

Chandrayaan 3 landing and its impact on Stock Markets



Indian Market

by [Tanushree Jaiswal](#) | Last Updated: Aug 24, 2023 - 04:49 pm | 4 min read | 238 Views



0:00

5:55

“A small step for man, a giant leap for mankind” are the immortal words spoken by Neil Armstrong when he landed on the moon. In the early 1960s, the then US president John F Kennedy, had promised to put a man on the moon by the end of the decade. Kennedy did not live to see his dream come true, but the US certainly put Neil Armstrong on the moon in 1969. A full 54 years later, India landed its Chandrayaan 3 successfully on the moon. It was a tense day with a lot of drama, but at finally it was one more feather on the cap of India’s outstanding space scientists. Even though, India sent its first moon mission a full 54 years after the US, it had its own share of firsts.

Chandrayaan 3 creates history and more

In a sense, India did create history via Chandrayaan 3 in that it was the first country to land on the South Pole of the lunar surface. That is something no one has attempted till date. Exactly 20 minutes prior to the landing time, ISRO initiated its Automatic Landing Sequence (ALS). This well-tested and iterated process enabled Vikram LM to take charge and use its on-board computers and logic to identify a favourable spot. Not surprisingly, Chandrayaan 3 had a soft and decisive landing on the moon. In a sense, it was a redemption for Dr Sivan, who had seen the Chandrayaan 2 mission fail by a whisker in last few minutes of landing.

Open Free Demat Account

Enter mobile Number

Open Account Now

By proceeding, you agree to the [T&C](#).

Latest News

What you must know about Rishabh Instruments IPO

Rishabh Instruments Ltd was incorporated in 1982 to...

[Aug 25, 2023](#)

What you must know about CPS Shapers IPO

CPS Shapers Ltd was incorporated in 2012, to...

[Aug 25, 2023](#)

C P S Shapers IPO GMP (Grey Market Premium)

C P S Shapers IPO worth ₹11.10 crore comprises entirely of a...

[Aug 25, 2023](#)

[View More](#)

Fortunately, the event was managed smoothly this time around. The Chandrayaan mission has thrown terra bytes of data for the Indian space scientists to pore over, but more importantly it will sharpen our understanding of the mysteries of the universe. Thanks to legendary scientists like Dr Vikram Sarabhai, Dr Abdul Kalam, and Dr Satish Dhawan; India has a space program that is highly effective and has consistently delivered the goods in a very cost effective manner amidst the plethora of budgetary constraints.

How the India Defence Index performed?

The day after the successful landing of Chandrayaan 3, has seen some positive sentiments surrounding most of the defence stocks. However, that is a very myopic approach. A better way is to look at how the defence index has performed over a more sustained period. Here is a break-up of the India Defence Index.

Company Name	Symbol	ISIN Code
Astra Microwave Products Ltd.	ASTRAMICRO	INE386C01029
Bharat Dynamics Ltd.	BDL	INE171Z01018
Bharat Electronics Ltd.	BEL	INE263A01024
Cochin Shipyard Ltd.	COCHINSHIP	INE704P01017
DCX Systems Ltd.	DCXINDIA	INE0KL801015
Data Patterns (India) Ltd.	DATAPATTNS	INE0IX101010
Garden Reach Shipbuilders & Engineers Ltd.	GRSE	INE382Z01011
Hindustan Aeronautics Ltd.	HAL	INE066F01012
MTAR Technologies Ltd.	MTARTECH	INE864I01014
Mazagon Dock Shipbuilders Ltd.	MAZDOCK	INE249Z01012
Mishra Dhatu Nigam Ltd.	MIDHANI	INE099Z01011
Paras Defence and Space Technologies Ltd.	PARAS	INE045601015
Solar Industries India Ltd.	SOLARINDS	INE343H01029

Data Source: NSE Indices

Let us quickly turn to the performance of the Defence index compared to other indices and here is why it matters.

- The NSE Defence Index has generated returns of 77.05% in the last one year, which goes up to 79.23% if the TRI returns are considered. Over the last 5 years, when defence stocks have first come into the limelight, the NSE Defence Index has generated CAGR returns of 28.76% on TRI basis, which is the best by any NSE Index.
- Over the last 5 years, the NSE Defence Index has a standard deviation (Volatility) of 24.98% with the Beta has been 0.74 on an average. The correlation with the Bank Nifty is a low 35.4, which makes it a good combination of alpha and risk diversification.
- The NSE Defence Index comprises of 85.6% capital goods companies while the other 14.4% is accounted for by defence related specialized chemicals.

Companies that contributed to the Chandrayaan 3 project

The reason there is a close relationship between the Chandrayaan 3 mission and the stock markets is the stellar role played by Indian companies in the Chandrayaan 3 project. It must be noted here that the contributions have come from listed and unlisted companies. Here is a quick rundown of the companies that have worked in close collaboration with ISRO in this highly prestigious project.

1. The aerospace division of L&T had supplied several crucial components for the Chandrayaan 3 mission. It provided ISRO with the critical booster products like head-end segment, middle segment, and the nozzle bucket flange. The structure of Chandrayaan was largely supported by L&T.
2. **Tata Consulting Engineers**, the arm of Tata Sons, engineered special systems and sub-systems which includes the propellant plan, the building of the vehicle assembly as well as the mobile launch pedestal. Most of these were customized by TCE for the project in close collaboration with ISRO.
3. Public sector undertaking Mishra Dhatu Nigam (MIDHANI) supplied the critical materials for the project like cobalt base alloys, nickel base alloys as well as titanium base alloys and special steels for specific components of the Chandrayaan 3 mission.
4. One of India's oldest PSUs, Bharat Heavy Electricals Ltd (BHEL) supplied the batteries for the Chandrayaan 3 mission while the bi-metallic adaptors were made by the Welding Research Institute of BHEL.
5. The recently listed MTAR Technologies also made its contribution to the Chandrayaan 3 mission by supplying engines and booster pumps for the mission. Another traditional private sector defence companies, Walchandnagar Industries supplied the critical booster segments S-200 used in the launch vehicle as well as the flex nozzle hardware.
6. There was also contribution coming in from the unlisted defence names. Godrej Aerospace and Ankit Aerospace produced key engine thrusters as well as supplied alloy steel and stainless steel fasteners.

In short, the Chandrayaan 3 was not just a government effort, but a product of the brilliant scientists at ISRO collaborating with academic as well as some of the best Indian private and PSU corporates.

Why Chandrayaan 3 is about the feel good factor

As a nation grows, it needs reasons to celebrate its victories. Events like Chandrayaan 3 impel us to celebrate the success of our scientists who have been working quietly and diligently on critical projects against all kinds of odds. For a nation transforming from \$3.5 trillion to \$5 trillion, it is these kind of emotions that brings the nation together.

However, that is the more poetic side of the story. The hard reality is that for a nation surrounded by hostile neighbours it is necessary to occasionally make a show of strength. Chandrayaan 3 was a show of soft strength. It was also a message to the developed world that from nuclear bomb to space program; India can manage things on its own.

Share Market Today

Indices Name	Price	Price Change (% change)
--------------	-------	-------------------------