



# Morning Coffee

Mar 14, 2024

One Stop Investment Avenue



## Market Updates

Asian Markets	Close	Abs. Change	Per. Change
HANG-SENG	17,051.0	(38.0)	(0.1)
NIKKEI 225	38,605.0	(77.0)	(0.2)
STRAIT TIMES	3,184.0	25.0	0.8
Global Bellwethers	Close	Abs. Change	Per. Change
DOW JONES 30	39,043.0	37.0	0.1
NASDAQ	18,068.0	(150.0)	(0.8)
FTSE UK	7,772.0	24.0	0.3
Indian Benchmark	Close	Abs. Change	Per. Change
NIFTY 50	21,997.0	(338.0)	(1.5)
NIFTY 200	12,008.0	(284.0)	(2.3)
NIFTY 500	19,646.0	(525.0)	(2.6)
Indian Bro ader Markets	Close	Abs. Change	Per. Change
NIFTY MIDCAP 100	45,971.0	(2,115.0)	(4.4)
NIFTY SMLCAP 100	14,295.0	(797.0)	(5.3)
NSE Sector Indices	Close	Abs. Change	Per. Change
NIFTY BANK	46,981.0	(301.0)	(0.6)
NIFTY FINANCIAL SERRVICES	20,758.0	(139.0)	(0.7)
NIFTY IT	36,946.0	(227.0)	(0.8)
NIFTY ENERGY	37,439.0	(2,159.0)	(5.5)
NIFTY FMCG	53,664.0	28.0	0.1
NIFTY AUTO	20,338.0	(593.0)	(2.8)
NIFTY METAL	7,647.0	(461.0)	(5.7)
NIFTY CONSUMPTION	953.0	(175.0)	(1.8)
NIFTY PHARMA	18,635.0	(323.0)	(1.7)
NIFTYINFRA	7,916.0	(310.0)	(3.8)
NIFTY REALTY	826.0	(46.0)	(5.3)
NIFTY MEDIA	1,788.0	(106.0)	(5.6)
NIFTY MNC	24,482.0	(545.0)	(2.2)

## Fund Flow

Participants in INR Cr	Latest	MTD Calendar	YTD (CY)
FIIIs	(4,595)	14,414	20,321
DIIIs	9,094	19,495	87,597

Source: BS = Business Standard, ToI: Times of India, MC = Money Control, B = Bloomberg

## Stocks in News

- **TATA MOTORS:** The company inked an MoU with the Tamil Nadu government to establish a vehicle manufacturing facility, necessitating an investment of Rs 9,000 crore spread over a five-year span.
- **HAL:** The Defence Ministry sealed two contracts totaling Rs 8,073 crore with HAL for procuring 34 advanced light helicopters along with associated equipment for both the Indian Army and the Coast Guard.
- **KEC INTERNATIONAL:** The company secured a new order valued at Rs 2,257 crore spanning across multiple business verticals.
- **RVNL:** The company, along with Salasar JV, received a Letter of Award from Madhya Pradesh Power Transmission for constructing transmission lines and feeder bays in eastern MP.
- **IIFL FINANCE:** The company sanctioned raising up to Rs 1,500 crore through the issuance of shares and up to Rs 500 crore through NCDs via private placement.
- **VEDANTA:** The company will appeal against the SEBI order mandating payment of Rs 77.6 crore to Cairn UK through the appropriate forum.
- **AZAD ENGINEERING:** The company inked a \$35 million, seven-year strategic contract with GE Vernova's steam power business for the provision of high-complex rotating airfoils catering to the nuclear, industrial, and thermal power sectors.
- **SANOFI INDIA:** The company has endorsed a distribution and promotion agreement with Emcure Pharmaceuticals for the distribution of cardiovascular products.
- **CYIENT:** The company has entered into a multiyear services agreement with Airbus for cabin and cargo engineering.
- **INDIA HUME PIPE:** The company secured orders totaling Rs 230 crore from the Telangana government for water supply and sewerage projects.

## Economic News

- **MSME apprenticeship may become shorter, better-paid:** Depending on the fiscal burden on the exchequer, the government could either tweak the existing apprenticeship schemes or draft a new scheme dedicated to MSMEs, which account for 38.4% of the total manufacturing output and contribute 45.03% of the country's total exports. The government has held several rounds of discussions with the industry and is expected to unveil the roadmap for hiring of apprentices by MSMEs by the middle of this year.
- **Morgan Stanley predicts India's capital expenditure cycle to persist:** Morgan Stanley predicts India's capital expenditure cycle will continue, driven by government spending and a revival in private investment. The bank predicts India's investment ratio to rise to 36% of GDP by FY27, from 34% in FY24. The Indian government predicts 7.6% GDP growth in FY24. The central government capex is expected to rise to 3.4% of GDP in FY25, while the investment ratio increased by 12 percentage points to 39% in FY08.

