



**Ajcon Global**™  
Your Friendly Advisor  
Since 1986



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE



**Mr. Ashok Ajmera, CMD**

**Mr. Ajmera's column as on January 24, 2015**

### **Markets remain upbeat on global cues; all eyes on US President's visit to India...**

The Sensex was up 4.1 percent and Nifty gained 3.8 percent while the BSE Smallcap Index was up 0.5 percent and CNX Midcap rose 1.3 percent during the week. Indian markets will remain shut on Monday (January 26) for Republic day. The BSE Sensex registered its sharpest seven-day rally in the past five-and-half years to gain 1,900 points, or seven per cent, on Friday. This comes in the wake of a better-than-expected quantitative easing (QE) programme announcement by European Central Bank (ECB) President Mario Draghi on Thursday, and last week's surprise interest rate cut by RBI. The Sensex surged 273 points on Friday to close at 29,278.84, and has rallied 1,932 points in the past seven trading days since January 15, reporting its highest rise since May 2009. The Nifty, which closed at 8,836 levels on Friday, has surged 558 points during the period. In 2009, between May 15 and 19, the Sensex had gained 2,429 points in three trading sessions after the Congress led government came back into power. In 2013, in five trading sessions between September 4 and 11, the index rallied 1,762 points on the back of net buying of Rs 5,225 crore by foreign institutional investors (FIIs).

During the current rally, stocks from interest rate-sensitive sectors such as realty and banking have outperformed the market, with their indices gaining 12 per cent and eight per cent, respectively, while the capital goods index gained nine per cent during the period. Consumer durables, automobiles, power, metal, and healthcare indices also moved higher between six and seven per cent.

Among stocks, DLF, D B Realty, Housing Development and Infrastructure, Prestige Estates and Indiabulls Real Estate from the real estate sector; and India Cements, Shree Cement and Prism Cement from the cement sector have rallied more than 15 per cent each.

Axis Bank, Sun Pharmaceutical Industries, Larsen & Toubro, Tata Motors, Tata Power and



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

Bharti Airtel from 30-share S&P BSE Sensex have gained between 10 and 12 per cent during the period.

## Global Markets

Global markets cheered the ECB stimulus program with European markets like France's CAC, Germany's DAX rising over a percent (at the time of closing of Indian equities). Asian markets also closed higher with the Japan rising to a near three week highs, up 1 percent and the KOSPI climbing to 4-week highs, up 0.8 percent. Hang Seng, Straits Times and Taiwan Weighted gained more than a percent. Crude oil prices recovered marginally as news of the death of Saudi Arabia's king Abdullah added to uncertainty in energy markets. Brent crude rose 95 cents to USD 49.47 a barrel and NYMEX crude was up 56 cents to 46.87 a barrel.

The Federal Reserve could be key for Wall Street next week as investors get to hear from the US central bank for the first time since a series of moves by its global peers, including the European Central Bank's massive stimulus plan.

Thursday's expected stimulus package from the ECB lifted US stocks, helping indexes post gains for the week after three straight weeks of losses. Although the measures were broadly in line with what the markets were expecting, it underlines the ECB's commitment to do "whatever it takes" to prevent the Euro economy from falling into a deflationary spiral and the open ended nature of the program brings in more optimism in the global markets. This has resulted in the Euro depreciating against US\$ by 2.09% to 1.1365. Italy, Greece and Spain equity indices were up by 2.4%, 1.1% and 1.7% respectively. German Equity Index DAX was also up by 1.3%.

## Week Ahead

Near-term risk event now is elections in Greece on January 25, 2015. In case the Syriza Party wins, it could create volatility in global markets. However, market participants believe, the party is likely to moderate its stance after assuming power.

Market participants will keep an eye on US President Barack Obama's visit to India. The president will be joined in India by multiple members of his cabinet, influential business leaders and a host of US lawmakers, including Nancy Pelosi, the minority leader of the US House of Representatives during the trip. Key developments emerging from US President's meeting with India's Prime Minister – Shri. Narendra Modi would act as triggers for domestic bourses.

## Our Outlook

We are cautiously positive on selected stocks in the field of Capital goods, Infrastructure, Pharma and Banking.



STOCK BROKING, INVESTMENT BANKING, CORPORATE ADVISORY & INSURANCE

## Disclaimer

The content in this research report has been prepared by Ajcon Global Services Ltd. and is meant for the recipient for use as intended and not for circulation. The content in the research report should not be research reported or copied or made available to other. The information contained herein is from the public domain or sources believed to be reliable. While reasonable care has been taken to ensure that information given is at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the very nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as decision such.

Ajcon Global Services Ltd. would not be responsible for any loss to the investors; they should verify all the fundamentals before investing. Ajcon Global Services Ltd., its directors and employees, will not in any way be responsible for the contents of this research report. This is not an offer to sell or a solicitation to buy any securities. The securities discussed in this research report may not be suitable for all investors. Investors must make their own investment based on their own investment objectives, goals and financial position and based on their own analysis.

Ajcon Global Services Ltd. proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. We and our affiliates, officers, directors, and employees may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions. The analyst for this research report certifies that all of the views expressed in this research report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this research report. Ajcon Global Services Ltd., may be considered as interested party in view of its relationship as the financial advisors and consultants to some of the companies discussed in the research report.

### For research related queries contact:

Mr. Akash Jain – Vice President (Research) at [research@ajcon.net](mailto:research@ajcon.net)

CIN: L74140MH1986PLC041941

**Website:** [www.ajcononline.com](http://www.ajcononline.com)

**Corporate and Broking Division :** 408 – (4<sup>th</sup> 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