ONGC News as on 05 June 2024 (Print)

Publication : Business Standard	Editions : New Delhi
Date :5 June 2024	Page : 1

MARKETQUAKE: PSU, Adani stocks feel verdict tremors

Nifty PSE tanks 16.4%; ₹3.6 trillion shaved off Adani Group market cap

KHUSHBOO TIWARI
Mumbai, 4 June

Public sector enterprises (PSEs) and Adani Group stocks saw the worst hammering on Tuesday as election trends showed that the Narendra Modi-led Bharatiya Janata Party (BJP) struggled to reach the halfway mark. The National Stock Exchange Nifty PSE Index tanked 16.4 per cent, with ₹10.8 trillion wiped out from the market capitalisation (mcap) of state-owned companies.

Meanwhile, over ₹3.6 trillion eroded from Adani Group mcap.

A day earlier, both the public sector undertaking (PSU) pack and Adani Group stocks were among the biggest gainers after exit polls suggested that the BJP would bag two-thirds of seats in the 543-member Lower House of Parliament.

Adani Ports and Special Economic Zone slipped 21 per cent, while flagship firm Adani Enterprises corrected by 19 per cent. Adani Energy Solutions and Adani Wilmar also locked in lower circuits of 20 per cent and 10 per cent, respectively. The Gautam Adani-led group's mcap dived 19 per cent to ₹15.8 trillion.

Although the BJP-led National Democratic Alliance has secured a majority, the stark difference in the exact results from that of exit polls came as a surprise to market participants. Meanwhile, PSU heavyweights Life Insurance Corporation of India, GAIL (India), Oil India, and Oil and Natural Gas Corporation logged double-digit falls. REC and Power Finance Corporation also fell over 25 per cent and 23 per cent, respectively, becoming the biggest losers. The fall comes after a good rally in the index this year, where it had gained nearly 40 per cent before Tuesday's loss.

FMCG stocks bucked the weak market trend as investors sought safe-haven investment opportunities. Colgate-Palmolive India, Dabur, HUL, and Marico posted gains between 3% and 6%

Market analysts said that the sell-off was due to concerns that a coalition government at the Centre may focus more on welfare schemes and impact disinvestment targets.

"We expect market derating in the short term, as the risk on India has gone up. PSUs and capital goods are the most vulnerable sectors, from which we would stay away for the time being. On the other hand, consumption should come back, and we see fast-moving consumer goods (FMCG) and value retailers making a strong return," said Emkay in its India Strategy report after election results. Fast-moving consumer goods (FMCG) stocks bucked the weak market trend as investors sought safe-haven investment opportunities.

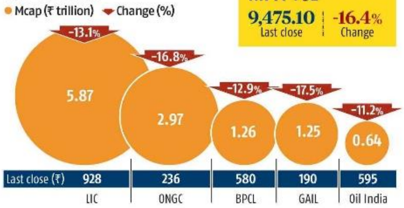
Hindustan Unilever, Dabur, Colgate-Palmolive India, and Marico posted gains between 3 per cent to 6 per cent.

THAT SINKING FEELING

TOP LOSERS

● Mcap (₹ trillion) ▼ Change (%)

NIFTY PSE
9,475.10 Last close | -16.4% Change



ADANI GROUP COMPANIES

	Last close (₹)	Change (%)	Mcap (₹ trillion)
Adani Enterprises	2,940	-19.4	3.35
Adani Power	724	-17.3	2.79
Adani Ports	1,248	-21.3	2.70
Adani Green Energy	1,646	-19.2	2.61
Ambuja Cements	557	-16.9	1.37
Adani Energy Solutions	978	-20.0	1.09
Adani Total Gas	908	-18.9	1.00
Adani Wilmar	332	-10.0	0.43
ACC	2,284	-14.7	0.43
NDTV	215	-18.5	0.01
Total mcap loss		**-3.6**	**15.78**

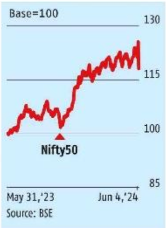
Source: Bloomberg

Publication : Business Standard	Editions : Chennai
Date :5 June 2024	Page : 1

THE COMPASS

Portfolio shuffle may see capex-to-defensive switch

DEVANGSHU DATTA



The election results are likely to cause a certain amount of market volatility until the shape of the next government is known. The lack of a majority for the BJP implies that the NDA partners will have a bigger say in crafting policy, and the BJP itself may look to change policy to address voter discontent.

In the short run, uncertainty will cause volatility. The Nifty may possibly test supports in the zone of 21,200 again. The 200 Day Moving Average – a benchmark for a healthy bull market is also close enough to that level. A drop below 21,000 could have long-term bearish consequences.

It remains to be seen how institutional investors will react to the political developments. FPIs were heavy net sellers through April and May and they were net positive on Monday, June 3. Domestic institutional attitudes may depend to an extent on mutual fund inflows, which are largely driven by retail attitude. If fund inflows remain strongly positive, the funds will be forced to buy.

