

Morning Call

22 April 2022

Markets maintain upward momentum for a second straight session

- Indian shares rose for a second straight session, with gains seen almost across all sectors on the back of firm global cues after longer-dated U.S.
- Kotak Mahindra Bank, Adani Ports, Mahindra & Mahindra, Coal India and Eicher Motors surged 3-4 percent while Hindalco and Cipla fell around 1 percent each.

Global & Asian market overview

- **European stocks** closed higher, moving up for a second straight session, as investors continued to react to corporate earnings updates and largely shrugged off geopolitical concerns and worries about inflation.
- **US stocks** With the steep drop on the day, the Nasdaq fell to its lowest closing level in over a month. The sharp pullback on Wall Street came as Treasury yields showed a notable move back to the upside after giving back ground on Wednesday.
- **Asian stocks** turned in a mixed performance amid inflation worries and growing optimism for another strong earnings season

Industry Buzz

- **Jindal Steel and Power:** The company said that its offices in Delhi and Gurugram were visited by officials from Enforcement Directorate for seeking business related information.
- **JSW Energy:** The company's subsidiary JSW Neo Energy has signed a memorandum of understanding with Government of Telangana for setting up 1,500 MW capacity of Hydro Pumped Storage Project.
- **RailTel:** The company has received a work order from National Informatics Centre Services Incorporated in relation to assignment of work of immigration visa and foreigner registration and tracking at a total cost of Rs. 29.75 crore.
- **TVS Motor:** The company will invest an addition £100 million in Norton Motorcycle, which was acquired in 2020.

- **Gland Pharmaceuticals:** Nicomac Machinery is selling 20.45 lakh shares equivalent to 1.5% stake in Gland Pharma. The floor price has been set at Rs 3,118 per share. There is an option to upsize the deal.
- **L&T Technology Services:** The company was awarded over \$100 million electric air mobility deal from Jaunt Air Mobility. As part of the contract, LTTS will open an Engineering and R&D Centre in Québec Province for the next-gen electric aircraft manufacturer to provide engineering services for the Jaunt Journey eVTOL air taxi.
- **3I Infotech:** The company signed a premium high margin Digital Business Process Services transformational deal worth Rs 12 crore with an insurance company.
- **NTPC:** Collaborates with Delhi Jal Board to convert waste into energy.

Indices	Close	Previous	Chg. %
Sensex Index	57,912	57,038	1.53%
Nifty Index	17,393	17,137	1.49%
NSEBANK INDEX	36,816	36,315	1.38%
NSEAUTO INDEX	11,091	10,849	2.23%
NSEIT INDEX	32,612	32,173	1.36%

Market depth	Advance	Decline	T/O(bn)
NSE	1,496	618	627
BSE	2,276	1,145	61

Indices	Close	Previous	Chg. %
DJIA	34,793	35,161	-1.05%
NASDAQ	13,175	13,453	-2.07%
S&P 500	4,394	4,459	-1.48%
DAX	14,502	14,362	0.98%
CAC 40	6,715	6,625	1.36%
FTSE 100	7,628	7,629	-0.02%
HANG SENG	20,682	20,945	-1.25%
SSE INDEX	3,080	3,151	-2.26%
NIKKIE 225	27,218	26,985	0.86%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
EICHERMOT	4.4	CIPLA	-1.2
COALINDIA	4.0	HINDALCO	-0.8
M&M	3.2	ONGC	-0.6
ADANI PORTS	2.7	BAJAJ-AUTO	-0.6
KOTAKBANK	2.7	TATASTEEL	-0.6

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	38.8	38.2	0.6
STOCK FUT	166.2	152.3	13.9

