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# Support holds despite fall

**CRUDE CHECK.** Expect a rise in price this week

**Akhil Nallamuthu**  
bl. research bureau

Crude oil, after facing volatile sessions over the past week, closed lower compared with the preceding week's close. The Brent crude futures on the Intercontinental Exchange (ICE) fell 3.1 per cent as it ended the week at \$73.9 a barrel. The MCX crude oil futures (July contract) was down 3.4 per cent as it closed at ₹5,675 per barrel on Friday.

While the energy commodity managed to stay in the green till mid-week, the prices slumped in the second half. Concerns about global growth and a surprise increase in the interest rate by Bank of England, by 50 basis points versus the expected 25 basis points, weighed on crude oil.

There was a better-than-expected draw from the crude oil inventories in the US. According to the Energy Information Administration (EIA) data, the inventories in the US shrank 3.8 million barrels against the expected increase of about 0.3 million barrels. But this was not enough to arrest the intra-week price fall.

The charts show that a key support remains valid despite last week's fall.

**MCX-CRUDE OIL (₹5,675)**  
The July futures of crude oil



marked an intra-week high of ₹5,975 on Wednesday, before falling sharply. On Friday, it made a low of ₹5,546. Although the contract briefly traded below the support at ₹5,600, it managed to close the week above it.

Therefore, the broad range of ₹5,600-6,200 stays true.

We might see a rebound in price this week. But crude oil futures could face resistance between ₹5,900 and ₹5,925, where a falling trendline could possibly block the upside.

Above these levels lie the resistance of ₹6,200, a break of which can turn the medium-term trend bullish. On the other hand, a fall below ₹5,600 can intensify the sell-off.

That can lead to a potential fall below the nearest support at ₹5,500 towards ₹5,280.

**Trade strategy:** The trailing stop-loss at ₹5,700 for the longs taken at ₹5,600 last week has been hit. Traders can consider fresh longs now at ₹5,675 with a stop-loss at ₹5,540. Exit at ₹5,900.

## How sectoral indices moved

	June 16	June 23	Movement	% change
AUTO	34,070	33,636	▼	-1.3
BANKEX	49,683	49,292	▼	-0.8
CAPITAL GOODS	39,930	39,477	▼	-1.1
CONSUMER DURABLES	42,892	41,916	▼	-2.3
FMCG	18,769	18,387	▼	-2.0
HC	25,067	24,905	▼	-0.6
IT	28,972	28,855	▼	-0.4
METALS	20,592	20,096	▼	-2.4
OIL&GAS	18,344	17,940	▼	-2.2
POWER	3,999	3,938	▼	-1.5
PSU	10,665	10,482	▼	-1.7
REALTY	4,144	4,056	▼	-2.1
TECK	13,012	12,990	▼	-0.2

### Valuation Radar: The Good, The Bad, The Ugly

The Benchmark indices, Sensex and Nifty 50 declined 0.6 and 0.9 per cent respectively last week. All the sectoral indices ended in red. BSE Metal declined the most by 2.4 per cent followed by BSE Consumer Durables 2.3 per cent, BSE Oil and Gas 2.2 per cent and BSE Realty 2.1 per cent.

