	48.03	-0.08	-0.17	48.63	47.52	7569162	3,629.41
BIOCON	201.80	221.85	-20.05	-9.04	224.60	199.7	6021238	12,150.86
ZOMATO	54.94	53.08	1.86	3.5	55.60	53.02	5939406	3,263.11
BRIGHTCOM GROUP	17.59	17.44	0.15	0.86	17.99	16.9	3901894	686.34

TOP VALUE TRADED

Comapny Name	LTP	Prev. Close	Change(Rs.)	Change (%)	High	Low	52 Week High/Low	TTQ	TTV (in Lakhs)
BIOCON	201.80	221.85	-20.05	-9.04	224.60	199.7	388/200	60,21,238.00	12150.86
TATA CONSULTANC	3,178.95	3,184.75	-5.8	-0.18	3,220.00	3145	3836/2926	2,69,767.00	8575.76
RELIANCE INDS.	2,223.05	2,226.05	-3	-0.13	2,251.55	2212.9	2855/2202	3,66,281.00	8142.61
ADANI ENTERPRIS	1,877.15	1,842.60	34.55	1.88	1,919.65	1845	4190/1017	2,98,111.00	5595.99
ADANI GREEN ENE	816.80	777.95	38.85	4.99	816.80	803.1	3048/439	6,32,615.00	5167.2
YES BANK LTD.	15.02	14.89	0.13	0.87	15.85	14.5	45,285.00	3,32,50,218.00	4994.18
ADANI POWER LTD	199.95	198.75	1.2	0.6	205.00	198.3	433/122	20,13,589.00	4026.17
ADANI PORTS & S	680.10	679.15	0.95	0.14	691.00	671.5	988/395	5,51,356.00	3749.77
PUNJ. NATIONLBA	47.95	48.03	-0.08	-0.17	48.63	47.52	62/28	75,69,162.00	3629.41
INFOSYS	1,420.85	1,406.20	14.65	1.04	1,442.65	1411.6	1924/1356	2,48,970.00	3537.49

WHAT TO EXPECT GOING FORWARD?

Nifty Daily chart



Nifty has formed 2 consecutive Doji patterns on Thursday and Friday, this trend indicates reversal pattern, the index is in oversold zone with major supports broken, trading below its 50 day EMA, RSI at 37. The market has showed signs of reversal but with strong resistance from levels of 17200, if broken can test the next levels of 17300 and above.

The US market is still jittery with the ongoing Banking crisis, its having a Domino effect on other banks, the market closed in red on Friday indicating fear in the market plus next weeks possible rate hikes can further dampen the mood of the market.

Nifty Levels

Resistance-**17200/17310**

Support-**17000/16850**

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

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