Earnings Update

- **HCL Technologies Q4 FY22 (Consolidated, QoQ):** Revenue up 1.19% at Rs 22,597 crore Vs Rs 22,331 crore. EBIT fell Rs 4.42% at Rs 4,069 crore Vs Rs 4,257 crore. EBIT margin 18% Vs 19.1% . Net profit up 4.39% at Rs 3,593 crore Vs Rs 3,442 crore. Approved dividend of Rs 18 per share.
- **ICICI Lombard Q4 FY22 (Consolidated, YoY):** Revenue up 33% at Rs 4,636 crore Vs Rs 3,489 crore. Net premiums up 27% at Rs 3,318 crore Vs Rs 2,616 crore. EBITDA up 29% at Rs 1,010 crore Vs Rs 782 crore. EBITDA margin at 21.8% Vs 22.4%. Solvency ratio at 2.46 Vs 2.9. Approved dividend of Rs 5 per share of face value of Rs 10.
- **Tata Communications Q4 FY22 (Consolidated, QoQ):** Revenue up 4.8% at Rs 1,725.28 crore Vs Rs 1,657.7 crore. EBITDA fell 12.3% at Rs 443.58 crore Vs Rs 505.74 crore. EBITDA margin 25.71% Vs 30.51%. Net profit up 58% at Rs 356.5 crore Vs Rs 225.51 crore. Approved final dividend of Rs 20.7 per share.
- **L&T Technology Services Q4 FY22 (Consolidated, QoQ):** Revenue up 4.07% at Rs 1,756.1 crore Vs Rs 1,687.5 crore. EBIT up 4.13% at Rs 327.4 crore Vs Rs 314.4 crore. EBIT Margin 18.64% Vs 18.63%. Net profit up 5.31% at Rs 262 crore Vs Rs 248.8 crore. Approved final dividend of Rs 15 per share of face value of Rs 2. Approved scheme of amalgamation of Esencia Technologies, Graphene Semiconductor Services and Seastar Labs with the company.
- **Cyient Q4 FY22 (Consolidated, QoQ):** Revenue fell 0.19% at Rs 1,181.2 crore Vs Rs 1,183.4 crore. EBIT Margin up 3.86% at Rs 169.5 crore Vs Rs 163.2 crore. EBIT Margin 14.35% Vs 13.79%. Net profit up 17% at Rs 154.2 crore Vs Rs 131.8 crore.
- **Rallis India Q4 FY22 (Consolidated, YoY):** Revenue up 7.7% at Rs 507.54 crore Vs Rs 471.26 crore. EBITDA fell 116.03% at a negative Rs 2.84 crore Vs Rs 17.72 crore. EBIT Margin -0.56% Vs 3.76%. Net loss at Rs 14.19 crore Vs Net profit of Rs 8.12 crore Approved dividend of Rs 3 per share.
- **Crisil Q4 FY22 (Consolidated, QoQ):** Revenue fell 15.7% at Rs 595 crore Vs Rs 706 crore. EBIT fell 10.4% at Rs 151.04 crore Vs Rs 167.89 crore. EBIT margin 25.39% Vs 23.78. Net profit fell 28% at Rs 121.62 crore Vs Rs 168.63 crore.

Results Today

- Aditya Birla Money, Hindustan Zinc, Sundram Fasteners, Tata Metaliks, Tejas Networks, MMTC, Wendt (India), Bhakti Gems and Jewellery, Eiko Lifesciences, Jhandewalas Foods, Khaitan Chemicals & Fertilizers, Quest Capital Markets, RS Software India, and Sharad Fibres & Yarn Processors will release quarterly earnings on April 22.
- ICICI Bank, Bhansali Engineering Polymers, and Indag Rubber will release quarterly earnings on April 23.

Indian Macro

- A fourth of India's power generation capacity shut, mainly due to lack of fuel At a time when India's electricity demand is seen rising at the fastest pace in decades, almost a fourth of its total thermal, nuclear, and hydropower installed capacity is shut down. According to the Central Electricity Authority's operation performance monitoring report, 72,074.14 megawatts (MW) that comprise thermal, nuclear, and hydropower were shut down as of April 20. This accounts for almost 25% of the total monitored capacity of 289,581.24 MW. CEA's monitored capacity includes thermal, hydro, and nuclear power units, but excludes 110 gigawatts (GW) of renewable energy.
- India's fertiliser subsidy is set to touch a record of Rs 1.65 lakh crore and an additional subsidy and revision in the nutrient-based subsidy (NBS) rates are crucial in order to sustain the credit profiles of fertiliser makers, Crisil said in a report. "Our assessment assumes 3 per cent year-on-year growth in demand for fertilisers and a moderation of raw material and fertiliser prices in the second half of this fiscal. If demand is higher than expected, or input prices do not soften even in the second half, the subsidy bill may inch up to Rs 1.8-1.9 lakh crore," the report added.

- On April 18, data from the commerce ministry showed India's Wholesale Price Index (WPI) inflation unexpectedly rose to a four-month high of 14.55 percent in March. And while energy and metals led the charge—the ministry commented, which it often does not, that the rise in WPI inflation was mainly because of higher prices for crude oil, natural gas, mineral oils and basic metals due to supply chain disruptions caused by Russia-Ukraine conflict—a certain other item was also responsible for pushing inflation higher. While the food index of the WPI rose 0.54 percent month-on-month in March, indicating the presence of some sequential price momentum, the index of wheat rose 3.2 percent.

