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**INDIAN**

# STOCK MARKET JOURNAL

EMPOWERING TRADERS AND INVESTORS

Stocks  
To Look  
Out For

**Exit Polls  
2019: Highlights**

**STRATEGY**

**Exit Polls Predict  
BJP-NDA 2.0**

**What Should be your  
Investment Strategy?**

**TECH UPDATE**

**Robotics &  
Machine Learning  
in Hospitality  
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## A Message from the CEO



Dear Readers,

Indian democracy's biggest competition awaits its results on May 23rd, 2019. Incumbent government and its oppositions wait for the public's verdict on their choice of leaders to represent them in the lower house of parliament.

Lok Sabha Elections is one of the important events both socially and economically. Who leads our country, determines the domestic as well as the international policies. Therefore it has an impact on the stock market and economy in general.

Most of the reputed exit polls predict a second term for Modi-led BJP-NDA government. These exit polls may or may not be accurate. In either case, you need the right strategy to get over this phase profitably. We have compiled some insightful articles that might help you with making an investment decision. Hope these articles help.

We would like to thank you for appreciating our previous edition with your kind words. We would love to have your continuous feedback so that we improve on our work. Please feel free to write to us at [support@equitypandit.com](mailto:support@equitypandit.com).

Happy investing!

A handwritten signature in black ink that reads "Abhishek Parakh". The signature is written in a cursive style and is underlined.

**Abhishek Parakh**

CEO & Managing Director  
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# ROBOTICS AND MACHINE LEARNING IN HOSPITALITY INDUSTRY

**TECH UPDATES**

## **Restaurants Will Deal With Customers By Using Robotics And Machine Learning**

Find out how Indian hospitality industry is all set to use robotics and machine learning to serve its customers



You'd think that startups that build either AI or robots would be onto a winner, the constant refrain in the tech world is that the world is about to be rocked by the combination of AI and robots. However, there's a serious misunderstanding going on.

The era where a robotic arm was considered innovative is long over. What is becoming clear is that the closer companies are to actual robotics, the only way to compete will be in genuinely transformational hardware.

Robotics as a sector won't go anywhere without being married to powerful machine learning and visual systems.

Thus it is that startups that can do both AI and blend this with robotics, which might be either off the shelf robotic arms or tools, will position themselves far higher up the valuation stack.

*the constant refrain in the tech world is that the world is about to be rocked by the combination of AI and robots*

A UK-Based startup Karakuri has “opened the kimono” on its plan to combine AI and robots. Karakuri uses a combination of robotics, machine learning, optics and sensors to deliver a robot that will make personalized, freshly prepared, high-quality meals. The advantage is that the robot can make something that matches exactly what the customer wants and the result can also minimize food waste.

Research shows that almost two-thirds of consumers globally now follow a diet that limits or prohibits the consumption of some foods or ingredients due to food intolerance, as well as following a specific weight loss diet. The startup comes at the right time.



Karakuri’s technologies also allow restaurants to move away from mass pre-packaged meals and significantly reduce food waste. Karakuri has now raised a £7 million seed investment, led by Ocado. For Ocado, the investment means it can expand its value proposition in grocery, especially through Ocado Zoom, its new delivery arm.

Karakuri CEO and co-founder, Barney Wragg, says, “Consumer eating habits in and out of the home are changing rapidly as demand increases for healthier options that match specific dietary requirements. This growth in menu personalization is putting huge pressure on restaurants, cafes and other food retailers.”

*Karakuri uses a combination of robotics, machine learning, optics and sensors to deliver a robot that will make personalized, freshly prepared, high-quality meals.*



He added, “These providers have historically relied on identically mass-produced meals to maintain their profit margins. By using robotics and machine learning, Karakuri’s systems provide localized micro-manufacturing within an existing restaurant, retail or commercial kitchen. Our systems prepare personalized meals onsite in real time to the exact requirements of each customer.”

Karakuri emerged out of the Founders Factory incubator, but the backstory to this startup is significant. Its advisory board includes industry experts from ARM, Ocado, Imperial College, Bristol Robotics Lab and Edinburgh Centre for Robotic.

