

### Market Commentary:

**On back drop of positive global cues** our market opened firm gradually building into strength as session progressed. Intra-day volatility was bought into enabling Nifty to close with gains of 90 points (+0.5%). Market breadth remained strong through the session having A/D ratio of around 1.5:1. Buying was board base seeing positive participation from all sectors.

**On sectoral front** IT stocks both large and mid-cap saw renewed buying post last session profit taking where Infosys was up (+1.58%), TCS (+0.87%), LTIM (+1.16%) respectively. In Banks HDFC Bank was up (+1.3%), ICICI bank (+0.94%); among automobiles winners were Bajaj Auto +2.60%, Tata Motors +1.48% & TVS Motors +0.61%); Pharmaceutical stocks witnessed cherry picking Aurobindo Pharma +3.49%, Divi's Lab +9.7% and Sun Pharma +0.74%. Among others GAIL was up +2.4% and Reliance Industries +0.44%.

**Importantly**, market breadth remained strong through the session at around 2 advances for every decline. Towards the close some profit taking led to closing Advance/Decline ratio of 1.5:1 for NSE at 1240/819.

FII's were net buyers for 8<sup>th</sup> consecutive session. As per provisional data their net purchased around Rs. 1907.95 crores of equities in last session.

### Events Lined Up for the Day:

Infosys earnings and their management outlook particularly in light TCS numbers and outlook. Market is going in with timid expectation on earnings of IT companies so any beat on market expectation will be a positive trigger on back drop of fast falling CPI inflation in US. As per Bloomberg consensus estimate for net profit (Q4FY'23) is pegged at Rs. 6,619 crores around +5% YoY growth (Q4FY'22 it reported net profit of Rs. 6,586 crores)

**Macro-economic data announcements for the day:** EU Industrial Production Y/Y is estimated at 1.5% higher than last month reading of 0.9%. Later during the day, US Jobless claim number will be announced. Consensus estimate for same is at 237.75k or 1.81% lower than last reading of 1.82%.

### Global Markets:

U.S. stocks erased earlier gains to end lower Wednesday after the release of Federal Reserve minutes of its March policy meeting pointed to concerns about stress in the banking sector and a coming recession. DOW -0.11%, S&P 500 -0.41% and technology index Nasdaq -0.85%. US 10 Yr yield is holding around 3.413% while US Dollar index (DXY) corrected -0.62% at 101.57 levels.

Europe largely traded in green. Major indices closed the day up +0.3% to +0.5%. FTSE +0.50%, DAX +0.31% & CAC +0.09%.

**This morning US Futures are flattish at the time of writing this report while Asian indices are a mixed bag having mild selling bias.**

### Market Outlook:

**Fast falling US CPI may change the narrative post FOMC meet in first week of May'23.** At best there may be one more 25 bps interest rate hike, thereafter pause button is pressed for rest of CY'23. In light of few bank failures (SVB, New York bank) in US due to sudden spurt in interest rates 0% to 5% in a year this scenario looks very likely. FOMC minutes pointing to aforesaid banking concerns and a coming recession is signaling peak of interest rate hike cycle. Correction in DXY and US 10Yr yields is in conjunction. Lower input cost, peaking of financing cost while underlying demand still buoyant augurs well for equity asset class. We remain constructive on markets. **Our sense is positive momentum is likely to continue amidst bouts of volatility.**

## NEWSFLOW & CORPORATE UPDATES

▲ Positive    ■ Neutral    ▼ Negative

- **TCS reported numbers for Q4FY24** missed median estimates. Management outlook was constructive. Reason cited for marginally lower revenue growth was deferment of orders particularly from BFSI segment in light of few bank failures in US. Good part was no cancellation of deals. For FY 23 it reported healthy Order Book TC1 at \$34.1 Bn; Q4 TC1 at \$10 Bn with all-time high number of large deals.