	Nifty 50	Sensex	Auto	Bankex	Capital Goods	Consumer Durables	FMCG	Healthcare	IT	Metal	Oil & Gas	Power	PSU	Realty	Teck
P/E	21.7	23.4	30.2	16.5	35.5	64.6	41.7	35.4	25.3	11.7	15.8	17.5	9.3	50.6	29.8
P/BV	4.4	3.3	4.3	2.3	5.2	9.3	8.8	4.0	6.5	1.6	1.3	2.4	1.2	3.2	6.7
Dividend Yield	1.5	1.3	1.2	0.9	0.8	0.4	1.7	0.7	2.2	5.8	3.2	2.4	3.7	0.4	2.0
Weekly Return (%)	-0.9 ▼	-0.6 ▼	-1.3 ▼	-0.8 ▼	-1.1 ▼	-2.3 ▼	-2.0 ▼	-0.6 ▼	-0.4 ▼	-2.4 ▼	-2.2 ▼	-1.5 ▼	-1.7 ▼	-2.1 ▼	-0.2 ▼
Monthly Return (%)	2.1 ▲	2.0 ▲	4.6 ▲	-0.6 ▼	8.2 ▲	5.9 ▲	3.5 ▲	6.9 ▲	0.2 ▲	2.6 ▲	-2.5 ▼	3.0 ▲	1.4 ▲	9.8 ▲	0.5 ▲
Annual Return (%)	20.0 ▲	20.5 ▲	29.8 ▲	29.0 ▲	56.7 ▲	20.1 ▲	35.2 ▲	15.6 ▲	1.9 ▲	33.3 ▲	4.4 ▲	2.3 ▲	34.6 ▲	33.3 ▲	0.6 ▲

The sector indices are disseminated by S&P BSE.

## NHPC to develop pumped storage in Odisha

*New Delhi:* State-owned NHPC Ltd has inked an initial pact with an Odisha state utility to develop 2,000 MW of pumped storage projects and 1,000 MW renewable energy in the state. The MoU signed with GRIDCO Ltd envisages setting up self-identified pumped storage projects of at least 2,000 MW and renewable energy projects (Ground-Mounted Solar Projects/Floating Solar Projects) of at least 1,000 MW in the state, a power ministry release said. The MoU was signed on 23 June 2023, by Executive Director (Strategy Business Development and Consultancy), NHPC, Rajat Gupta and Managing Director, GRIDCO Limited, Trilochan Panda. **PTI**

# Amazon, Google investments 'will turn India into global innovation hub'

**EPOCH-MAKING.** Will open an era of co-shore design, manufacturing and development , says India Inc, Nasscom

**S Ronendra Singh**  
New Delhi

Industry bodies and veterans have welcomed the announcements made by Amazon committing more investments to India, and Google bringing a global fintech operations centre to Gujarat's GIFT City.

CII Director-General Chandrajit Banerjee said the Prime Minister's US visit has culminated in laying a strong foundation for strengthening the India-US relationship.

## 'NATURAL PARTNERS'

"A new chapter has been added to the partnership that will see a much stronger collaboration in strategic technology including defence, semiconductor, and space and in emerging technology sectors like AI and quantum, advanced materials, biotechnology, and telecommunications. The visit is also significant as we see new areas where industries on both sides would benefit significantly from the out-



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**CHANDRAJIT BANERJEE**  
Director-General, CII



comes," Banerjee said. He added that the US and India are natural partners and that the CII would play its part to support this vision laid out by the two leaders.

"The summit ushers into a strategic collaboration between India and US in the technology sector. As India enters into Techade, the announcements and investment commitments made will lead to the era of co-shore design, manufacturing and development from the present

relationship of offshore design and development," Faisal Kawoosa, Chief Analyst and founder at Techarc told *businessline*.

India is gradually inching towards becoming a technology nation than being a software and services country, he said.

## FOR GLOBAL GOOD: PURI

According to Minister for Petroleum and Natural Gas, Hardeep Singh Puri, investments by Google

and Amazon are "not just in India, but will have a (beneficial) effect on the global economy. These are investments in global good."

IT industry body Nasscom said the partnership between the US and India focusses on fostering open and inclusive digital economies through the development and deployment of Digital Public Infrastructure (DPIs) in developing countries, leveraging India's successful implementation. This collaboration provides India with the opportunity to solidify its position as a global digital innovation hub, setting an exemplary model for other nations to follow, it said.

"Both the countries will work on responsible AI, aiming to advance AI education, foster commercial opportunities and address concerns related to discrimination and bias. Nasscom has been working closely with the entire ecosystem to leverage and propel AI-led technological advancements, driving innovation and growth across sectors," it added.