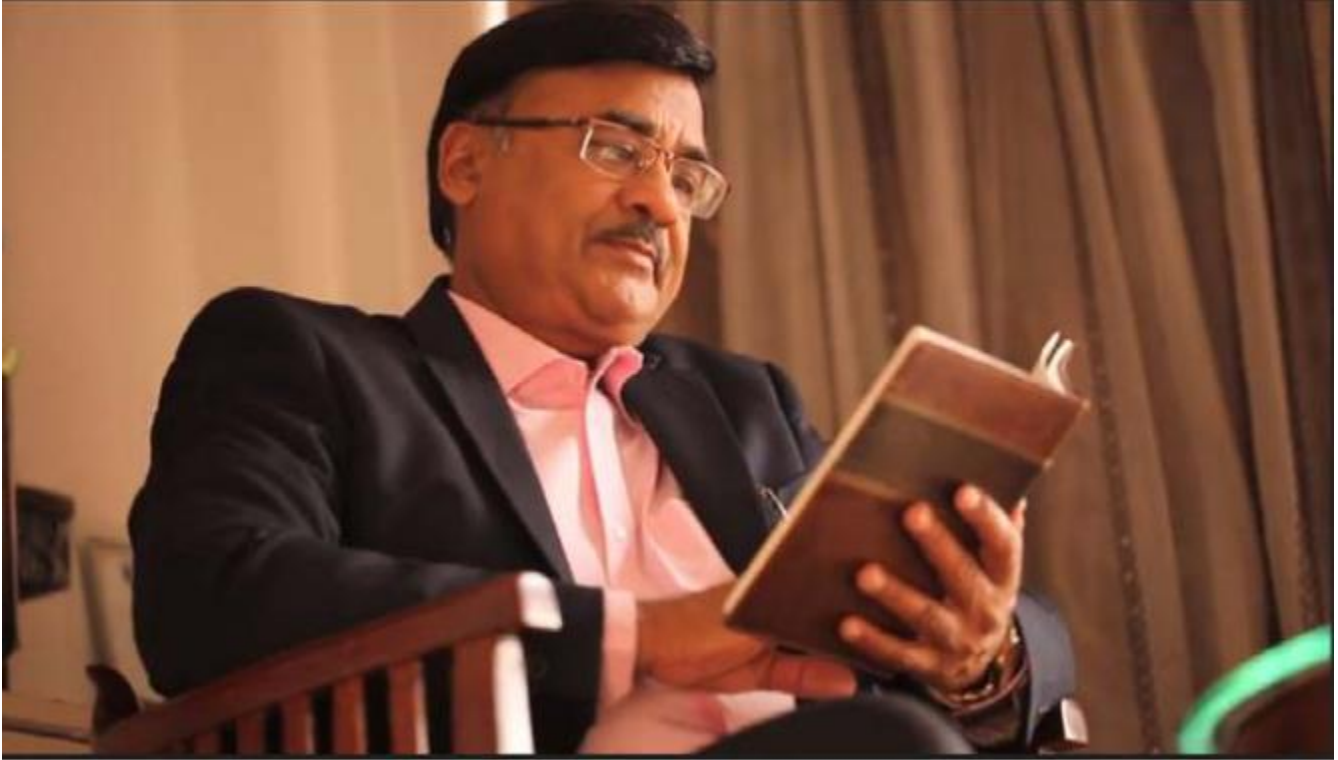




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**CA (Dr.) Ashok Ajmera's Weekly Column as on May 18th, 2024**

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**The market reversed significantly in the week gone by but the decade high FII short positions in the Indian markets**



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## CA (Dr.) Ashok Ajmera's Weekly Column

The India market showed considerable up move in the week gone by as all major indices reversed in this week and India VIX too saw some relaxation.

The top gainers in the Nifty 50 index were M&M (up by 14.17%), Adani Enterprise (up by 9.38%), Larsen (up by 5.89%), Adani Ports (up by 5.80%) and Hindalco (up by 5.55%). The major losers in the Nifty 50 index were Tata Motors (down by 8.86%), Bajaj Auto (down by 1.87%), Dr Reddys Labs (down by 1.85%), HUL (down by 1.50%), and Nestle (down by 1.14%).

### FII and DII activity

In the week gone by, FII were net sellers at Rs. 10556.97 Crores and DII were net buyers at Rs. 14563.05 Crores. In the month of April 2024, FIIs had net sold equities worth Rs. 35692.19 Crore and DIIs had net bought equities worth Rs. 44186.28 Crore.

