

NEWSLETTER

31st December 2022

BGSE FINANCAILS LTD

OVERVIEW**INDIAN STOCK MARKET 2022**

2022 has been a volatile year for the Indian markets. Investors had a tough time trying to time the markets right among global headwinds like new Covid-19 variants, Sri Lankan protests, the Russia-Ukraine war, price caps on oil, the Twitter take-over and the Fed's rate hikes.

In the action-packed 2022, Sensex saw 1,000 points plus intra-day rallies 14 times with the largest single-day gain of 1,736 points on February 15. On the other hand, there have been another 14 instances where the index has crashed at least 1,000 points in a day.

February 24 was the worst day for Sensex when it crashed 2,702 points after Russia invaded Ukraine.

Here's a round-up of how the Indian equity markets looked in 2022- sectors that outperformed, top gainers and losers, IPOs this year as well as India's performance, or rather outperformance versus the rest of the world.

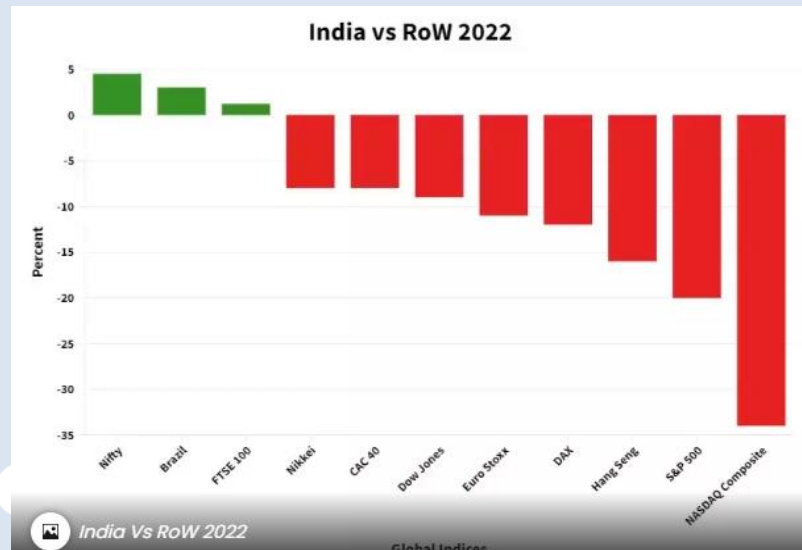
Indian indices, barring the Nifty Small-cap 100 Index, managed to hold on to gains amid a volatile year. The Nifty ended 2022 with an uptick of almost 5%, and the Nifty Bank shot up almost 22%. Mixed performance was seen among the broader markets, as the Midcap 100 index clocked in gains of 3.1%, while the Small-cap 100 index took a beating of 14.5%.

FACTORS WHICH AFFECTED OUR MARKET IN 2022

- A. Omicron wave
- B. Russia-Ukraine war
- C. Global Inflation
- D. Fed rate hike
- E. Europe energy crisis
- F. Massive FII selling
- G. Resilient domestic flows
- H. Slowing growth, recession

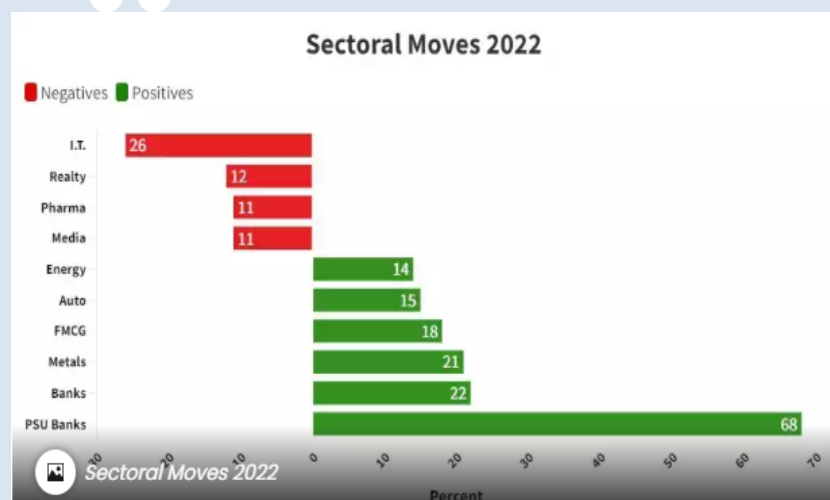
INDIA VS THE REST OF THE WORLD

The Nifty outperformed all the major global indices this year, with an uptick of 4.5%, followed by Brazil with a gain of 3%, and the FTSE 100 or the Fotsie with a 1.2% gain. These were the only positive indices among major economies. The other side of this spectrum was made up by Nikkei and CAC 40, both down 8%, Dow Jones down 9%, Hang Seng down 16%, the S&P 500 down 20% and the NASDAQ composite- the worst performing index down a whopping 34% on a year-to-date basis.



