

Morning Call

07 March 2022

Markets Extend Losses For Third Day

- Indian shares ended Friday's session deep in the red and the rupee fell past the psychologically important 76/\$1 mark to hit a its lowest level since mid-December, as the Russia-Ukraine conflict intensified.

Global & Asian market overview

- **European stocks** tumbled on Friday, pushing benchmark indices of the major markets to multi-month lows, as investors pressed sales amid rising concerns about growth due to an escalation in geopolitical tensions.
- **US stocks** saw further downside. The major averages all moved to the downside on the day, with the tech-heavy Nasdaq showing a particularly steep drop.
- **Asian stocks** mostly lower, following the broadly negative cues overnight from Wall Street, as crude oil prices slipped and traders booked profits after the recent gains. The Russia-Ukraine crisis also continues to hurt market sentiment after Russian forces stepped up their attack and bombarded Ukraine's second-largest city and besieged two ports.

Industry Buzz

- **Wipro:** The Bengaluru-based IT company has appointed Nicolas (Nic) Parmaksizian as chief executive officer of Designit.
- **PNB Housing Finance:** The non-bank lender is planning a fundraising by issuing equity shares through appropriate methods—including rights issue—on March 9.
- **Reliance Industries:** India's largest firm by market value announced opening of Jio World Centre in Mumbai's Bandra Kurla Complex.
- **BKT:** The company has commenced commercial production of Brown Field Expansion and Debottlenecking Project at BHUJ Plant. The production of tyres will be increased upto 50,000 MTPA.
- **Rajratan Global Wire:** The shareholders approved stock split of one share of Rs 10 each into five shares of Rs 2 each on March 16.
- **Tube Investments:** The firm has completed acquisition of 1,41,677 equity shares of face value of Rs 10 each, representing 70% paid-up share capital of Cellestial.

- **Privi Speciality Chemicals:** The company, along with Givaudan SA, subscribed equity share capital of joint venture Prigiv Specialities.
- **Poonawalla Fincorp:** The company's CEO Vijay Deshwal has stepped down from the position to take up the strategic role within the Cyrus Poonawalla Group.
- **Info Edge:** The company has invested Rs 91 crore in Asia Network for 76% stake.
- **3i Infotech:** The company has been awarded a work order by the Rajasthan State Pollution Control Board for design, development, implementation and maintenance of 'Integrated E-Governance Solution 2.0'. The total contract value is Rs 12.85 crore.
- **Dilip Buildcon:** To sell 10 projects to Shrem at \$309-million valuation.

Indices	Close	Previous	Chg. %
Sensex Index	54,334	55,103	-1.40%
Nifty Index	16,245	16,498	-1.53%
NSEBANK INDEX	34,408	34,944	-1.54%
NSEAUTO INDEX	9,897	10,261	-3.55%
NSEIT INDEX	34,178	34,130	0.14%

Market depth	Advance	Decline	T/O(bn)
NSE	564	1,567	692
BSE	1,160	2,201	45

Indices	Close	Previous	Chg. %
DJIA	33,615	33,795	-0.53%
NASDAQ	13,313	13,538	-1.66%
S&P 500	4,329	4,363	-0.79%
DAX	13,095	13,698	-4.41%
CAC 40	6,062	6,378	-4.97%
FTSE 100	6,987	7,239	-3.48%
HANG SENG	21,905	22,467	-2.50%
SSE INDEX	3,448	3,481	-0.96%
NIKKIE 225	25,985	26,577	-2.23%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
DRREDDY	2.9	TITAN	-5.2
ITC	2.6	MARUTI	-4.8
TECHM	2.0	ASIANPAINT	-4.5
BPCL	1.1	HEROMOTOCO	-4.3
ULTRACEMCO	1.0	TATAMOTORS	-4.3

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	60.2	65.7	-5.5
STOCK FUT	174.5	175.6	-1.1

- **Nazara Technologies:** Approved issuance Rs 25 crore of shares to shareholders of Datawrkz, to hold 33% stake in Datawrkz after deal.
- **Nestle India:** To consider final dividend on April 22. Shriram Transport: Approves raising up to Rs 77.7 crore via bonds.