Global Macro

- The yield on the 10-year US Treasury note, which sets the tone for corporate and household borrowing costs worldwide, consolidated around 2.90%, not far from an over three-year high of 2.98% hit in the prior session, with investors pricing in chances of an increasingly hawkish Federal Reserve stance. Cementing such a view were increased inflationary pressures as annual inflation hit 8.5% in March, a new 40-year high. On top of that, when speaking as part of an International Monetary Fund panel, Powell made clear that the central bank remains committed to taming inflation while opening the door for a 50bps interest rate hike in May. Along with runaway inflation, the job market has been showing signs of being extremely tight, which, in turn, brought forward the expectations of sharper interest-rate hikes to cool an overheating economy.
- The consumer confidence indicator in the Euro Area edged up by 1.8 points month-over-month to -16.9 in April of 2022, recovering from March's 22-month low and beating market expectations of -20, a preliminary estimate showed. Still, morale remained far below its long-term average. In the European Union as a whole, consumer sentiment increased by 2 points to -17.6.
- The number of Americans filing new claims for unemployment benefits edged down by 2 thousand to 184 thousand in the week ended April 16th, from a revised 186 thousand in the previous period and compared with market expectations of 180 thousand. Claims remain close to a 1968-low of 166 thousand hit in the week to March 19th amid a tight job market and robust labor demand. On a non-seasonally adjusted basis, initial claims decreased by 27,235 from the previous week to 196,897, with notable declines being recorded in Missouri (-7,656), Michigan (-3,681), Ohio (3,095), New York (-2,893) and Texas (-2,442). On the other hand, applications increased the most in Connecticut (+1,399) and New Jersey (+1,013). The 4-week moving average which removes week-to-week volatility was 177,250, an increase of 4,500 from the previous week's revised average.

	S1	S2	PIVOT	R1	R2
ADANIPTS	837	821	848	863	874
APOLLOHOSP	4817	4727	4860	4951	4994
AXISBANK	3106	3052	3140	3194	3228
BAJAJFINSV	797	787	800	810	814
BAJFINANCE	3670	3646	3705	3730	3764
BHARTIARTL	15655	15410	15838	16083	16266
BPCL	7103	7005	7145	7243	7285
CIPLA	732	724	738	745	752
COALINDIA	392	387	396	401	404
DIVISLAB	3306	3242	3338	3401	3433
DRREDDY	988	981	1004	1012	1027
GRASIM	204	199	206	211	213
HDFC	4452	4384	4501	4569	4618
HDFCBANK	4298	4283	4325	4339	4366
HDFCLIFE	2581	2495	2628	2714	2760
HINDALCO	1746	1723	1758	1782	1794
ICICIBANK	1090	1074	1098	1114	1122
INDUSINDBK	2197	2157	2222	2263	2287
JSWSTEEL	1364	1346	1372	1391	1399
KOTAKBANK	560	549	568	578	586
LT	2294	2263	2308	2339	2353
NTPC	533	524	540	549	556
ONGC	2179	2155	2191	2214	2227
POWERGRID	757	748	761	770	774
RELIANCE	980	970	986	996	1003
SBILIFE	1598	1575	1613	1636	1650
SBIN	258	256	261	263	266
SHREECEM	726	715	737	748	759
SUNPHARMA	1743	1709	1758	1792	1808
TATASTEEL	1705	1690	1715	1731	1741
ULTRACEMCO	892	870	903	926	936
UPL	7764	7618	7832	7978	8046
NESTLEIND	17767	17350	18167	18583	18984
NTPC	161	159	162	165	165
ONGC	173	172	175	176	178
POWERGRID	226	224	227	229	231
RELIANCE	2754	2714	2771	2811	2828
SBILIFE	1130	1116	1139	1154	1163
SBIN	514	510	516	520	522
SHREECEM	25824	25487	25962	26299	26437
SUNPHARMA	929	912	938	955	963
TATACONSUM	810	798	816	828	834
TATAMOTORS	443	438	446	452	455
TATASTEEL	1289	1269	1306	1325	1343
TCS	3583	3537	3613	3659	3690
TECHM	1304	1290	1311	1325	1333
TITAN	2493	2450	2509	2551	2568
ULTRACEMCO	6789	6759	6838	6868	6917
UPL	822	815	828	834	840
WIPRO	537	535	540	542	545

Trading guidelines

- 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 in the first 30 minutes of trading.
- Opening Price is considered around close of previous day. 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.