TOP SECTORAL GAINERS

Even among the Nifty, a few sectors stole the show with massive gains, while a few slipped into the negative. This year, especially the second half, belonged to the PSU Banks index, that saw a rally of 68% this year! Banks had a good year, with Nifty Bank up 22%, followed by Metals and FMCG, up 21% and 18% respectively. Autos and Energy followed closely behind with 15% and 14% upticks. On the other hand, the indices that saw massive rallies during the pandemic- Pharma and IT, were both in the negative on a YTD basis. Pharma, along with Media was down 11%, Realty down 26%, and the negatives were led by Nifty IT, which was down 26%.



TOP PERFORMERS OF 2022

Within the Nifty pack, Adani Enterprises was the top 2022 gainer with a rally of 123% YTD. In general, most of the Adani group companies such as Adani Ports, Adani Wilmar, Adani Green Energy and more gave positive returns, which led to Gautam Adani overtaking Mukesh Ambani as India's richest man. This was followed by FMCG major ITC, with a gain of 54%. Coal India and M&M followed closely with 52% and 51% gains respectively. IndusInd bank also gained 39% in CY22.

Among the broader markets, BLS International saw a massive rally, up 270%. Among the defensives, Mazagon Dock saw a massive uptick of 195%, followed by Adani Power, PC Jewelers and UCO Bank up between 145%-190%. FACT, Varun Beverages, Adani Wilmar, Indian Bank, UCO Bank, Karur Vysya Bank and TVS Motor also saw solid positive returns.

UNDERPERFORMERS OF 2022

D-Street also had laggards that perhaps weighed down on the indices. The biggest Nifty loser in 2022 was from the IT pack, Wipro, with a downtick of 45.4% since January'22. This was followed by tech majors, Tech Mahindra and HCL Technologies, down 41.5% and 21%. Divi's Labs and Tata Motors too clocked in losses of 27% and 20% respectively. Among the midcaps, Dhani Services took a beating of 75%! Metropolis Health was the next loser with a 62% downfall. Vodafone Idea, Vaibhav Global, and Sona BLW were down too, anywhere between 40% and 50%.

DEBUTANTS OF DALAL STREET IN 2022

2022 was a year of IPOs. A total of 88 companies came out with their IPOs on BSE whereas 40 companies came out with their IPOs on NSE. 2022 IPOs have delivered an average return on investment of 32%, with a few of them almost doubling on listing day itself. Since listing, Adani Wilmar gave returns of 140% YTD, Hariom Pipe saw a rally of 126% in its share price, and Venus Pipes, Veranda Learning and Vedant Fashions all gave positive returns between 50%-120%.

Stocks such as Tatva Chintan, GR Infra, Clean Science, Burger King and Happiest Minds doubled, or almost doubled shareholders' investments on listing day itself.

FII INFLOWS AND OUTFLOWS

2022 witnessed a lot of FII and DII action. As the US Fed began rate hikes, FIIs sold Indian stocks worth over Rs 1.2 lakh crore in 2022. Had it not been for the resilient domestic inflow, Dalal Street too might have been in the red just like Wall Street in 2022. Healthcare, FMCG and Capital Goods saw the most FII/DII inflows, while Software and Services, Financial Services and Energy saw the most FII/DII outflows.

ECONOMY NEWS**India Current Account Deficit Widens To 4.4% Of GDP In Q2: RBI**

India's current account deficit widened to 4.4 per cent of the GDP in the quarter ended September, from 2.2 per cent GDP during the April-June period, due to higher trade gap, as per data released by the Reserve Bank on Thursday "India's current account balance recorded a deficit of USD 36.4 billion (4.4 per cent of GDP) in Q2:2022-23, up from USD 18.2 billion (2.2 per cent of GDP) in Q1:2022-23 and a deficit of US\$ 9.7 billion (1.3 per cent of GDP) a year ago [i.e., Q2:2021-22]," the RBI said.

