



Ajcon Global™
Your Friendly Advisor
Since 1986



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE



Mr. Ashok Ajmera, CMD & CEO

Mr. Ajmera's column as on October 17, 2015

Firm global cues leads domestic bourses to touch 8 weeks high...

Benchmark share indices rebounded in late trades on Friday to end at their highest levels in eight weeks, amid firm global cues, led by engineering major L&T and renewed buying interest in financials.

The 30-share Sensex ended up 204 points at 27,215 and the 50-share Nifty ended up 59 points at 8,238. On August 21, 2015 the Sensex had ended at 27,366 and the Nifty at 8,299.95.

In the broader market, BSE MidCap index gained 0.4% while SmallCap ended flat with positive bias.

Among the key results later today, Reliance Industries would be keenly watched. Other companies to announce their Q2 results today include NIIT Tech., R. S. Software, Swaraj Engines, Tata Metaliks and Tata Sponge.

Global Markets

US stocks ended higher on Friday, notching a third week of gains, lifted by a jump in General Electric shares and upbeat consumer sentiment data. The S&P 500's three weeks of gains marked its longest winning streak since May and extended a rebound from the market's August selloff. GE shares rose 3.4 percent to USD 29.98, hitting their highest level in seven years, after the company reported better-than-expected earnings. The stock was among the biggest boosts to the S&P 500 and Dow. Mattel jumped 6 percent to USD 23.89 and was the biggest percentage gainer in the S&P 500, even after its sales missed



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

estimates. Consumer sentiment data helped. The University of Michigan's preliminary index on consumer sentiment rebounded strongly in early October, suggesting that the economic recovery remained on track.

For the week, the Dow rose 0.8 percent and the Nasdaq gained 1.2 percent, both also registering a third week of gains, while the S&P 500 was up 0.9 percent. Forecasts for S&P 500 earnings improved slightly as more companies reported results. Third-quarter earnings are now expected to have fallen 3.9 percent, compared with Monday's forecast for a decline of 4.8 percent, according to Thomson Reuters data. Other domestic data on Friday showed a lackluster industrial production picture, with industrial production in September shrinking for the second month in a row, in line with expectations. The Federal Reserve, which kept rates at near-zero levels at its September meeting, is waiting for signs of stabilizing inflation and sustained economic recovery before it pulls the trigger on a rate hike. Advancing issues outnumbered declining ones on the NYSE by 1,829 to 1,225, for a 1.49-to-1 ratio on the upside; on the Nasdaq, 1,428 issues fell and 1,330 advanced for a 1.07-to-1 ratio favoring decliners. The S&P 500 posted 21 new 52-week highs and 4 new lows; the Nasdaq recorded 56 new highs and 25 new lows. About 6.6 billion shares changed hands on US exchanges, compared with the 7.5 billion daily average for the past 20 trading days, according to Thomson Reuters data.

Sectors and Stocks

A host of economic data was released during the week under review. Industrial Production in August 2015 increased by 6.4% compared to 4.2% growth registered in the previous month and 0.5% in August 2014.

Consumer price index-based inflation for September reversed a two-month declining streak and rose 4.41 per cent year-over-year, because of higher food retail prices. Retail inflation for August was 3.74 per cent and for July was 3.69 per cent.

Wholesale Price Inflation eased for the eleventh straight month in September which stood at -4.54 per cent compared with -4.95 per cent in August.

India's merchandise exports fell for the 10th consecutive month in September. Exports declined 24.3 per cent to \$21.84 billion in September 2015 compared with \$28.86 billion in September 2014.

Tata Motors had a stupendous rally for the third straight week. The company said the Group's wholesales in September 2015 including Jaguar Land Rover surged 21% over September 2014.

Other stocks too were in high gear with launch of new models ahead of the festive season. Maruti Suzuki gained 4.1%, M&M rose 1.6% while Hero MotoCorp and Bajaj Auto ended higher.



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

Reliance Industries continued to gain through the week ahead of its September quarter earnings. The company after market hours on Friday surprised the street reporting a 12.5 per cent rise in consolidated net profit at Rs 6,720 crore for the quarter ended September amid high refining margins. Gross refining margin (GRMs) for the September quarter stood at \$10.6 a barrel, against \$8.3 a barrel in the same period last year.

Metal stocks continued to sparkle amid rising global commodity prices while strong industrial growth in August led to renewed buying interest in capital goods shares like L&T and BHEL.

Hindustan Unilever slipped 4% after it reported a marginal drop of 2.6% in net profit at Rs 962 crore for the quarter ended September 2015 impacted by price deflation, especially in the soaps and detergents segment as against Rs 988 crore in the same period a year ago.

IT major Infosys and TCS were the top Sensex losers post their earnings announcement.

Infosys ended down 6.3% after it cut its dollar revenue estimated for the current fiscal. The company said that for the fiscal year ending March 31, 2016, revenues are likely to rise by 6.4% - 8.4%, down from a previous estimate of 7.2% - 9.2% in dollar terms.

TCS ended down 5.9% after it reported lower-than-expected constant currency revenue growth for the fourth straight quarter. Continued weakness in its Japan-based insurance arm Diligenta and energy business weighed on the IT major's topline. Revenue during the September quarter stood at Rs 27,165 crore as against a consensus Bloomberg estimate of 27,229 crore. Revenue in dollar terms grew sequentially by 3% to \$4,156 million which was lower than the Street's estimate of around 4%.

Week ahead

The upbeat earnings from Reliance Industries will set the tone for the truncated week ahead while developments on the progress of Bihar polls would also be keenly watched.

Some of the major companies that are slated to announce their September quarter earnings include, ACC, Hero MotoCorp, Bajaj Auto, Wipro, Cairn India, Idea Cellular, HDFC Bank and Asian Paints among others.

A slew of global economic data such as China Q3 GDP, US housing starts and PMI indices for US, Euro zone and Japan is scheduled to be announced during the week.

The stock market will remain closed on Thursday, October 22, on account of Dussehra festival.



Ajcon Global™
Your Friendly Advisor
Since 1986



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & 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 registered as Research Analyst with SEBI bearing registration Number INH000001170 as per 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.

We and our affiliates, officers, directors, employees and their relative may: (a) from time to time, have long or short positions in act as a principal in, and buy or sell the securities or derivatives thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage.

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. or its associates have not received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment



Ajcon Global™
Your Friendly Advisor
Since 1986



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

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 CA Ashok Ajmera, research analyst of this report have not received any compensation from the companies 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 CA Ashok Ajmera research analyst 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.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Ajcon Global Services Ltd. and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

For research related queries contact:

Mr. Akash Jain – Vice President (Research) at research@ajcon.net

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, Malad (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