### Sector Movement

Nifty Realty was the outperforming sector of the week, up by 7.43%. The worst performing sector was Nifty FMCG.

### Global Market and Major Developments

China's annual inflation rate rose to 0.3% in April 2024, compared with market estimates and March's figure of a 0.1%. China's current account surplus decreased to USD 39.2 billion in Q1 of 2024, the smallest surplus since experiencing a deficit in Q1 of 2020. Australia's NAB business confidence index was up to 1 in March 2024 from 0 in the prior month. Figures stayed below its long-run average, with sentiment mainly improving in retail, construction, and transport. German consumer prices rose by 0.2% month-over-month in January 2024, following a 0.1% gain in December, as restaurant services became 2.2% more expensive, partly due to the end of the temporary VAT reduction for food. The United Kingdom's unemployment rate rose to 4.3% from January to March 2024, slightly up from 4.2% in the three months to December 2023, aligning with market expectations. The ZEW Indicator of Economic Sentiment for Germany increased to 47.1 in May 2024, the highest since February 2022, from 42.9 in April, and beating forecasts of 46. Factory gate prices in the US increased 0.5% mom in April 2024, following a downwardly revised 0.1% fall in March and much higher than forecasts of 0.3%. Prices for services increased 0.6%, the most since July, following a downwardly revised 0.1% fall in March.

### Major Developments in Domestic Markets

1. In the month of April FII have net sold around Rs. 70000 crore in the Indian markets since april.
2. Data patterns reported its numbers as follows-total Revenue for FY 2023-24 increased by 22% from Rs. 463 Cr to Rs. 566 Cr in FY2022-23. Revenue from operations increased by 15% to INR 520 Cr in FY 24 as against INR 453 Cr in FY23. EBITDA grew by 29% to INR 222 Cr in FY24 as against INR 172 Cr in FY23. PBT for FY24 grew by 47% to INR 242 Cr as against INR 165 Cr in FY23. Profit after Tax for FY24 was Rs. 182 Cr as against Rs. 124 Cr in FY 23, marking 47% growth. PAT margin for FY 2024 was 35% against 27% in FY 2023.
3. HAL reported Q4Results- Net profit up 52.2% at ₹4,308.7 cr vs ₹2,831.2 cr (YoY). Revenue up 18.2% at ₹14,768.7 cr vs ₹12,494.7 cr (YoY). EBITDA up 81.8% at ₹5,901.1 cr vs ₹3,245.8 cr (YoY). Margin at 40% vs 26% (YoY).
4. JK Paper reported Q4Results- et profit down 1.7% at ₹275.6 cr vs ₹280 cr (YoY). Revenue unchanged at ₹1,719 cr (YoY). EBITDA down 26% at ₹358 cr vs ₹483 cr (YoY). Margin at 20.8% vs 28.1% (YoY).
5. RVNL reported #Q4Results- net profit up 33.2% at ₹478.6 cr vs ₹359 cr (YoY). Revenue up 17.4% at ₹6,714 cr vs ₹5,719.8 cr (YoY). EBITDA up 21.8% at ₹456.4 cr vs ₹374.6 cr (YoY). Margin at 6.8% vs 6.6% (YoY).

