

Morning Call

18 April 2022

Markets remain closed on Thursday and Friday on account of public holidays

- Shares ended lower on Wednesday hurt by financials and auto stocks, while a red-hot inflation reading for March fuelled expectations of a sooner-than-anticipated interest rate hike.
- For the truncated week, due to market holidays on Thursday and Friday, the indexes fell more than 1%.

Global & Asian market overview

- **European stocks** Despite a sluggish start and concerns about the ongoing war in Ukraine, European stocks closed on a firm note on Thursday with investors reacting positively to the European Central Bank's monetary policy announcement.
- **US stocks** moved sharply lower over the course of the trading day on Thursday, largely offsetting the rebound seen in the previous session. With the pullback on the day, the Nasdaq and the S&P 500 fell to their lowest closing levels in a month.
- **Asian stocks** advanced on Thursday, as a retreat in U.S. Treasury yields helped push rate-sensitive tech stocks higher and China pledged measures to cushion the damage to the economy due to the stringent lockdown measures imposed in Shanghai and elsewhere.

Industry Buzz

- **Future Retail:** Company says that Bank of India has initiated insolvency proceedings against the company, under IBC at NCLT.
- **Tata Power:** Blackrock-led group signs binding agreement with Tata Power's renewable energy. The group will invest Rs 4,000 crore by way of equity or compulsorily convertible instruments.
- **Ambuja Cement:** The company's shareholder Holcim is considering a potential sale of its stake. Holcim controls 63.1% of the company.
- **Tata Steel:** To consider share split on May 3. Firm to also announce its quarterly earnings on May 3.

- **JSW Steel:** The company has redeemed senior unsecured fixed rate notes aggregating to \$500 million.
- **RITES:** Power Mech Projects JV has emerged as lowest bidder for construction of Depot cum Workshop at Challaghatta Depot of Bangalore Metro Rail Project. The order value is Rs. 499.41 crore.
- **Bharat Forge:** The company plans to sell 3-year bonds of upto Rs 200 crore, Bloomberg reported.
- **Den Networks:** Q4 net income at Rs 49.97 crore vs Rs 36.98 crore YoY
- **ICICI Prudential Life:** Q4 net income at Rs 185 crore vs Rs 63.78 crore YoY
- **S Kumars:** CBI files cases against the company over alleged fraud
- **TVS Motor:** Buys 1.81% stake in Rapido.

Indices	Close	Previous	Chg. %
Sensex Index	58,339	58,576	-0.41%
Nifty Index	17,476	17,530	-0.31%
NSEBANK INDEX	37,463	37,747	-0.75%
NSEAUTO INDEX	10,698	10,789	-0.84%
NSEIT INDEX	34,355	34,380	-0.07%

Market depth	Advance	Decline	T/O(bn)
NSE	1,197	954	565
BSE	1,815	1,589	41

Indices	Close	Previous	Chg. %
DJIA	34,451	34,565	-0.33%
NASDAQ	13,351	13,644	-2.14%
S&P 500	4,393	4,447	-1.21%
DAX	14,164	14,076	0.62%
CAC 40	6,589	6,542	0.72%
FTSE 100	7,616	7,581	0.47%
HANG SENG	21,518	21,374	0.67%
SSE INDEX	3,211	3,226	-0.45%
NIKKIE 225	27,093	27,172	-0.29%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
ONGC	3.0	MARUTI	-2.3
APOLLOHOSP	2.4	HDFC	-2.2
UPL	1.7	HDFCBANK	-2.0
ITC	1.6	DRREDDY	-1.6
SUNPHARMA	1.5	TATAMOTORS	-1.6

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	31.7	51.7	-20.1
STOCK FUT	108.2	109.7	-1.5

Earnings Update

- **Infosys Q4 FY22 (Consolidated, QoQ)** Revenue up 1.28% at Rs 32,276 crore Vs Rs 31,867 (Bloomberg Estimate: Rs 32,726.90 crore) Net profit fell 2.1% at Rs 5,686 crore Vs 5,809 crore (Bloomberg Estimate: Rs 5,968 crore) EBIT fell 7% at Rs 6,956 crore Vs Rs 7,484 crore (Bloomberg Estimate: Rs 7,655 crore) EBIT Margins 21.5% Vs 23.5% (Bloomberg Estimate: 23%) Recommended dividend of Rs 16 per share
- **HDFC Bank Q4FY22 (Consolidated, YoY)** Net profit at Rs 10,055.18 crore, up 23% from Rs 8,186.51 crore (Bloomberg consensus estimate: Rs 10,269.6 crore) Net interest income at Rs 18,872.74 crore, up 10.2% from Rs 17,120.15 crore. Gross NPA at 1.17% in Q4 FY22 vs 1.26% QoQ Net NPA at 0.32% in Q4 FY22 vs 0.37% iQoQ