Underlying the current account deficit in July-September 2022-23 was the widening of the merchandise trade deficit to USD 83.5 billion from USD 63 billion in first quarter of 2022-23 and an increase in net outgo under investment income. Services exports reported a growth of 30.2 per cent on a year-on-year (y-o-y) basis on the back of rising exports of software, business and travel services. Net services receipts increased both sequentially and on a yearly basis. In H1:2022-23, current account deficit was 3.3 per cent of GDP on the back of a sharp increase in the merchandise trade deficit, as compared with 0.2 per cent in H1:2021-22.

India signs \$125 million loan deal with ADB to improve urban services in Tamil Nadu

The Government of India and Asian Development Bank (ADB) signed a \$125 million loan to develop climate-resilient sewage collection and treatment, and drainage and water supply systems in three cities in the state of Tamil Nadu. The signatories to the tranche 3 loan for Tamil Nadu Urban Flagship Investment Program were Rajat Kumar Mishra, Additional Secretary, Department of Economic Affairs in the Ministry of Finance who signed for the Government of India, and Hoe Yun Jeong, Officer-in-Charge of ADB's India Resident Mission who signed for ADB.

The financing is the third and the last tranche of the \$500 million multi-tranche financing facility (MFF) for the Program approved by ADB in 2018 to build priority water supply, sewerage, and drainage infrastructure in strategic industrial corridors across 10 cities in the state. The tranche 3 loan covers Coimbatore, Madurai, and Thoothukudi.

Bank credit growth accelerates to 18% in September 2022

Reserve Bank released its web publication entitled 'Quarterly Basic Statistical Returns (BSR)-1: Outstanding Credit of Scheduled Commercial Banks (SCBs), September 2022. Bank credit growth

(y-o-y) accelerated further to 18.0 per cent in September 2022 as compared with 14.0 per cent a quarter ago and 5.8 per cent a year ago. Private sector banks continued to outpace public sector

banks and have increased their share in total credit to 38.4 per cent in September 2022 from 37.5 a year ago and 29.6 per cent five years ago.

Personal loans recorded 21.9 per cent growth (y-o-y) in September 2022; it accounted for one third of the total incremental credit during last one year. Credit growth momentum in the industrial sector continued for the fourth successive quarter and recorded double digit growth in September 2022. The share of individuals in the total credit reached an all-time high of 44.4 per cent in September 2022; female borrowers accounted for 22.6 per cent of borrowings by individuals. Annual growth in working capital loans by banks, which stood in contraction zone in March 2021, increased successively thereafter and stood at 16.5 per cent (y-o-y) in September 2022. The overall weighted average lending rate (WALR) on outstanding credit increased by 33 basis points (bps) during the quarter ended September 2022.

India's forex reserves drop USD 571 million to USD 563.5 billion

After rising for five consecutive weeks, India's forex kitty dropped USD 571 million to USD 563.499 billion for the week ended December 16, according to RBI data released on Friday. In the previous reporting week, the overall reserves had swelled USD 2.91 billion to USD 564.06 billion, making it the fifth straight week of an increase in the kitty after a protracted decline. In October 2021, the country's foreign exchange kitty had reached an all-time high of USD 645 billion. The reserves had been declining as the central bank deployed the reserve to defend the rupee amid pressures caused majorly by global developments.

Banks write off loans worth Rs 11.17 lakh crore in last 6 years

Banks have written off Rs 11.17 lakh crore bad loans from their books in the last six years till financial year 2021-22, Parliament was informed on Tuesday. The non-performing assets (NPAs), including those in respect of which full provisioning has been made on completion of four years, are removed from the balance sheet of the bank concerned by way of write-off, Minister of State for Finance Bhagwat Karad said in a written reply. Banks write off NPAs as part of their regular exercise to clean up their balance sheet, avail tax benefit and optimize capital, he said, adding, the write-off is carried out by the banks in accordance with RBI guidelines and policy approved by their boards. "As per RBI data, public sector banks (PSBs) and scheduled commercial banks (SCBs) wrote off an aggregate amount of Rs 8,16,421 crore and Rs 11,17,883 crore respectively during the last six financial years,"

ADB keeps India's GDP growth unchanged at 7%

Asian Development Bank (ADB) has kept its outlook for India's economic growth unchanged at 7 per cent for the current fiscal year while forecasting a weaker-than-previously expected pace for developing Asia. ADB's 7 per cent growth projection for fiscal 2022-23 (April 2022 to March 2023), unchanged from its September forecast, compares to 8.7 per cent GDP growth in 2021-22. For 2023-24, the GDP growth has been kept unchanged at 7.2 per cent.