## Global News

- **Japan Q4 GDP revised up to slight expansion, economy avoids recession:** Revised government GDP data showed Japan's economy avoided a technical recession. The upward revision highlighted concerns about sluggish economic recovery and domestic demand.

**Debt Market Snapshot**

Forex Rates	Prev. Close	Abs. Change	Change (%)
USD/INR	83.023	0.02	0.03
EUR/INR	88.827	0.33	0.37
GBP/INR	104.121	0.06	0.06
JPY/INR	55.1143	0.23	0.41

Particulars	Latest	Previous	Chg (bps)
5 Year GOI Bond	7.05	7.05	-
10 Year GOI Bond	7.04	7.03	0.01
15 Year GOI Bond	7.10	7.09	0.01
Call Money (WAR)	6.49	6.51	(0.02)
CBLO (WAR)	6.31	6.46	(0.15)
US 10 Year	4.16	4.11	0.05
Crude Oil (in \$/bl)	81.92	82.21	0.29
Inflation (Monthly CPI)	5.10	5.69	(0.59)

**Highly Traded Govt. Bonds (Top 5)**

Security	Volume	High	Low	LTP
7.18% GS 2033	10830	101.02	100.92	100.94
7.18% GS 2037	4330	100.73	100.62	100.64
GOI FRB 2033	1165	101.70	101.55	101.65
7.32% GS 2030	1080	101.41	101.36	101.39
7.30% GS 2053	840	102.28	102.06	102.10

**Government Security Market:**

- The Inter-bank call money rate traded in the range of 5.00% - 6.70% on Wednesday ended at 6.30% .
- The 10 year benchmark (7.18% GS 2033) closed at 7.0405% on Wednesday Vs 7.0274% on Tuesday .

**Global Debt Market:**

U.S. Treasury yields were little changed on Wednesday as investors considered the latest inflation data and weighed the state of the economy. The yield on the 10-year Treasury was less than 1 basis point higher at 4.162%. The 2-year Treasury yield was last at 4.607% after also rising by less than 1 basis point. Investors digested Tuesday's consumer price index data, which came in just above expectations. Prices rose 0.4% on a monthly basis and 3.2% on an annual basis in February, the CPI showed. Economists previously surveyed by Dow Jones had been looking for increases of 0.4% and 3.1%, respectively. The so-called core CPI, which excludes volatile food and energy prices, was 0.4% higher than in January and up 3.8% from a year earlier, which was also slightly higher than anticipated. While inflation has eased from its 2022 highs, it remains higher than the Federal Reserve's 2% target range. Fed officials have frequently indicated that they are looking to economic data for evidence that inflation is moving back toward this target before making decisions about interest rate cuts. They have given few indications about a potential timeline for rate cuts, though Fed Chairman Jerome Powell last week indicated that the first cut may not be far off. Traders were last pricing in a 65% chance of the first rate cut taking place in June, according to CME Group's FedWatch tool. Two Fed meetings are scheduled before then, including one next week from which investors are hoping to gain fresh insights into the outlook for interest rates.

**10 Year Benchmark Technical View :**

The 10 year Benchmark ( 7.18% GS 2033) yield likely to move in the range of 7.03% to 7.04% level on Thursday.

**Tax free Bonds in Secondary Market:**

Issuer	Coupon	Yield	LTP	Volume	Maturity Date
HUDCO	8.2	5.19	1,083.00	8,814	05-Mar-27
HUDCO	7.51	5.60	1,071.01	7,187	16-Feb-28
NABARD	7.64	5.16	1,124.00	5,865	23-Mar-31
NHAI	8.3	5.27	1,116.00	5,709	25-Jan-27
IRFC	8.1	5.22	1,110.00	3,275	23-Feb-27

**Taxable Bonds in Secondary Market:**

Issuer	Coupon	Yield	LTP	Volume	Maturity Date
NTPC	8.49	7.31	5.04	268,740	25-Mar-25
NHIT	7.9	8.11	410	4,048	14-Nov-47
TATACAPHS	8.1	8.24	1,005.00	1,250	14-Jan-28
NHIT	7.9	8.1	308	1,109	14-Nov-40
NIDO	0	13.73	1,918.00	651	19-Jul-26

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