



AJCON GLOBAL
YOUR FRIENDLY FINANCIAL ADVISOR

Market wrap

April 18, 2018

Benchmark indices take a breather; BSE FMCG index hits new high..

Stocks took a breather today after nine sessions of gains owing to a rush among investors to book profits towards the fag-end amid sustained foreign fund outflows even as global cues were positive. The BSE Sensex, after resuming higher at 34,443.42, advanced to hit a high of 34,591.81 on buying by domestic institutional investors (DIIs) as well as retail participants. However, investors preferred to lock in gains towards the close of the session, with the benchmark finally ending at 34,331.68, down 63.38 points, or 0.18 per cent. The gauge had risen 1,375.99 points, or 4.17 per cent in the previous nine sessions.

Likewise, the 50-stock NSE barometer Nifty finished 22.50 points, or 0.21 per cent, down at 10,526.20 after hitting the day's high of 10,594.20 and a low of 10,509.70. It had gained 420.30 points, or 4.15 per cent in the past nine sessions.

Investor sentiment got a boost after the IMF yesterday said India is expected to grow at 7.4 per cent in 2018 and 7.8 per cent in 2019, leaving its nearest rival China behind.

Sectors and stocks

Index heavyweight HDFC Bank ended 0.8% lower, while Axis Bank ended 2.6% lower, dropping for a fourth straight session.

The market breadth, indicating the overall health of the market, was negative. On the BSE, 1,512 shares fell and 1,141 shares rose. A total of 156 shares were unchanged.

Shares of fast moving consumer goods (FMCG) companies were in focus with the S&P BSE Index up more than 2% hitting a new high on the BSE. The FMCG index hit record high of 11,085 in intra-day trade surpassed its previous high of 11,047 recorded on February 1, 2018. In past two weeks, the FMCG index has outperformed the market by surging 7% after private forecaster Skymet said monsoon in India is likely to be normal with no chances of drought this year. On comparison, the benchmark index was up 5% during the same period.

The Indian Meteorological Department's (IMD) has also predicted southwest monsoon (April-September) to be at 97% of the long period average (LPA) with a margin of error of +/- 5%. ITC, Godrej Consumer Products and Dabur were up more than 3% today. Hindustan Unilever, Nestle India, Gujarat Ambuja Exports and Godrej Consumer Products from the FMCG index hit their respective record highs on the BSE. A normal monsoon is expected to benefit the overall economy and to support rural consumption. The rating agency CRISIL said a normal monsoon is crucial to push economic growth, which slowed last year under the lingering impact of demonetisation and disruptions due to implementation of the goods and services tax (GST), both of which impacted private consumption demand as well as exports.

Maruti Suzuki India shed 0.25%. Maruti Suzuki India said that the company has attained leadership position in utility vehicles sales in the domestic market in 2017-18, with over 27.5% market share. Riding on the success of models like Vitara Brezza, Ertiga and S-Cross, Maruti Suzuki's sale of utility vehicles reached 253,759 units in 2017-18, growing 29.6% over previous year sales of 195,741 units.

M&M lost 1.55%. M&M today launched the Plush New XUV500 in the premium SUV segment with a bold new design, plush, luxurious interiors and higher power and torque. It offers a more pleasurable ride through an enhanced suspension, and comes with a quieter cabin. Starting at Rs 12.32 lakhs (ex-showroom Mumbai, for W5 variant), it will be available at Mahindra dealerships across India with immediate effect. The announcement was made during market hours today, 18 April 2018.



AJCON GLOBAL

YOUR FRIENDLY FINANCIAL ADVISOR

Cement major ACC dropped 0.92% ahead of its Q1 March 2018 result today, 18 April 2018.

Lupin fell 1.76%. Lupin announced that it has received tentative approval from the United States Food and Drug Administration (USFDA) to market a generic version of AbbVie Inc's AndraGel, 1.62%. Lupin's Testosterone Gel is the generic equivalent of AbbVie Inc.'s AndroGel. The announcement was made after market hours yesterday, 17 April 2018.