We could see a shift in policy stance. One popular guess is that the new government will soft-pedal the current focus on infrastructure spending and divert more funds into welfare, maybe even adopting some version of the Congress promise to hand out ₹1 lakh to women below poverty line. There could also be a shift in the policy focus on *Atmanirbhar*, which may result in downgrades of the valuations of defence-focussed stocks and of players like Dixon Technologies.

In that case, investors will reshuffle portfolios to move funds out of sectors such as construction, cement, steel, heavy engineering and so on, and move into consumption-driven sectors such as FMCG, two-wheelers and tractor stocks. If the market sees signs the new government will push consumption directly or indirectly, the FMCG sector could see upgrades across the board.

Two other sectors which are seen as defensive havens are IT services and pharmaceuticals. Both sectors are strongly export-oriented and tend to be seen as defensive plays, when there is domestic uncertainty.

We saw big sell offs across the board today. Some of that was panic selling from highly leveraged traders. But the bearish attitude to infra and defence could persist if traders believe that policy in these sectors will change.

Government tenders in road, power projects etc., have naturally slowed down in Q1FY25 due to elections. Tenders through Q2FY25 could also be weak as the new government takes over. If there's no pickup in activity by H2FY25, players in these sectors such as Larsen & Toubro, BHEL and Powergrid could see downgrades. Energy policy is another question-mark.

Upstream, midstream and downstream oil and gas stocks saw heavy selling on June 4, as did power sector stocks and metal companies. These sectors are dominated to a large extent by PSUs, and heavily policy-driven. For example Oil India, ONGC, Gail, BPCL, NTPC, NMDC, Coal India, all saw heavy selling. Amidst all the uncertainty, we should note that the February 2024 Budget was an interim document and a new Budget will be presented soon. That would provide a sense of direction and an indication of the focus of the new government.

We may also note that GDP data and corporate data through FY24 indicates a cyclical upswing in the economy. That up-cycle may continue, regardless of what the next government says or does. Governments change every five years. India has done extremely well under coalition governments in the past. Sensible investors should not see this political result as a trigger for financial panic.

Publication : The Hindu Business Line	Editions : New Delhi
Date :5 June 2024	Page : 12

Day trading guide

21975 » Nifty 50 Futures

S1	S2	R1	R2	COMMENT
21750	21500	22200	22420	Wait for a rise. Go short at 22140. Keep the stop-loss at 22240

₹1483 » HDFC Bank

S1	S2	R1	R2	COMMENT
1455	1430	1520	1545	Go short on a rise at 1510. Stop-loss can be kept at 1525

₹1394 » Infosys

S1	S2	R1	R2	COMMENT
1375	1360	1410	1425	Wait for a rise. Go short at 1405 with a stop-loss at 1415

₹415 » ITC

S1	S2	R1	R2	COMMENT
412	408	418	422	Go short now and at 417. Stop-loss can be kept at 419

₹236 » ONGC

S1	S2	R1	R2	COMMENT
233	228	242	252	Go short only below 233. Stop-loss can be placed at 235

₹2794 » Reliance Ind.

S1	S2	R1	R2	COMMENT
2790	2765	2860	2885	Go short on a break below 2790. Keep the stop-loss at 2805

₹775 » SBI

S1	S2	R1	R2	COMMENT
765	750	800	815	Wait for a rise. Go short at 795. Keep the stop-loss at 805

₹3716 » TCS

S1	S2	R1	R2	COMMENT
3680	3650	3750	3790	Go long on a break above 3750. Keep the stop-loss at 3740

S1, S2: Support 1 & 2; R1, R2: Resistance 1 & 2.

Publication : BizzBuzz	Editions : Hyderabad
Date :5 June 2024	Page : 6

Brent crude trading at $77.32/bbl

CRUDE oil futures declined 1.21 per cent to Rs6,106 per barrel as participants trimmed their positions on low demand. On MCX, crude oil for June delivery fell Rs75 or 1.21 per cent to Rs6,106 per barrel with a business volume of 16,720 lots. Globally, West Texas Intermediate (WTI) crude oil traded 1.63 per cent lower at $73.01 per barrel, while Brent crude was trading 1.33 per cent lower at $77.32 per barrel in New York.

Publication : Business Standard	Editions : New Delhi
Date :5 June 2024	Page : 12

Opec oil output rises in May, led by Nigeria, Iraq

Opec oil output rose in May, a Reuters survey found on Tuesday, as higher exports from Nigeria and Iraq offset the impact of ongoing voluntary supply cuts by some members agreed with the wider Opec+ alliance. The Organization of the Petroleum Exporting Countries (Opec) pumped 26.63 million barrels per day (bpd) last month, up 145,000 bpd from April, the survey, based on shipping data and information from industry sources, found. The increase from Iraq comes despite the country, Opec's second-largest producer. REUTERS