*By using robotics and machine learning, Karakuri’s systems provide localized micro-manufacturing within an existing restaurant*

# US- CHINA TRADE WAR: TARIFFS RAISED ON \$200BN WORTH OF CHINESE GOODS



Trade war seems to intensify as the US raises more than double tariffs on \$200bn worth of Chinese goods, in a sharp escalation. The tariffs on affected Chinese goods have risen from 10 per cent to 25 per cent reportedly.

The tariffs kicked which were in overnight have escalated the battle between the two economic powers although the goods already sailing to the US will be spared.

*US raises more than double tariffs on \$200bn worth of Chinese goods, in a sharp escalation*



The tariffs kicked which were in overnight have escalated the battle between the two economic powers although the goods already sailing to the US will be spared.

China 'deeply regrets' the move and will have to take 'necessary countermeasures,' it says and urges to meet it halfway. The move has reached a high-level official from both sides are trying to salvage a trade deal in Washington.

China's Commerce Ministry said in a statement, "It is hoped that the US and the Chinese sides will work together ... to resolve existing problems through cooperation and consultation", confirming the latest US tariff hike on its website.

There was a little change seen in the Chinese stock market after the deadline passed, with the Hang Seng index trading up 0.6 per cent and the Shanghai Composite 1.5 per cent higher.

*The tariffs kicked which were in overnight have escalated the battle between the two economic powers*



The Chinese products including fish, handbags, clothing and footwear, there was 10 per cent imposed duties and were due to rise at the start of the year.

When President Donald Trump flagged the tariff hike on Sunday, the market took a beating earlier this week. Certain businesses and economies have been affected due to the global economic tension. Due to trade wars between the US and China for over the past year and has certainly created vagueness in the global economy.



As President Trump warned he could “shortly” introduce 25 per cent duties on \$325 bn of Chinese goods, as well; the situation might become worse.

Even though President Trump has not estimated the impact of tariffs on the US economy, the rise will deal a blow to some American companies and consumers as firms may pass on some of the cost, analysts said.

“It’s going to be a big shock to the economy. Those are all US companies who are suddenly facing a 25% increase in cost, and then you have to remember that the Chinese are going to retaliate,” executive director at the Asian Trade Center, Deborah Elms said.



*the rise will deal a blow to some American companies and consumers as firms may pass on some of the cost*

# EXIT POLLS 2019: HIGHLIGHTS

**Indian democracy's biggest competition awaits its results  
on May 23rd, 2019**

Find out what the reputed exit poll agencies has to predict  
about the upcoming Lok Sabha elections results



The biggest political fest of the largest democracy has come to an end after the final phase of polling took place on 19th May 2019. Around 90 crore adult population was eligible to vote in the elections this year; a rise of 10 percent from the last Lok Sabha elections in 2014.

For the gigantic polling event, around a million polling booths were installed. The elections saw an impressive 66.39 percent turn out overall.

After two months of wooing the Indian public with pictures of a promising future through elections campaigning and seven phases of hectic poll schedule, exit polls are out. Most exit polls indicate towards a clear majority for Modi- led NDA.

*The elections saw an impressive 66.39 percent turn out overall.*

## Majority for BJP-NDA Alliance

Out of the 543 Lok Sabha seats, BJP-led NDA is expected to win above 300 seats. The polls also indicate towards a landslide victory by the incumbent government in several key states including Maharashtra, Madhya Pradesh, Bihar, Odisha, and West Bengal.

Most of the reputed exit polls predict a second term for Narendra Modi led BJP-NDA at the central. According to the Times Now-VMR exit polls, NDA is likely to win 306 seats at the Lok Sabha while the UPA may bag 132 seats and others will get a share of 104 seats at the lower house. India Today-My Axis and Chanakya exit polls have predicted a clean sweep for the BJP-led alliance with over 350 seats.

*Out of the 543 Lok Sabha seats, BJP-led NDA is expected to win above 300 seats*

Exit Polls	BJP+	Congress+	Others
Times Now	306	132	104
Chanakya	350	95	27
India Today	339-365	77-108	79-111
News 18	336	82	24
C Voter	287	128	127
ABP-Nielsen	267	127	148
News Nation	282-290	118-126	130-138
Neta-NewsX	242	164	136
India News	287	128	127
Jan Ki Bat	305	124	87

Source:EquityPandit

At the bottom, ABP News-Nielsen and Neta-News X have indicated that the ruling NDA may miss the majority at 267 and 242 seats, respectively.