Results Today

- Mindtree, Star Housing Finance, Earum Pharmaceuticals, DRC Systems India, Mishtann Foods, Ramsarup Industries, Sheetal Cool Products, SE Power, SM Gold, and Swiss Military Consumer Goods

Indian Macro

- The focus on capex in the recently announced Budget for the current fiscal year will boost manufacturing and tax revenue collections, thereby keeping India on track to becoming a \$5 trillion economy, the finance ministry said. Tax revenues in last fiscal year grew by a record 34 per cent to Rs 27.07 lakh crore, which the ministry said is "a remarkable testimony to the rapid recovery" of the economy following successive waves of COVID-19. "The central government's focus on making India a global economic powerhouse and the host of measures adopted towards this commitment has directly reflected in India's GDP growth in recent years." "This has translated into increased revenue collection for the exchequer while keeping India well on the track towards achieving a \$5 trillion economy..." the ministry said in a statement.
- The country's mineral production increased 4.5 per cent in February 2022 over the same month a year ago, the mines ministry said. The index of mineral production of mining and quarrying sector for the month of February was at 123.2, registering a rise of 4.5 per cent as compared to the level recorded in the year-ago month, it said in a statement. The mineral production recorded cumulative growth of 13.2 per cent in April-February 2021-22, according to the provisional statistics of the Indian Bureau of Mines. In February this year, the production of coal was at 795 lakh tonne, lignite at 47 lakh tonne, natural gas (utilised) 2,515 million cubic metres and petroleum (crude) at 23 lakh tonne. The minerals whose production showed growth were diamond, lignite, phosphorite and bauxite, among others. Production of minerals like limestone, gold, manganese ore and chromite showed contraction.
- The government has invited initial bids for a pilot project to set up a manufacturing zone for power and renewable energy sectors. This project is a part of the joint programme by the Ministry of Power and Ministry of New and Renewable Energy that aims at setting up three manufacturing zones with a total capital outlay of Rs 1,000 crore. The government had first announced this programme in 2020-21. This central sector scheme will have a duration of five years from FY 2022-23 to FY 2026-27. According to the 'Expression of Interest' (EOI) document, state governments or a special purpose vehicle including a state government can participate in the project. The process authority has adopted a single stage EOI process for selection of the successful proposer. Each proposer is required to submit a single proposal in accordance with the terms of the EOI document on or before June 8, 2022.
- The finance ministry waived customs duty on cotton imports till September 30, a move which will benefit the textile industry and lower prices for consumers. Currently, cotton imports attract 5 per cent Basic Customs Duty (BCD) and 5 per cent Agriculture Infrastructure Development Cess (AIDC). The industry had been demanding a duty waiver to lower

domestic prices. The Central Board of Indirect Taxes and Customs (CBIC) notified the exemption from customs duty and AIDC for import of cotton.

Global Macro

- China's surveyed urban unemployment increased to 5.8 percent in March 2022 from 5.5 percent in the previous month. The latest figure marked the highest jobless rate since May 2020, above the government's target for this year of 5.5%, amid re-imposing Covid-19 restrictions, due to a rise in infections. The unemployment rate of the population aged 16-24 rose to 16 percent in March from 15.3 percent in the previous period. Meantime, the surveyed unemployment rate in 31 large cities and towns went up to 6 percent from 5.4 percent. The average weekly working hours of employees in enterprises across the country edged up to 47.3 hours from 46.7 hours in February. In the first quarter of the year, 2.85 million new jobs were created across China. Beijing has set a target of creating over 11 million new urban jobs for this year, after adding 12.69 million in 2021.
- The industrial capacity utilization rate in China fell to 75.8 percent in the first quarter of 2022 from 77.2 percent in the same period a year earlier, pointing to the weakest reading since the June quarter 2020. The utilization rate declined for both manufacturing (75.9 percent vs 77.6 percent in Q1 2021), and mining (77 percent vs 75.3 percent), amid disruptions caused by the COVID-19 infections. In contrast, the utilization rate of electricity, heat, and gas, water increased (73.8 percent vs 73.1 percent). In the December quarter of 2021, the industrial capacity utilization rate was at 77.4 percent.
- The United States recorded a capital and financial account superavit of USD 162.6 billion in February of 2022, following a downwardly revised USD 287.4 billion in the previous month. It was the largest capital inflow for a February month on record. Foreign investors bought USD 75.3 billion in Treasuries, more than USD 74.4 billion inflow in January, marking the fourth month in a row of net purchases. Meanwhile, foreign investors acquired USD 184.6 billion worth of long-term US securities, a sharp increase compared with an inflow of USD 38.3 billion in the previous month. On the other hand, US equity holdings abroad extended losses, with foreigners selling USD 25.4 billion, easing from a USD 50.7 billion selloff in January.

