

EYE POPPER: UPI Transaction Recorded a 14% & 15% MoM growth in Value and No of Transactions in March. India Transacted Rs 14.10 trn vs Rs 9.60 Trn in Mar-22, reports 47% yoy growth indicating popularity and faster adoption of UPI. (exhibit 04)

MARKET ROUNDUP

April 13, 2023

Exhibit 01: Traders remained indecisive amid flat closing at Nifty 50

Major Global Indices	Close	1M %	YTD %
NIFTY 50	17,359.8	0.3%	-4.6%
DJI	33,274.2	1.9%	0.4%
NASDAQ	13,181.4	9.8%	21.3%
FTSE	7,644.5	-3.0%	1.1%
DAX	15,703.6	1.7%	11.6%
CAC	7,454.0	1.2%	13.2%
NIKKEI 225	28,041.3	2.2%	8.6%
SHANGHAI COMPOSITE	3,272.9	-0.2%	5.0%
HANGSENG	20,400.1	3.1%	1.3%

Exhibit 02: Higher intensity of pressure at small cap index

Indian Broader Market	Close	1M %	YTD %
NIFTY 500	14,557.9	0.3%	-6.2%
NIFTY MIDCAP 100	30,035.2	-0.3%	-5.5%
NIFTY SMALLCAP 100	8,994.8	-1.8%	-8.2%

Exhibit 03: Conventional Assets stocks were on buy radar.

Sectoral Performance	Close	1M %	YTD %
ENERGY	22,814.9	5.2%	-12.4%
METAL	5,497.5	4.3%	-20.2%
OIL & GAS	7,148.9	3.0%	-15.5%
PHARMA	12,017.1	2.3%	-4.3%
FMCG	45,904.9	2.2%	3.9%
PSU BANK	3,716.2	1.6%	-14.5%
BANK	40,608.7	0.8%	-6.0%
PVT BANK	20,618.1	0.2%	-6.3%
MEDIA	1,700.1	-0.3%	-15.6%
REALTY	387.4	-1.5%	-11.2%
IT	28,698.6	-3.3%	-0.1%
AUTO	12,243.8	-3.8%	-3.3%

Source: Ace Equity, Trading View, Prices as on Mar 31, 2023

Market Overview

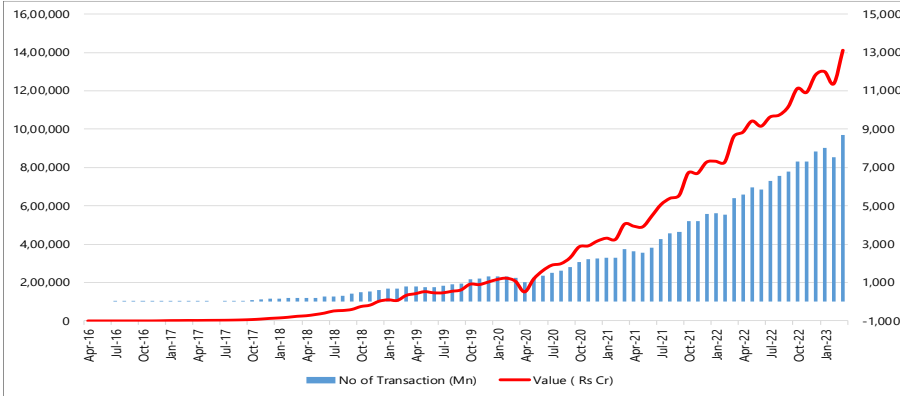
- Rally Continues Post Halt:** Global indices resumed uptrend rally post halt in February. Nasdaq and Hang Seng saw higher traction in March. Nifty remained avert of rally and made a low of 16828, however smart recovery witnessed towards month end and it closed near open showing indecisive action among traders. The selling spree by FII's reversed in direction with Rs 1997Cr shopping in March vis-à-vis Rs 11,090.64Cr selling in Feb. with maintaining status quo, DII's bought Rs 30,548Cr in March. On YTD basis, Nasdaq recovered from oversold position with 21.3% gains followed by support from Euro zone such as DAX, CAC etc. The Asian market moved in sync excluding Nifty with a loss of 4.6%.
- No of Value Stocks Improved:** The consolidation phase of last 18 months has aided with a material improvement in No of "Bargain+Value" category Stocks at NSE compared to Oct-21.(exhibit 06), at current the category stocks comprising 47% vs 37% in Oct-21 of the total NSE. We analyzed previous crucial dates of market and identified stocks categories in NSE. The frothy situations like Oct-21 & Jan-18 (Small Mid Top) witnessed lower population in Bargain+value section due to shift towards "growth+momentum" category. The recent consolidation with improved earnings, cooled off multiples and higher opportunities in "Bargain+value" section offers attractive regime for accumulation.
- Banking Crisis at Globe, India Remains Firm:** The ALM (Asset liability mismatch) triggered by mass redemption at Silicon valley bank (SVB) caused a "Bank Run". However, The FED assured the safety of deposits.
- Switzerland's Credit Suisse bank collapsed in March 2023.** It was purchased by Swiss rival UBS for about \$3.3 billion in a deal approved by Swiss regulators without shareholder approval. UBS plans to sell off and downsize parts of Credit Suisse in the process. Despite this turmoil Indian banks remained safe with lower exposure to overall events.
- Where FPIs are Investing ?:** The net investment activity of FPI's stood at Rs 7,936 in March. (exhibit 05) the index heavy weights such as IT, Financial services, Oil & Gas, Health care were still on Sell Radar. IT, Oil & gas & healthcare witnessed selling of Rs 6910Cr, Rs 6824Cr & Rs 1587Cr respectively in March. The Infrastructure theme along with Auto sector remained favorite as FPIs bought Rs 4731 Cr in Cap goods, Rs 1423 Cr in Construction materials, and Rs 2695 cr in Auto sector.
- Bullions in Focus:** The Global Banking news flows triggered bullions rally as Gold shines surpassing Rs 59000 mark in march. Silver crossed 70000 mark and rallied towards 72000. Base metal remains mixed in March.
- Rate Hike Paused is Positive:** RBI took a pause in rate hike in its latest meet as inflation cools to 5.66%, below RBI's upper target range of 6%. This is positive for Realty, housing loan cos along with overall market.
- FPIs Net Investment Turned Positive:** FPIs invested Rs 7936Cr in March after selling \$4Bn in Jan & Feb. The continuation of the same in April to support market thereby driving markets higher.