## Landslide Victory in the Key States

The BJP's high pitched campaigning in **West Bengal** is expected to give desired results. Exit polls predict 15 seats for BJP this election season. BJP could only bag 2 seats in the 2014 elections.

In a clean sweep, BJP+ seems to get 6 out of the 7 Lok Sabha seats in New Delhi.

Not surprisingly, In Maharashtra BJP-Shivsena will have a comfortable win.

*In a clean sweep, BJP+ seems to get 6 out of the 7 Lok Sabha seats in New Delhi.*



## Close Competition in Uttar Pradesh

Despite wide disagreement amongst different exit polls, most of the polls are disappointing BJP-NDA, giving a thumbs up to the Mahagathbandhan. Based on the average of exit polls, BJP could manage to get only 43 seats in the strategically crucial Uttar Pradesh. Mayawati-Akhilesh led alliance may bag 35 seats.

*Based on the average of exit polls, BJP could manage to get only 43 seats in the strategically crucial Uttar Pradesh*

## Congress-DMK Alliance in Tamil Nadu

The Congress-DMK alliance is set to trump the AIADMK-BJP combine in the state of Tamil Nadu, said a majority of exit polls on Sunday.

The News 24-Todays Chanakya predicted that the DMK-Congress may win 31, while the AIADMK-BJP may win only 6. The News18 India-IPSOS poll says the DMK-Congress may win 22-24 seats, whereas the AIADMK-BJP alliance may win between 14 to 16 seats.

The Aaj Tak-Axis My India poll gives 34-38 seats to DMK-Congress alliance, while it gave the BJP-AIADMK combine 0-4 seats



### HIGHLIGHTS

- Most of the reputed exit polls predict a second term for Narendra Modi led BJP-NDA at the central.
- Out of the 542 Lok Sabha seats, BJP-led NDA is expected to win above 300 seats.
- At the bottom, ABP News-Nielsen and Neta-News X have indicated that the ruling NDA may miss the majority at 267 and 242 seats, respectively.
- The polls also indicate towards a landslide victory by the incumbent government in several key states including Maharashtra, Madhya Pradesh, Bihar, Odisha and West Bengal.



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# EXIT POLLS PREDICT BJP-NDA 2.0

WHAT SHOULD BE  
YOUR INVESTMENT  
STRATEGY?

**The exit polls may or may not be accurate. In either case,  
you need the right strategy to get over this phase  
profitably**

Find out what strategies you may adopt to safeguard your  
investment and multiply it.



The celebration of the world's largest democracy is in its last stage for the year. The final phase of polling took place on 19th May 2019. Around 90 crore adult population was eligible to choose their representative in the lower house of the parliament this year. This marks a rise of 10 percent from the last Lok Sabha elections in 2014.

For the biggest festival of Indian democracy, around a million polling booths were installed. The elections saw an impressive 66.39 percent turn out overall.

After two months of wooing the Indian public with pictures of a promising future through elections campaigning and seven phases of hectic poll schedule, exit polls are out. Most exit polls indicate towards a clear majority for Modi- led NDA.

*Around 90 crore adult population was eligible to choose their representative in the lower house of the parliament this year.*

Out of the 543 Lok Sabha seats, Modi led BJP- NDA alliance is predicted to win above 300 seats. The polls also indicate towards a clean sweep victory by the Modi-government in several key states including Maharashtra, Madhya Pradesh, Bihar, Odisha, and West Bengal.

## **Are Exit Polls Reliable?**

Looking back at the past, exit polls have correctly predicted many recent elections results. However, there have been times when they have failed terribly. It is a data-based prediction which is not an exact science. The exits polls are not completely reliable. They are not completely insignificant either.

*Exit Polls are a data-based prediction which is not an exact science.*

## **Positive Rally After Exit Polls**

Though the Indian market was rooting for BJP-NDA to form the government again, it was expecting BJP led -NDA government to get a very thin majority to form a government. The exit polls predicted a clear majority for the incumbent government. It was a big surprise for the market and on the next trading session, we saw a positive 4% rally in the market.