Indian Macro

- India's forex reserves declined by \$1.425 billion to \$631.527 billion for the week ended in February 25 due to a dip in currency assets, according to the data released by the Reserve Bank. The overall reserves had increased by \$2.762 billion to \$632.952 billion in the previous reporting week. During the reporting week, the foreign currency assets (FCA) declined by \$2.228 billion to \$564.832 billion. Expressed in dollar terms, the foreign currency assets include the effect of appreciation or depreciation of non-US units like the euro, pound and yen held in the foreign exchange reserves. The value of the gold reserves continued its northward journey and increased by \$958 million to \$42.467 billion in the reporting week, the data showed. The special drawing rights (SDRs) with the International Monetary Fund (IMF) decreased by \$122 million to \$19.04 billion, the RBI said. The country's reserve position with the IMF also decreased by \$34 million to \$5.187 billion in the reporting week, the data showed.
- The GST Council in its next meeting may look at raising the lowest tax slab to 8 percent, from 5 percent, and prune the exemption list in the Goods and Services Tax regime as it looks to increase revenues and do away with states' dependence on Centre for compensation, sources said on March 6. A panel of state finance ministers is likely to submit its report by this month end to the Council suggesting various steps to raise revenue, including hiking the lowest slab and rationalising the slab. Currently, GST is a four-tier structure attracting a tax rate of 5, 12, 18 and 28 percent. Essential items are either exempted or taxed at the lowest slab, while luxury and demerit items attract the highest slab. Luxury and sin goods attract cess on top of the highest 28 percent slab. This cess collection is used to compensate states for the revenue loss due to GST rollout. The GoM is likely to propose raising the 5 percent slab to 8 percent, which may yield an additional Rs 1.50 lakh crore annual revenues. As per calculations, 1 percent increase in the lowest slab, which mainly include packaged food items, results in a revenue gain of Rs 50,000 crore annually. As part of rationalisation, the GoM is also looking at a 3-tier GST structure, with rates at 8, 18 and 28 percent. If the proposal comes through, all the goods and services which are currently taxed at 12 percent, will move to 18 percent slab. Besides, the GoM would also propose reducing the number of items which are exempted from GST. Currently, unpackaged and unbranded food and dairy items are exempted from GST. The GST Council is expected to meet later this month or early next month and discuss the report of the GoM and take a view on the revenue position of the states.

Global Macro

- WTI crude futures surged almost 8% to above \$115-per-barrel on Friday, not far from a 14-year high of \$116.57 hit in the prior session, and posting their biggest weekly gain since May of 2020 as US lawmakers push to cut off US imports of oil and petroleum products from Russia. Despite widening sanctions on Moscow, OPEC+ will stick to an existing pact for a gradual increase in production. OPEC+ agreed to boost output by 400,000 bpd for March, leaving it with another 2.6 million bpd of cuts to unwind by the end of September.
- The US unemployment rate edged down to 3.8 percent in February of 2022 from 4 percent in the previous month, a new pandemic low and below market expectations of 3.9 percent. The number of unemployed persons edged down by 243 thousand to 6.270 million. In February 2020, prior to the coronavirus pandemic, the unemployment rate was 3.5

percent, and the number of unemployed persons was 5.7 million. Meanwhile, the labor force participation rate edged up to 62.3 percent in February, the highest level since March 2020.

- The American economy added 678K jobs in February of 2022, the most in seven months and way above market forecasts of 400K. Job growth was widespread, led by leisure and hospitality (179K), namely food services and drinking places (124K) and accommodation (28K); professional and business services (95K), mainly temporary help services (36K), management of companies and enterprises (12K) and management and technical consulting services (10K); health care (64K); and construction (60K). That leaves employment 2.1 million jobs below its pre-pandemic level and many economists believe the job market could recover all the pandemic losses this year. Fed Chair recently said to Congress the labour market was "extremely tight", but the crisis in Ukraine poses new risks to the economic and inflation outlook.