MARKET PERFORMANCE
52 WEEKS HIGH AND LOWS

Company Name	LTP(Rs.)	52-Week High (Rs.)	52-Week Low (Rs.)
APAR IND	1,793.20	1,817.00	558.6
CANARA BANK	333.55	336.65	171.7
CRAFTSM.AUTO	3,506.85	3,709.95	1,845.00
GUJ.PIPAVAV	100.5	109.35	70.4
JINDALSTLPOW	580.65	596.65	304.2
JS HISAR	438.3	440.2	189.2
MAH.FORGINGS	343.85	347.2	164
MATRIMONY	583.65	949	556
RBL BANK	179.45	185.25	74.15
RURAL ELECTR	116.55	118.5	82.28

TOP GAINERS

Company Name	LTP	Prev. Close	Change (Rs.)	Change (%)	High	Low	52 Week High/Low	TTQ	TTV (in Lakhs)
HIKAL LTD.	410.25	366.55	43.7	11.92	416.85	370.3	595/216	337097	1382.94
ASTRA MICROWAVE	286	261.65	24.35	9.31	297.45	262.2	375/175	132694	379.5
THE NEW INDIA A	125.6	115.45	10.15	8.79	128.75	116	148/78	889850	1117.65
HINDWARE HOME I	446	411.85	34.15	8.29	452.9	413.3	453/259	76134	339.56
CRAFTSMAN AUTOM	3506.85	3254.75	252.1	7.75	3709.95	3349	3710/1845	26069	914.2
GUJARAT PIPAVAV	100.5	93.5	7	7.49	109.35	93.7	109/70	1697654	1706.14
HG INFRA ENGINE	615.5	575.55	39.95	6.94	624	596.85	685/481	87676	539.65
SWAN ENERGY LTD	305.75	286.4	19.35	6.76	324	288.35	337/131	138925	424.76
GENERAL INS. CO	179	167.7	11.3	6.74	185.4	169.4	201/108	539666	966
PNB HOUSING FIN	533.55	502.55	31	6.17	540.3	504	543/312	103322	551.27

TOP LOSERS

company Name	LTP	Prev. Close	Change(Rs.)	Change (%)	High	Low	52 Week High/Low	TTQ	TTV (in Lakhs)
KIRLOSKAR FERRO	346.5	359.65	-13.15	-3.66	366.15	346.5	371/184	52557	182.11
MAX HEALTHCARE	439.75	453.9	-14.15	-3.12	456.75	435.55	483/306	53550	235.49
ADANI TOTAL GAS	3695.25	3811.55	-116.3	-3.05	3885.95	3645.05	3995/1513	37652	1391.34
ADANI TRANSMISS	2591.55	2667.75	-76.2	-2.86	2759	2523.45	4239/1652	39883	1033.59
APTUS VALUE HOU	304.45	313.25	-8.8	-2.81	313.6	301.2	395/221	10845	33.02
P&G HEALTH	4017.45	4133	-115.55	-2.8	4233.95	3886.1	5450/3883	1845	74.12
SHIPPING CORPN.	135.95	139.75	-3.8	-2.72	138.35	135.15	151/86	276855	376.38
ELGI EQUIPMENTS	419.6	431.2	-11.6	-2.69	438.25	418	567/249	14697	61.67
AVENUE SUPERMAR	4070.75	4178.35	-107.6	-2.58	4194.15	4026.55	4799/3185	36895	1501.9
ZOMATO	59.35	60.9	-1.55	-2.55	61.45	59.05	142/41	3264366	1937.4