## **How will the market perform?**

Whether these exit polls are correct or not is a matter of debate until 23rd May 2019, when the final results of the elections are due. But for now, the market is now on the higher side of the trading range. Today Banknifty future made a high of 30965 which is a triple top for the market as, before that, banknifty almost touched that level twice. So if banknifty future crosses the level of 31000 marks and sustains for one hour then we can see a huge rally in the market and target of 33000-33200 would be seen in the coming month.



Source:EquityPandit

Similarly for nifty also, if Nifty spot closes above 11900 on daily charts, then the level of 12500 would be seen on nifty.

The Indian market is again on make or break level. However, there is a word of caution. If on 23rd May 2019 results are not on par with the exit polls ie if its lower than what exit polls show then the market would see a correction till 11550-11100 levels.

*The Indian market is on make or break level, again*

After that market will watch what the economic agenda of the next government would be. The market will also watch closely where world markets are heading. So we believe that the market is trading at a very crucial resistance level. And it has priced in the exit poll results too. So actual results must not disappoint the market.



Source:EquityPandit

## What should be your strategy?

Whether the exit polls are accurate or not you need the right strategy to get over this phase profitably. Below are the strategy for playing and winning the election wave:

### For Traders who have long Positions

Traders who have a long position in the market should hold their long positions. The stop-loss for them would be 11700 on nifty spot level. Those who don't have any position should buy banknifty future only above 30990 with a stop loss of 30500 and medium-term position target of 31800,33000.

*Traders who have a long position in the market should hold their long positions*

## For Short Term Investors

The short term investor should stay away from the market till 23rd May and should enter only after 23rd after accessing the results. The sector to focus would be good quality PSU and cement sector.

## For Long Term Investors

For Long term investors, the election is just a one-month event. So they should not wait for any election results and keep accumulating stocks at every dip. We firmly believe that 11000-11100 is a bottom for the market and they should access their investment only if nifty breaks and closes below those levels.

*For Long term investors, the election is just a one-month event. So they should keep accumulating stocks at every dip*



# MODI GOVT MAY RETURN TO POWER-WATCH OUT FOR THESE STOCKS



The domestic equity market is hoping for a stable government at the central. Though the Indian market was rooting for BJP-NDA to form the government again, it was expecting BJP led -NDA government to get a very thin majority to form a government. The exit polls predicted a clear majority for the incumbent government. It was a big surprise for the market and on the next trading session, we saw a positive 4% rally in the market

While S&P BSE Sensex gained about 1,400 points, NSE Nifty was up by over 400 points on Monday 20th May 2019.

*It was a big surprise for the market and on the next trading session, we saw a positive 4% rally in the market*

Not only did this upward rally added significantly to the investor's kitty but also it made brought into the light the sectors that would perform extremely well if BJP-NDA comes to power again.

Shares of a number of sectors fared well. It included infrastructure, power, Non-banking finance companies (NBFCs), capital goods, and construction. These sectors are expected to benefit if the incumbent government comes back in reign.

BJP government's main focus since its the last five years in power has been on boosting the **infrastructure sector**. In its 2019 election manifesto too, the government said it would make a capital investment of Rs 100 lakh crore by 2024 in the infrastructure sector. Also, in its manifesto, BJP has the vision to provide housing to all by 2022. This will significantly boost the infrastructure sector.

The other sector which is most likely to boost is the **banking sector**. The stocks in this sector are also likely to rise since the demand for housing loans and agriculture loans will rise.

Therefore good quality discounted stocks like **Bank of Baroda (BOB)**, **GRASIM**, **INDIAN BANK**, **HINDPETRO** are likely to gain if exit polls signal Modi government's return.







# About EquityPandit

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The business is supported by an efficient powerful research and back office team. EquityPandit's set of diligent advisors helps its customers plan and get more out of one's money. We offer a diversified range of products according to the difference in the Needs of an investor, trader or a broker.

The firm's philosophy is entirely client centric, with a clear focus on providing long-term value addition to clients, while maintaining the highest standards of excellence, ethics, and professionalism. The entire firm activities are divided across distinct client groups, individuals, private clients, corporates and institutions all of which are supported by powerful research teams.

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## Disclaimer

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