For Q4FY23 the revenue growth of 0.6% in CC is slowest since Q1FY21. BFSI which is chief contributor to revenue around 38% was the main culprit growing in single digit at +9.1%. Revenue at Rs. 59,162 crores, +16.9% YoY; EBIT margin miss street expectations by 50 basis points, coming in at 24.5 percent while Net Profit at Rs.11,392 crores, +14.8% YoY.

Full Year Revenue Rs. 225,458 crores, +17.6% YoY - Growth was led by North America (+15.3%), UK (+15%), India (+14.6%) - Operating Margin at 24.1%; Net Margin at 18.7% - Net Profit at Rs. 42,147 crores, +10% YoY.
- ▲ **Bharat Heavy Electricals:** BHEL consortium has been awarded an order for 80 Vande Bharat Trains in one of the biggest Railway tenders for manufacturing-cum maintenance of Vande Bharat Trains; valued at more than Rs.23,000 Crores.
- ▲ **India's industrial output (IIP)** grew by 5.6 percent in February, better than median estimate of 5.1%. Manufacturing sector which makes up around 78% of IIP grew by 5.3% as against 4% in January'23. Electricity at +8.2% (down from +12.7% in Jan'23) and mining at +4.6% (down from +8.8% in Jan'23) were laggards. Industrial growth, as per the Index of Industrial Production (IIP), in January has been revised up to 5.5 percent from 5.2 percent.
- ▲ **INDIA CPI (YOY)** for March'23 came in at 5.66% vs 6.44% previous month. This reading was better than median estimate of 5.8%.
- ▲ **US CPI slowed to 5% from 6% touching the lowest level since May'21**, significantly down from peak levels in excess of 9%. The pace of fall in CPI inflation is noteworthy. In all likely scenario US FED is likely to press pause button on interest rate hikes in CY'23. US dollar (DXY correcting around -0.67%) and US 10Yr yields trading with negative bias at 3.42 is indicative of aforesaid observation. At best there may be one more 25 bps interest rate hike. Positive for Equity asset class. Profit taking likely in bullions (Read Gold and Silver).

## From Fundamental Analyst's Desk

### Fundamental Calls (12 months)

| Company Name    | Entry Price* | Target | Previous Closing Price | Current return | Potential return |
|-----------------|--------------|--------|------------------------|----------------|------------------|
| Muthoot Finance | 1091         | 1550   | 1025                   | -6%            | 51%              |
| Maruti Suzuki   | 8641         | 10629  | 8621                   | 0%             | 23%              |
| Eicher Motors   | 3161         | 4375   | 3128                   | -1%            | 40%              |
| Ashok Leyland   | 141          | 170    | 138                    | -2%            | 24%              |

### Union Budget Picks

| Investment Horizon | Company Name     | Entry Price* | Target | Stop Loss | Previous Closing Price | Current return | Potential return |
|--------------------|------------------|--------------|--------|-----------|------------------------|----------------|------------------|
| >12 months         | HCL Technologies | 1132         | 1350   | 1020      | 1095                   | -3%            | 23%              |

\*Price at which call was generated

## From Technical Analyst's Desk

### NIFTY (17,812)

Support - 17,400  
Resistance - 18,100

• Nifty continued its uptrend in short term and is expected to be in positive movement upto 18100 levels.

### BANK NIFTY (41,558)

Support - 40,800  
Resistance - 42,800

• Bank Nifty reached the short term resistance at 41700 levels and is expected to breach the levels and trend towards next resistance at 42800.