SUPER STOCK MOVERS

Company Name	Dec-27	Dec-29	Dec-28	Dec-27	Dec-26
AARTI DRUG	460	451.55	448.8	446.5	444.2
ADANI ENTER	3859.35	3810	3796.95	3769.65	3715.65
AFFLE INDIA	1080.9	1076.55	1060.95	1048.6	1043.45
APAR IND	1793.2	1759.5	1752.9	1709.95	1657.15
APCOTEX IND	466.45	464.95	463.95	453.55	444.7
ASHOKA BUILD	89.6	89.5	88.15	86.9	82.1
BANKOFBARODA	185.65	185.35	181.5	177.7	177.1
BASF INDIA	2815.85	2784.2	2766.35	2727.1	2685.7
BAYER CROP	4941.25	4898	4864.55	4817.65	4804.7
BF UTILITIES	386.55	385.45	380.1	376.25	368.55

TOP QUANTITY TRADED

Company Name	LTP	Prev. Close	Change(Rs.)	Change (%)	High	Low	52 Week High/Low	TTQ	TTV (in Lakhs)
VODAFONE IDEA L	7.9	7.89	0.01	0.13	8.08	7.86	44789	117924606	9316.04
SUZLON ENERGY L	10.61	10.12	0.49	4.84	10.96	10.16	44724	51033190	5414.62
YES BANK LTD.	20.6	20.15	0.45	2.23	20.85	20.3	44920	25533794	5259.96
JAIPRAKASH POWE	7.52	7.38	0.14	1.9	7.68	7.4	44692	13852770	1041.73
GTL INFRASTRUCT	1.21	1.2	0.01	0.83	1.22	1.19	44564	12475432	150.95
INDIAN OVERSEAS	32.1	31.4	0.7	2.23	33.15	31.8	37/15	10634434	3413.65
PUNJ. NATIONLBA	56.45	55.3	1.15	2.08	57.3	55.85	62/28	6520537	3680.84
SOUTH INDIAN BA	18.8	18.05	0.75	4.16	19.05	18.3	44764	5339052	1003.74
INDIAN RAILWAY	32.5	32.7	-0.2	-0.61	33.25	32.35	37/19	5153601	1674.92
HIND.CONSTRUCTI	20.1	19.65	0.45	2.29	20.45	19.7	44888	4649156	934.48

TOP VALUE TRADED

Company Name	LTP	Prev. Close	Change (Rs.)	Change (%)	High	Low	52 Week High/Low	TTQ	TTV (in Lakhs)
VODAFONE IDEA	7.9	7.89	0.01	0.13	8.08	7.86	44789	117924606	9316.04
TATA CONSULTANT	3259.25	3269.25	-10	-0.31	3299.05	3246.75	4046/2926	182089	5934.74
SUZLON ENERGY	10.61	10.12	0.49	4.84	10.96	10.16	44724	51033190	5414.62
YES BANK LTD.	20.6	20.15	0.45	2.23	20.85	20.3	44920	25533794	5259.96
TATA STEEL	112.65	111.75	0.9	0.81	114.7	112.1	139/83	4484636	5051.94
GRASIM INDS.	1725.95	1753.55	-27.6	-1.57	1770.95	1719.9	1939/1277	281767	4863.16
PUNJ. NATIONLB	56.45	55.3	1.15	2.08	57.3	55.85	62/28	6520537	3680.84
INFOSYS	1508.7	1517.5	-8.8	-0.58	1530	1504	1954/1356	241378	3641.67
INDIAN OVERSEAS	32.1	31.4	0.7	2.23	33.15	31.8	37/15	10634434	3413.65
SBI	613.2	612.3	0.9	0.15	620.5	611.5	630/425	544009	3335.86

WHAT TO EXPECT IN 2023?



Nifty Weekly chart from 03/01/2021 to 30/12/2023

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.

Nifty has closed well above the 50Day EMA on the weekly charts, RSI closing at 55.81. Has technically taken good support and bounced back on Bearish days indicating good momentum going into 2023 with the below levels to keep in mind

Weekly Levels

Resistance-**18381/18565/19025**

Support-**18000/17707/16947**

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.

Even though December turned out to be a bad month for domestic equities, India remains one of the best markets when compared to the global peers. In 2022, Sensex and Nifty 50 net gained over 4%, whereas most emerging and developed markets have given double-digit negative returns. We remain Moderately bullish on the near-term performance of Indian equities and see value buying as a major theme playing out in 2023.

What we do & offer to 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.”

“Wish our Investors & future Investors a very Happy & profitable New Year 2023” 😊

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