List of upcoming corporate actions

Company Name	Ex Date	Purpose	Record Date	BC Start Date	BC End Date	ND Start Date	ND End Date
GAIL (INDIA) LTD.	21-Apr-22	Buy Back of Shares	22-Apr-22	-	-	13-Apr-22	21-Apr-22
NESTLE INDIA LTD.	21-Apr-22	Final Dividend - Rs. - 65.0000	22-Apr-22	-	-	13-Apr-22	21-Apr-22
NESTLE INDIA LTD.	21-Apr-22	Interim Dividend - Rs. - 25.0000	22-Apr-22	-	-	13-Apr-22	21-Apr-22
VIPPY SPINPRO LTD.	22-Apr-22	E.G.M.	-	26-Apr-22	02-May-22	19-Apr-22	25-Apr-22
MUTHOOT FINANCE LTD.	25-Apr-22	Interim Dividend - Rs. - 20.0000	26-Apr-22	-	-	19-Apr-22	25-Apr-22
Nirmitee Robotics India Ltd	25-Apr-22	Bonus issue 5:1	26-Apr-22	-	-	19-Apr-22	25-Apr-22
SAREGAMA INDIA LTD.	26-Apr-22	Stock Split From Rs.10/- to Rs.1/-	27-Apr-22	-	-	20-Apr-22	26-Apr-22
ABB India Limited	27-Apr-22	Final Dividend - Rs. - 5.2000	-	29-Apr-22	05-May-22	-	-
Shree Ganesh Biotech (India) Ltd	27-Apr-22	Bonus issue 1:1	28-Apr-22	-	-	21-Apr-22	27-Apr-22
DCM FINANCIAL SERVICES LTD.	28-Apr-22	E.G.M.	-	30-Apr-22	06-May-22	-	-
HCL TECHNOLOGIES LTD.	28-Apr-22	Interim Dividend	29-Apr-22	-	-	-	-
KSB Ltd	28-Apr-22	Dividend - Rs. - 12.5000	-	30-Apr-22	11-May-22	-	-
MAN INDUSTRIES (INDIA) LTD.-\$	28-Apr-22	Interim Dividend	29-Apr-22	-	-	-	-
Mold-Tek Packaging Limited	28-Apr-22	Interim Dividend	29-Apr-22	-	-	-	-
PRO FIN CAPITAL SERVICES LTD.	28-Apr-22	Stock Split From Rs.10/- to Rs.1/-	29-Apr-22	-	-	-	-
PRO FIN CAPITAL SERVICES LTD.	28-Apr-22	Bonus issue 2:1	29-Apr-22	-	-	-	-
STOVEC INDUSTRIES LTD.	28-Apr-22	Dividend - Rs. - 57.0000	-	30-Apr-22	06-May-22	-	-
VESUVIUS INDIA LTD.	28-Apr-22	Dividend - Rs. - 8.0000	29-Apr-22	-	-	-	-
ELANTAS BECK INDIA LTD.-\$	29-Apr-22	Dividend - Rs. - 5.0000	-	04-May-22	10-May-22	-	-
SHAH ALLOYS LTD.	29-Apr-22	E.G.M.	-	04-May-22	11-May-22	-	-
SHUKRA JEWELLERS LTD.	29-Apr-22	E.G.M.	-	03-May-22	10-May-22	-	-
SHUKRA BULLIONS LTD.	29-Apr-22	E.G.M.	-	03-May-22	10-May-22	-	-
FOSECO INDIA LTD.	02-May-22	Final Dividend - Rs. - 25.0000	-	05-May-22	11-May-22	-	-
Sri Havisha Hospitality And Infrastructure Ltd	02-May-22	E.G.M.	-	05-May-22	11-May-22	-	-
Gateway Distriparks Ltd	04-May-22	Interim Dividend	05-May-22	-	-	-	-
Sindhu Trade Links Limited	04-May-22	E.G.M.	-	06-May-22	11-May-22	-	-
COLGATE-PALMOLIVE (INDIA) LTD.	05-May-22	Interim Dividend	07-May-22	-	-	-	-
CRISIL LTD.	06-May-22	Interim Dividend	09-May-22	-	-	-	-
TREE HOUSE EDUCATION & ACCESSORIES LTD.	06-May-22	E.G.M.	-	10-May-22	10-May-22	-	-
Vedanta Limited	06-May-22	Interim Dividend	09-May-22	-	-	-	-
INFOSYS LTD.	31-May-22	Final Dividend - Rs. - 16.0000	01-Jun-22	-	-	-	-
Linde India Limited	01-Jun-22	Final Dividend - Rs. - 3.5000	-	03-Jun-22	23-Jun-22	-	-
Linde India Limited	01-Jun-22	Special Dividend - Rs. - 10.0000	-	03-Jun-22	23-Jun-22	-	-
CASTROL INDIA LTD.	02-Jun-22	Final Dividend - Rs. - 3.0000	-	04-Jun-22	08-Jun-22	-	-

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