### Top Pick for the day

| Company Name            | Entry Price* | Target | Stop Loss | Previous Closing Price | Current Return | Potential Return |
|-------------------------|--------------|--------|-----------|------------------------|----------------|------------------|
| Dr Reddy's Laboratories | 4820         | 5020   | 4700      | 4881                   | 1%             | 3%               |

### Derivatives update

| Category      | Comments                                 | Target | Stop Loss |
|---------------|--|--------|-----------|
| Index Futures | Buy Nifty Futures above 17900            | 18150  | 17750     |
| Index Futures | Buy Bank Nifty Futures above 41700       | 42200  | 41400     |
| Stock Options | Buy Tata Steel 27 Apr2023, 108 call@2.20 | 4.0    | 1.3       |
| Stock Options | Sell Reliance 27 Apr2023, 2300 Put@18    | 2.0    | 28        |

### Positional Calls (15 days)

| Company Name              | Entry Price* | Target | Stop Loss | Previous Closing Price | Current Return | Potential Return |
|---------------------------|--------------|--------|-----------|------------------------|----------------|------------------|
| Granules                  | 304          | 324    | 292       | 302                    | -1%            | 7%               |
| Titan                     | 2600         | 2760   | 2500      | 2588                   | 0%             | 7%               |
| ICICI Pruli               | 440          | 478    | 420       | 443                    | 1%             | 8%               |
| The Indian Hotels Company | 328          | 346    | 318       | 331                    | 1%             | 5%               |
| Ultratech Cement          | 7740         | 8040   | 7560      | 7683                   | -1%            | 5%               |
| HDFC                      | 2740         | 3040   | 2580      | 2769                   | 1%             | 10%              |
| HDFC AMC                  | 1750         | 1900   | 1660      | 1785                   | 2%             | 6%               |
| M&M Finance               | 248          | 268    | 236       | 255                    | 3%             | 5%               |
| Tata Steel                | 106          | 112    | 102       | 108                    | 1%             | 4%               |

### Futures Calls

| Position | Company Name | Entry Price* | Target | Stop Loss | Previous Closing Price | Current Return | Potential Return |
|----------|--------------|--------------|--------|-----------|------------------------|----------------|------------------|
| LONG     | Hindalco     | 406          | 428    | 394       | 418                    | 3%             | 2%               |
| LONG     | Cipla        | 905          | 930    | 890       | 923                    | 2%             | 1%               |
| LONG     | Apollo Tyres | 324          | 334    | 318       | 326                    | 1%             | 3%               |

\*Price at which call was generated

### Pivot Table - NIFTY 50

#### Trading Guideline

- ❖ This model is based on the premise that the PIVOT is the most important price level that decides the intraday trend. Much like how the door or a window hangs by a hinge and sways in the wind, the intraday trend also hangs by this PIVOT LEVEL and swings because of the Demand supply, volatility and market sentiments prevailing in the market. Hence its importance in intraday trading.
- ❖ Wait for the market price to stabilize after opening the first 30 minutes of trading.
- ❖ Opening Price is considered around the close of the Previousday. Avoid BUYING if prices open abnormally high and avoid selling if prices open too low.
- ❖ If the market price is stable above the pivot level after 20-30 minutes of opening, then GO LONG and book profit near the resistant level (R1 & R2).
- ❖ If the market price is stable below the pivot level after 20-30 minutes of opening, then GO SHORT and book profit near the support level (S1 & S2)

#### Stop Loss

Since you are aware of the 'potential returns at the time of initiating an intraday trade (difference between the entry price and profit targets), you should set up an appropriate STOP LOSS around 1% above / below of the trade price or a level comfortable to you, to protect yourself if the market turns and goes against you.

#### Alternate Strategy

If you have already initiated a trade with clear-cut profit targets and a stop loss level, and find during the course of the trading day that the market turns and goes the other way and crosses the TREND LEVEL, then trade again: For instance, if your first trade was a LONG trade and the market price drops through the TREND LEVEL to lower price levels, then GO SHORT and if your first trade was a SHORT trade and the market price rises through the TREND LEVEL to higher price levels, then GO LONG.

