



AJCON GLOBAL

## Market Wrap

Jan. 30, 2018

### **Investors' book profits ahead of Budget 2018-19 to be presented on Thursday by FM; midcaps and smallcaps take a hit..**

The Sensex and Nifty ended lower on Tuesday, tracking Asian peers, as investors booked profits in recent outperformers such as index heavyweight HDFC Bank Ltd, while caution prevailed ahead of the federal budget, due later this week.

Indian markets have been on a record-hitting run in recent weeks, boosted by a better-than-expected corporate earnings, government measures such as a cut in the goods and services tax for certain goods and a positive economic growth forecast.

Investors would also take cues from the federal budget, to be presented by Finance Minister Arun Jaitley on Thursday, as the government aims to woo back rural voters and small businesses ahead of state elections.

India's government will unveil its budget for the 2018/19 fiscal year on Thursday, with investors expecting increased investment in key areas such as agriculture, and a slew of incentives for businesses.

Handicapped by the chaotic roll out of a goods and service tax (GST) last year and a shock, overnight move to take high value banknotes out of circulation in late 2016, India's economy is expected to post growth of 6.75 percent in the 2017/18 fiscal year ending in March, which would be the slowest in three years.

### **Sectors and stocks**

Indian Oil Corporation (IOCL) gained 5% to Rs 419 on BSE in intra-day deal after the company's board recommended bonus shares in the ratio of 1:1 i.e. one equity share for one exiting equity share held.

The board also declared an interim dividend of Rs 19 per equity share on face value of Rs 10. It fixed February 9, 2018 as the 'record date' for the purpose of ascertaining the eligibility of shareholders for payment of interim dividend.

The state-owned oil marketing company has reported nearly doubled standalone net profit at Rs 78.83 billion for the quarter ended December 2017 (Q3FY18).

KPIT Technologies hit a 52-week high of Rs 223, up 6% on BSE in otherwise subdued market after the information technology (IT) company announced a restructuring plan. C K Group-owned KPIT Technologies and Birlasoft have announced a merger to create an over \$700-million combined entity. The entity would be demerged into two separate companies later.

Bhushan Steel, Multi Commodity Exchange of India (MCX), Bank of Maharashtra, United Bank of India and Vivimed Labs were 17 stocks from the S&P BSE Smallcap index hitting their respective 52-week low on BSE in intra-day trade on Tuesday.

Bombay Rayon Fashions, CL Educate, D B Corp, Dynamatic Technologies, North Eastern Carriers, Sangam India, Sathavana Ispat and Uttam Galva Steels too hit 52-week low today.

It has been a mixed performance for railway-related stocks at the bourses thus far in calendar year 2018 (CY18) with Larsen & Toubro (L&T), ABB India and Kernex Microsystems rallying up to 25% ahead of the budget presentation on February 1.

On the other hand, Hind Rectifiers, Titagarh Wagons, BEML, Stone India, Kernex Microsystems, Stone India and Zicom Electronic have slipped 3% to 17%. By comparison, the S&P BSE Sensex and Nifty 50 index have gained 6% thus far in CY18.



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