



AJCON GLOBAL

Market Wrap

Dec. 04, 2017

Volatility witnessed in domestic bourses; all eyes on RBI policy...

In a volatile trading session, the benchmark indices pared most of their intraday gains to settle flat as investors remained cautious ahead of the RBI monetary policy meeting due on Tuesday.

Although the central bank is widely expected to keep rates on hold, investors will watch out for any hints of a cut in its policy statement.

The recent weakness on Dalal Street has raised fears of crude oil's adverse impact on Indian equities. The benchmark Nifty 50 index is down 3.2 per cent from the lifetime high it hit on November 3.

In the same period, Brent crude oil is up 1.9 per cent and hit a new 52-week high. This also suggests the Indian markets are now struggling to hit fresh highs as oil prices inch up. In stock market parlance, every rally is being sold into by long-term investors, creating fear of a major market correction if oil prices rise any further.

Sectors and stocks

Infosys remained in focus as it rallied nearly 4% and was the top gainer on Sensex after the IT giant on Saturday named Salil S Parekh, a member on the board of its global rival Capgemini, as its new chief executive officer (CEO) and managing director (MD), ending a three-month-long search.

Shares of auto ancillary companies, mainly mid and small-sized firms, were in focus and traded higher by up to 15% on the back of positive corporate announcements.

Setco Automotive hit a 52-week high of Rs 48.40, up 15% on the BSE in intra-day trade on back of heavy volumes. The company reported nearly 14-fold jump in its standalone net profit of Rs 13.76 crore in September quarter (Q2FY18), on back of healthy operational performance. It had profit of around Rs 1 crore in the same quarter last year and a net loss of Rs 11.89 crore in June 2017 quarter.

Biocon surged 14% to Rs 510, also its all-time high on the BSE in early morning trade, after the company said it has secured a regulatory approval to market a biosimilar for anti-cancer drug Herceptin in the US.

Mylan and Biocon announced that US Food and Drug Administration (FDA) have approved Mylan's Ogivri, a biosimilar to Herceptin, co-developed with Biocon.

Shares of two pharmaceutical companies Lupin and Glenmark Pharmaceuticals hit their respective 52-week lows on the BSE in intra-day trade in an otherwise firm market. In the past one month, the market price of Lupin fell by 23%, while of Glenmark Pharmaceuticals by 12% on account of negative news flow from the US health regulator. By comparison, the S&P BSE Sensex was down 2% during the same period.

Global Markets

Overseas, European markets were trading lower, while Asian markets also ended in negative zone as investors awaited the US Senate's vote on tax reform legislation.



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.



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