



Market Wrap

Sep. 22, 2017

Tensions between North Korea and US create panic in domestic bourses; correction will make market healthy..

Benchmark indices posted their biggest single day fall in 2007. The 30-share BSE Sensex plunged 447.60 points or 1.38 percent to 31,922.44 and the 50-share NSE Nifty lost 157.50 points or 1.56 percent to 9,964.40.

Bears took complete control over bulls on Friday as the Nifty closed below its key psychological 10,000-mark and the broader markets declined 3 percent, tracking global weakness after North Korea threat indicated another hydrogen bomb test and S&P downgraded China's credit rating.

It was across the board sell-off led by metals, realty, banking & financials and infra stocks but the Nifty IT outperformed with marginal loss of 0.2 percent.

Sectors and stocks

The broader markets fell more than benchmarks today as the BSE Midcap and Smallcap indices cracked nearly 3 percent each on weak breadth. About four shares declined for every share rising on the BSE.

In broader space, Reliance Capital, Indiabulls Real Estate, Graphite India, HEG, Jindal Steel, Wockhardt, Ipca Labs, Alembic Pharma, Torrent Pharma, SPARC, Walchandnagar, Tinsplate, Jai Corp, Peninsula Land and Future Enterprises cracked 7-10 percent.

However, Orchid Pharma extended gains despite sharp fall in market, rising 11.4 percent today, on top of 20 percent rally in previous session on USFDA approval for Tamil Nadu API plant. Nelco also gained 5 percent.

Adhunik Industries hits 52-week low of Rs 83.55, tanked 20% on BSE after the Securities Appellate Tribunal (SAT) directed the market regulator and stock exchanges to reverse their decisions all dated August 7, 2017 qua the appellant forthwith.

Shares of ITI and Orchid Pharma rallied up to 19% for the second straight day in an otherwise weak market on the back of positive corporate announcements.

ITI has surged 19% to Rs 146, extending its Thursday's 20% rally on the National Stock Exchange (NSE), after the company announced that it has won Rs 7,000 crore-phase IV tender of Army (Army Static Switched Communication Network-ASCON) for deploying and maintaining its strategic communication network across the country.

Orchid Pharma soared 16% to Rs 25, after yesterday's 20% gain as the company received an establishment inspection report (EIR) from U.S. Food and Drug Administration (US-FDA) on the successful inspection of the active pharmaceutical (API) manufacturing facility in Tamil Nadu. This facility was inspected by USFDA in May 2017.

Key developments

S&P says downgraded China as credit growth still too fast..

China's attempts to reduce risks from its rapid buildup in debt are not working as quickly as expected and credit growth is still too fast, S&P Global Ratings said on Friday, a day after it downgraded the country's sovereign credit rating.

"Despite the fact that the government has shown greater resolve to implement the deleveraging policy, we continue to see overall credit in the corporate sector to stay at a 9 percent point", Kim Eng Tan, an S&P senior director of sovereign ratings, said in a conference call to discuss the one-notch downgrade to A+ from AA-.



While S&P warned months ago that a cut may be on the cards, it said it decided to make the call after concluding that China's "de-risking" drive that started early this year was having less of an impact on credit growth than initially expected.

IPOs of IRCTC may be delayed

The listing of two public sector undertakings under the Railways Ministry — Indian Railway Finance Corporation (IRFC) and Indian Railway Catering and Tourism Corporation (IRCTC) — may get delayed, as the government now wants to sort out the financial issues facing the companies.

Officials close to the developments said that new railways minister, Piyush Goyal, wanted to resolve these issues in order to get a better valuation before going for listing.

Gold

Gold rebounded from a four-week low as the latest twist in tensions between the United States and North Korea prompted investors to seek safe-haven assets.

US gold futures for December delivery climbed 0.38 percent to USD 1,299.70 an ounce.

Bullion was down 1.7 percent for the week and was headed for a second weekly decline.



Ajcon GlobalTM
Your Friendly Advisor
Since 1986



Equity ♦ Currency ♦ D.P. ♦ Advisory Services ♦ Investment Banking ♦ Insurance

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 GlobalTM
Your Friendly Advisor
Since 1986



Equity ♦ Currency ♦ D.P. ♦ Advisory Services ♦ Investment Banking ♦ Insurance

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