Shares of Jagran Prakashan, publishers of 'Dainik Jagran' newspaper, have opened 5% higher at Rs 164 per share on the BSE on Wednesday after the company announced a share buyback plan. The stock closed at a 52-week low of Rs 156 on Tuesday. "The board of directors of Jagran Prakashan is scheduled to be held on Friday, 27th April, 2018 inter-alia to consider the proposal for buy-back of shares," the company said in a regulatory filing on Tuesday, after market hours. The primary objective of a share buyback programme is to arrest the fall in the value of a stock by reducing the supply of the stock, which essentially pushes up the share price through a better P/E multiple. The other objective is to improve earnings per share (since the same dividend amount is now distributed among fewer shares). In past one year, Jagran Prakashan has underperformed the market by falling 21% as compared to 17% rise in the S&P BSE Sensex till yesterday. The company had reported 7% year on year dropped in its consolidated net profit at Rs 2,482 million for the first nine months ended December 2017. Operating revenues were up 2% at Rs 17,559 million over the same period last year. Although there is a flat revenue and some de-growth in profits which is on account of the reasons beyond our control, some recovery has been seen in various discretionary spend sectors, real estate, BFSI and Education. Let us hope that these recoveries are sustained, said Mahendra Mohan Gupta, Chairman and Managing Director, Jagran Prakashan, while announcing December quarter results.

Global Markets

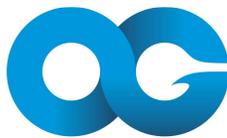
Asian shares crept ahead on Wednesday after Wall Street took heart from upbeat corporate earnings, though nagging concerns about trade barriers and the global growth outlook kept currencies and bonds subdued. Chinese markets also struggled even as Beijing boosted liquidity in the banking system. After opening up, Shanghai blue chips soon turned 0.2 percent lower.

Late Tuesday, the PBOC unexpectedly announced it would cut the cash banks hold as reserves in a move that frees up lending for small firms but falls short of a broad monetary easing. The Shanghai index had hit a near one-year low after the United States banned American companies from selling components to Chinese telecom equipment maker ZTE Corp.

MSCI's broadest index of Asia-Pacific shares outside Japan bounced 0.5 percent, though that follows four straight sessions of losses.

Japan's Nikkei climbed 1.2 percent, with investors waiting for any developments on trade as Japanese Prime Minister Shinzo Abe meets President Donald Trump at his Mar-a-Lago resort.

The Dow ended Tuesday up 0.88 percent, while the S&P 500 rose 1.06 percent and the Nasdaq 1.78 percent. Yet there were signs of caution in the latest BofA Merrill Lynch survey of fund managers which found investors squirreling more funds away into cash, while cutting their equity allocation to an 18-month low.



AJCON GLOBAL
YOUR FRIENDLY FINANCIAL ADVISOR

Disclaimer

Ajcon Global Services Ltd. is a fully integrated investment banking, merchant banking, corporate advisory, stock broking, commodity and currency broking. Ajcon Global Services Ltd. 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 Ltd. is a SEBI registered Research Analyst entity bearing registration Number INH000001170 under SEBI (Research Analysts) Regulations, 2014.

Individuals employed as research analyst by Ajcon Global Services Ltd. or their associates are not allowed to deal or trade in securities that the research analyst recommends within thirty days before and five days after the publication of a research report as prescribed under SEBI Research Analyst Regulations.

Subject to the restrictions mentioned in above para, 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 Ltd. 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 Ltd. 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 Ltd. While we would endeavour to update the information herein on a reasonable basis, Ajcon Global Services Ltd. 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 Ltd. 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 Ltd. 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 Ltd. 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 Ltd. 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.

Ajcon Global Services Ltd. encourages independence in research report preparation and strives to minimize conflict in preparation of research report. Ajcon Global Services Ltd. 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 Ltd. nor Research Analysts have any material conflict of interest at the time of publication of this report.



AJCON GLOBAL
YOUR FRIENDLY FINANCIAL ADVISOR

It is confirmed that Akash Jain – MBA (Financial Markets) 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 Ltd. 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.

It is confirmed that Akash Jain – MBA (Financial Markets) research analyst or any other Research Analysts of Ajcon Global do not serve as an officer, director or employee of the companies mentioned in the report.

Ajcon Global Services Ltd. 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 Ltd. 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 Ltd. by any Regulatory Authority impacting Equity Research Analysis activities.

Analyst Certification

I, Akash Jain MBA (Financial Markets), 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. Akash Jain – Vice President (Research) at, 022-67160431 (D)

CIN: L74140MH1986PLC041941

SEBI registration Number: INH000001170 as per SEBI (Research Analysts) Regulations, 2014.

Website: www.ajcononline.com

Corporate and Broking Division

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

Registered Office:

101, Samarth, Off. Hinduja Hospital, 151 Lt. P.N. Kotnis Road, Mahim (West), Mumbai – 400016. Tel: 022-24460335/36/40