	S1	S2	PIVOT	R1	R2
ADANIAPORTS	829	824	842	847	860
ASIANPAINT	3056	3033	3089	3112	3145
AXISBANK	785	780	795	799	810
BAJAJ-AUTO	3655	3623	3701	3734	3780
BAJAJFINSV	15872	15736	16186	16322	16636
BAJFINANCE	7266	7225	7323	7364	7421
BHARTIARTL	731	725	744	749	762
BPCL	375	373	380	382	386
BRITANNIA	3322	3307	3355	3370	3403
CIPLA	1007	999	1020	1028	1042
COALINDIA	184	182	187	189	193
DIVISLAB	4452	4396	4486	4542	4576
DRREDDY	4266	4242	4314	4338	4386
EICHERMOT	2446	2425	2501	2522	2576
GRASIM	1744	1721	1761	1784	1801
HCLTECH	1117	1110	1130	1137	1150
HDFC	2334	2315	2390	2409	2466
HDFCBANK	1444	1434	1473	1484	1513
HDFCLIFE	562	558	565	568	572
HEROMOTOCO	2251	2239	2281	2294	2324
HINDALCO	542	538	547	550	555
HINDUNILVR	2134	2115	2149	2168	2184
ICICIBANK	756	752	764	767	776
INDUSINDBK	977	972	987	991	1001
INFY	1738	1722	1748	1764	1773
IOC	126	124	128	129	131
ITC	266	261	268	273	275
JSWSTEEL	754	746	768	775	789
KOTAKBANK	1757	1742	1788	1803	1834
LT	1746	1734	1759	1771	1785
M&M	859	854	867	871	879
MARUTI	7313	7244	7509	7577	7774
NESTLEIND	18132	18041	18340	18431	18639
NTPC	152	151	154	156	158
ONGC	172	169	173	176	178
POWERGRID	226	223	231	234	238
RELIANCE	2528	2513	2560	2575	2608
SBILIFE	1137	1130	1148	1155	1165
SBIN	514	510	518	521	525
SHREECEM	25162	24943	25339	25558	25734
SUNPHARMA	924	912	934	946	955
TATACONSUM	810	804	817	822	829
TATAMOTORS	425	421	434	438	447
TATASTEEL	1301	1292	1323	1332	1354
TCS	3638	3620	3674	3692	3728
TECHM	1397	1387	1413	1422	1438
TITAN	2434	2410	2465	2489	2520
ULTRACEMCO	6641	6595	6741	6787	6886
UPL	804	789	820	835	852
WIPRO	554	549	560	565	571

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
Ducon Infratechnologies Ltd	18-Apr-22	Bonus issue 1:10	44670	-	-	8-Apr-22	18-Apr-22
India Infrastructure Trust	18-Apr-22	Income Distribution (InvIT)	19-Apr-22	-	-	8-Apr-22	18-Apr-22
Veeram Securities Ltd	18-Apr-22	Stock Split From Rs.10/- to Rs.2/-	19-Apr-22	-	-	8-Apr-22	18-Apr-22
DILIGENT INDUSTRIES LTD.	19-Apr-22	Stock Split From Rs.5/- to Rs.1/-	20-Apr-22	-	-	11-Apr-22	19-Apr-22
IDFC LIMITED	19-Apr-22	Interim Dividend - Rs. - 1.0000	20-Apr-22	-	-	11-Apr-22	19-Apr-22
Jubilant FoodWorks Ltd	19-Apr-22	Stock Split From Rs.10/- to Rs.2/-	20-Apr-22	-	-	11-Apr-22	19-Apr-22
Schaeffler India Ltd	19-Apr-22	Dividend - Rs. - 16.0000	-	21-Apr-22	27-Apr-22	12-Apr-22	20-Apr-22
Huhtamaki India Ltd	20-Apr-22	Dividend - Rs. - 1.0000	-	22-Apr-22	5-May-22	13-Apr-22	21-Apr-22
Sandhar Technologies Ltd	20-Apr-22	E.G.M.	-	22-Apr-22	28-Apr-22	13-Apr-22	21-Apr-22
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	2-May-22	19-Apr-22	25-Apr-22
MUTHOOT FINANCE LTD.	25-Apr-22	Interim Dividend	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	-	-	-	-
ABB India Limited	27-Apr-22	Final Dividend - Rs. - 5.2000	-	29-Apr-22	5-May-22	-	-
Shree Ganesh Biotech (India) Ltd	27-Apr-22	Bonus issue 1:1	28-Apr-22	-	-	-	-
DCM FINANCIAL SERVICES LTD.	28-Apr-22	E.G.M.	-	30-Apr-22	6-May-22	-	-
HCL TECHNOLOGIES LTD.	28-Apr-22	Interim Dividend	29-Apr-22	-	-	-	-
MAN INDUSTRIES (INDIA) LTD.-\$	28-Apr-22	Interim Dividend	29-Apr-22	-	-	-	-
STOVEC INDUSTRIES LTD.	28-Apr-22	Dividend - Rs. - 57.0000	-	30-Apr-22	6-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	-	4-May-22	10-May-22	-	-

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