Outlook Ahead

Key Development

SEBI asked Alternative Investment Funds (AIF) to provide direct option for its investors.

Exhibit 04 : Exponential growth in UPI Transaction



Source: NPCI.org, GEPL Capital Research

.....India transacted Rs 14.60 trn in March, reported 47% yoy and 14% mom growth.

Exhibit 05 : FPI buys in March post selling in Jan and Feb

Sr No	FPI/FII Net Investment (Rs Cr) NSDL	Jan-23	Feb-23	Mar-23	March 15-31	YTD
1	Automobile and Auto Components	1,024	895	2,695	-439	4,614
2	Capital Goods	1,505	3,101	4,731	2,850	9,337
3	Chemicals	-746	-363	280	406	-829
4	Construction Materials	-261	106	1,423	1,140	1,268
5	Consumer Durables	-2,777	-1,384	261	850	-3,900
6	Consumer Services	-1,560	-224	110	168	-1,674
7	Diversified	90	-182	7	3	-85
8	Fast Moving Consumer Goods	-907	-244	1,765	1,103	614
9	Financial Services	-15,204	105	-556	-3,346	-15,655
10	Forest Materials	55	54	106	82	215
11	Healthcare	228	931	-1,587	50	-428
12	Information Technology	-2,137	1,069	-6,910	-3,133	-7,978
13	Media, Entertainment & Publication	-454	152	-318	-97	-620
14	Metals & Mining	4,369	-2,642	2,938	260	4,665
15	Oil, Gas & Consumable Fuels	-7,596	-4,973	-6,824	-4,524	-19,393
16	Power & Utilities	-407	-2,850	3,226	23	-31
17	Realty	-325	-71	104	-48	-292
18	Services	-1,295	1,963	7,246	639	7,914
19	Telecommunication	-2,300	-310	-459	-268	-3,069
20	Textiles	-168	-498	-336	-173	-1,002
21	Sovereign	-	-	-	-	-
22	Others	15	72	34	-184	121
Total		-28,851	-5,293	7,936	-4,638	-26,208

Source: NSDL, GEPL Capital Research

Infrastructure (Capital goods, construction & materials) was added and heavy weights such as IT, Oil & Gas were sold

Exhibit 06 : Stocks Category at Crucial Dates/Situations

Stocks Genre (%)	Small Mid Top 08-Jan-18	2020 Top 17-Jan-20	Covid Bottom 23-Mar-20	2021 Top 18-Oct-21	latest 06-Apr-23
Loss Making	25%	29%	25%	25%	21%
Bargain + Value	27%	46%	61%	37%	47%
Growth + Momentum	37%	21%	12%	29%	26%
Abnormal	11%	4%	2%	10%	6%
Total NSE (Source: Ace Equity)	100%	100%	100%	100%	100%

Source: Ace Equity, GEPL Capital Research

Another Sign of froth reduction at broader level as Bargain + value category improves.

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