Particulars	Close (18/05/2024: Saturday)	Open (13/05/2024: Monday)	Previous Close (10/05/2024: Friday)	Change (%)
<b>Nifty 50</b>	22502.00	22027.95	22055.20	+2.03%
<b>Sensex</b>	74005.94	72476.25	72664.47	+1.85%
<b>Nifty Midcap 100</b>	51869.25	49544.55	49532.30	+4.72%
<b>Nifty Smallcap 100</b>	17009.60	16132.00	16106.75	+5.61%
<b>Sectoral Indices</b>				
<b>Nifty Bank</b>	48199.50	47389.80	47421.10	+1.64%
<b>Nifty Auto</b>	23339.30	22725.00	22846.90	+2.16%
<b>Nifty IT</b>	33438.75	32910.65	32935.15	+1.53%
<b>Nifty PSU Bank</b>	7156.80	7065.80	7074.35	+1.17%
<b>Nifty Fin Services</b>	21502.15	21062.70	21094.15	+1.93%
<b>Nifty Pharma</b>	19108.00	18680.10	18609.45	+2.68%
<b>Nifty FMCG</b>	55217.85	55386.95	55276.50	-0.11%
<b>Nifty Metal</b>	9608.80	8970.60	8977.45	+7.03%
<b>Nifty Realty</b>	1004.85	934.80	935.35	+7.43%
<b>Nifty Media</b>	1834.35	1779.45	1772.40	+3.50%
<b>Nifty Energy</b>	40432.85	39092.90	39089.45	+3.44%
<b>Nifty Private Bank</b>	23969.80	23526.50	23550.65	+1.78%
<b>Nifty Infra</b>	8656.95	8284.60	8283.30	+4.51%
<b>Nifty Commodities</b>	8883.95	8540.90	8536.15	+4.07%
<b>Nifty Consumption</b>	10625.80	10433.05	10405.45	+2.12%
<b>Nifty PSE</b>	10445.00	9798.60	9768.75	+6.92%
<b>Nifty Serv. Sector</b>	28289.45	27743.95	27768.10	+1.88%
<b>Nifty Healthcare</b>	12094.40	11782.70	11748.30	+2.95%
<b>Nifty Oil &amp; Gas</b>	11699.00	11374.25	11348.70	+3.09%
<b>Nifty INDIA MFG</b>	13650.15	12953.25	12940.95	+5.48%
<b>US Indices</b>				
<b>Dow Jones</b>	40003.60	39591.28	39512.85	+1.24%
<b>S&amp;P 500</b>	5303.26	5233.08	5222.69	+1.54%
<b>NASDAQ 100</b>	18546.23	18228.40	18161.18	+2.12%
<b>Commodities</b>				
<b>Gold (in Rs./ 10 gram)</b>	73711	72363	72727	+1.35%
<b>Brent Crude oil</b>	83.90	82.57	82.67	+1.49%



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6. JB Chemicals reported #Q4Results-net profit up 52.1% at ₹126.2 cr vs ₹83 cr (YoY). Revenue up 13% at ₹861.7 cr vs ₹762 cr (YoY). EBITDA up 21.3% at ₹197.7 cr vs ₹163 cr (YoY). Margin at 23% vs 21.4% (YoY).
7. Ujjivan Small Finance Bank reported Q4Results- net profit up 6.5% at Rs 329.6 cr vs Rs 309.5 cr (YoY). NII up 26.4% at Rs 933 cr vs Rs 738 cr (YoY).
8. Patel Engineering reported Q4Results- net profit up 83% at Rs 141 cr vs Rs 77 cr (YoY). Revenue up 11.5% at Rs 1,343 cr vs Rs 1,205 cr (YoY). EBITDA up 41% at Rs 238 cr vs Rs 168.7 cr (YoY). Margin at 17.7% vs 14% (YoY).
9. Trident reported Q4Results-net profit down 54.8% at Rs 59 cr vs Rs 130.6 cr (YoY). Revenue up 7% at Rs 1,682 cr vs Rs 1,573 cr (YoY). EBITDA down 23.5% at Rs 205 cr vs Rs 268 cr (YoY). Margin at 12.2% vs 17% (YoY)

#### Ajcon Global's observations and view:

##### Short term view:

1) The selling by the FII has been increasing over the past few weeks. The support by the DII and strong retail participation is giving good fight to the selling pressure by FII. India VIX stabilised in the week gone by, but still at a very high levels. The overhang of elections is showing its effect and with results season coming to an end we expect the markets to be volatile in the coming week too and recommend a cautious stance to investors and advise the traders to be vary of the risk in the market. The results of the election will be announced on 4th June and will be the guiding factor for the markets further direction. The continuation of current government will definitely boost the ongoing momentum in the Indian markets.

2) The markets have become very dynamic & volatile and intermittent profit booking should be the "mantra" to remain successful in investing. The greed to earn more and the fear of missing out should be kept in check as these can hinder the logical thinking and lead to unnecessary exposure in the market.

##### Long term view

1) The year 23-24 was a happening year with the whole World looking at India for investment & many Fortune 500 Companies are planning to set up shop in India. We have faith in the India story and believe that the domestic economy is strongly placed as compared to the global peers which will attract investors. Domestically, the economy is doing well & even the Govt & RBI is confident of GDP growing over 7.50 %. We expect the markets continue rallying in 24-25 also. However, one needs to be stock specific.

2) Structurally, Indian economy is poised to do well after major reforms implemented by the Government in last few years. However, the election results will be keenly watched as the same will have the major bearing on the ongoing reform.

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