**S1, S2 are the immediate support levels.**

**R1, R2 are the immediate resistance levels.**

|            | S1    | S2    | PIVOT | R1    | R2    |
|------------|-------|-------|-------|-------|-------|
| ADANIANT   | 1772  | 1754  | 1816  | 1834  | 1877  |
| ADANIPTS   | 648   | 643   | 655   | 660   | 667   |
| APOLLOHOSP | 4240  | 4222  | 4285  | 4303  | 4347  |
| ASIANPAINT | 2726  | 2711  | 2766  | 2781  | 2821  |
| AXISBANK   | 848   | 842   | 852   | 858   | 862   |
| BAJAJ-AUTO | 4109  | 4071  | 4208  | 4246  | 4345  |
| BAJAJFINSV | 1316  | 1309  | 1323  | 1330  | 1336  |
| BAJFINANCE | 5792  | 5744  | 5835  | 5883  | 5925  |
| BHARTIARTL | 769   | 763   | 772   | 779   | 781   |
| BPCL       | 337   | 334   | 338   | 341   | 342   |
| BRITANNIA  | 4259  | 4243  | 4279  | 4295  | 4315  |
| CIPLA      | 901   | 898   | 911   | 914   | 924   |
| COALINDIA  | 221   | 220   | 225   | 226   | 229   |
| DIVISLAB   | 2784  | 2719  | 3006  | 3071  | 3292  |
| DRREDDY    | 4667  | 4600  | 4793  | 4860  | 4987  |
| EICHERMOT  | 2999  | 2962  | 3072  | 3109  | 3182  |
| GRASIM     | 1696  | 1689  | 1719  | 1726  | 1749  |
| HCLTECH    | 1078  | 1071  | 1088  | 1096  | 1105  |
| HDFC       | 2726  | 2719  | 2750  | 2758  | 2782  |
| HDFCBANK   | 1653  | 1650  | 1671  | 1674  | 1691  |
| HDFCLIFE   | 509   | 505   | 514   | 518   | 523   |
| HEROMOTOCO | 2452  | 2433  | 2468  | 2488  | 2504  |
| HINDALCO   | 414   | 411   | 418   | 421   | 425   |
| HINDUNILVR | 2529  | 2505  | 2543  | 2566  | 2580  |
| ICICIBANK  | 876   | 872   | 884   | 888   | 896   |
| INDUSINDBK | 1064  | 1051  | 1071  | 1084  | 1090  |
| INFY       | 1390  | 1379  | 1411  | 1422  | 1442  |
| ITC        | 393   | 390   | 395   | 399   | 401   |
| JSWSTEEL   | 708   | 704   | 715   | 719   | 726   |
| KOTAKBANK  | 1837  | 1824  | 1844  | 1856  | 1863  |
| LT         | 2286  | 2269  | 2299  | 2317  | 2330  |
| M&M        | 1195  | 1189  | 1204  | 1209  | 1218  |
| MARUTI     | 8600  | 8536  | 8655  | 8719  | 8774  |
| NESTLEIND  | 19510 | 19272 | 19602 | 19840 | 19932 |
| NTPC       | 177   | 174   | 177   | 180   | 180   |
| ONGC       | 158   | 156   | 158   | 160   | 161   |
| POWERGRID  | 229   | 226   | 230   | 234   | 235   |
| RELIANCE   | 2317  | 2305  | 2343  | 2355  | 2380  |
| SBILIFE    | 1104  | 1099  | 1117  | 1122  | 1135  |
| SBIN       | 528   | 523   | 531   | 536   | 539   |
| SUNPHARMA  | 1002  | 996   | 1011  | 1017  | 1026  |
| TATACONSUM | 714   | 711   | 719   | 721   | 726   |
| TATAMOTORS | 454   | 451   | 461   | 464   | 471   |
| TATASTEEL  | 107   | 106   | 108   | 108   | 109   |
| TCS        | 3183  | 3160  | 3222  | 3245  | 3284  |
| TECHM      | 1087  | 1078  | 1100  | 1110  | 1123  |
| TITAN      | 2565  | 2550  | 2579  | 2595  | 2609  |
| ULTRACEMCO | 7682  | 7619  | 7738  | 7801  | 7857  |
| UPL        | 737   | 731   | 742   | 748   | 754   |
| WIPRO      | 368   | 367   | 371   | 372   | 375   |



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