	S1	S2	PIVOT	R1	R2
ADANIPTS	687	677	699	709	721
ASIANPAINT	2643	2552	2753	2845	2955
AXISBANK	703	695	718	725	740
BAJAJ-AUTO	3185	3100	3235	3320	3370
BAJAJFINSV	15081	14916	15377	15541	15837
BAJFINANCE	6439	6370	6568	6637	6766
BHARTIARTL	646	639	657	664	675
BPCL	346	340	349	355	357
BRITANNIA	3318	3237	3356	3438	3476
CIPLA	922	911	931	942	952
COALINDIA	176	173	184	187	194
DIVISLAB	4051	4009	4104	4145	4199
DRREDDY	3716	3575	3795	3936	4015
EICHERMOT	2288	2243	2344	2388	2445
GRASIM	1440	1410	1478	1508	1546
HCLTECH	1124	1107	1139	1156	1172
HDFC	2189	2166	2226	2249	2286
HDFCBANK	1340	1314	1363	1390	1412
HDFCLIFE	515	507	522	529	536
HEROMOTOCO	2262	2230	2333	2364	2435
HINDALCO	567	555	593	605	630
HINDUNILVR	1969	1921	2023	2071	2126
ICICIBANK	677	670	692	699	713
INDUSINDBK	885	872	904	917	936
INFY	1694	1660	1715	1749	1770
IOC	112	111	114	115	116
ITC	220	213	224	230	234
JSWSTEEL	616	607	638	648	670
KOTAKBANK	1724	1703	1755	1776	1807
LT	1685	1669	1720	1736	1771
M&M	720	712	738	746	764
MARUTI	7040	6891	7280	7430	7669
NESTLEIND	17147	16822	17346	17670	17869
NTPC	129	127	131	132	135
ONGC	162	160	167	169	174
POWERGRID	211	207	214	217	221
RELIANCE	2306	2291	2335	2350	2379
SBILIFE	1043	1032	1060	1070	1088
SBIN	456	450	463	469	477
SHREECEM	22159	21747	22529	22941	23311
SUNPHARMA	812	796	826	842	856
TATACONSUM	654	640	671	685	702
TATAMOTORS	410	404	421	427	438
TATASTEEL	1254	1240	1287	1300	1334
TCS	3483	3448	3522	3557	3596
TECHM	1424	1381	1442	1486	1504
TITAN	2373	2334	2469	2508	2604
ULTRACEMCO	5882	5707	6026	6202	6345
UPL	698	686	717	729	748
WIPRO	561	544	570	587	596

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.

List of upcoming corporate actions

Company Name	Ex Date	Purpose	Record Date	BC Start Date	BC End Date	ND Start Date	ND End Date
JAY SHREE TEA & INDUSTRIES LTD.	07/03/22	E.G.M.	08/03/22	-	-	28/02/22	07/03/22
NOUVEAU GLOBAL VENTURES LTD.	07/03/22	Stock Split From Rs.10/- to Rs.1/-	08/03/22	-	-	28/02/22	07/03/22
Deep Polymers Ltd	08/03/22	Bonus issue 3:4	09/03/22	-	-	02/03/22	08/03/22
V.I.P.INDUSTRIES LTD.-\$	08/03/22	Interim Dividend - Rs. - 2.5000	09/03/22	-	-	02/03/22	08/03/22
WOCKHARDT LTD.	08/03/22	Right Issue of Equity Shares	09/03/22	-	-	04/03/22	08/03/22
Vedanta Limited	09/03/22	Interim Dividend - Rs. - 13.0000	10/03/22	-	-	03/03/22	09/03/22
SAVEN TECHNOLOGIES LTD.	10/03/22	Interim Dividend - Rs. - 1.0000	11/03/22	-	-	04/03/22	10/03/22
Advik Capital Ltd	10/03/22	Right Issue of Equity Shares	11/03/22	-	-	07/03/22	10/03/22
BCL Enterprises Ltd	10/03/22	Stock Split From Rs.10/- to Rs.1/-	11/03/22	-	-	04/03/22	10/03/22
BCL Enterprises Ltd	10/03/22	Bonus issue 1:1	11/03/22	-	-	04/03/22	10/03/22
E.I.D.-PARRY (INDIA) LTD.	10/03/22	Interim Dividend - Rs. - 5.5000	11/03/22	-	-	04/03/22	10/03/22
Mauria Udyog Ltd	10/03/22	Stock Split From Rs.10/- to Rs.1/-	11/03/22	-	-	04/03/22	10/03/22
Ultracab (India) Ltd	10/03/22	Stock Split From Rs.10/- to Rs.2/-	12/03/22	-	-	07/03/22	10/03/22
Ultracab (India) Ltd	10/03/22	Bonus issue 1:2	12/03/22	-	-	07/03/22	10/03/22
Vishal Fabrics Ltd	10/03/22	Bonus issue 2:1	11/03/22	-	-	04/03/22	10/03/22
SHRIRAM TRANSPORT FINANCE CO.LTD.	11/03/22	Interim Dividend - Rs. - 12.0000	14/03/22	-	-	07/03/22	11/03/22
ARIHANT CAPITAL MARKETS LTD.	14/03/22	Interim Dividend - Rs. - 0.7500	15/03/22	-	-	-	-
DIC INDIA LTD.	14/03/22	Final Dividend - Rs. - 3.0000	15/03/22	-	-	-	-
DIC INDIA LTD.	14/03/22	Special Dividend - Rs. - 2.0000	15/03/22	-	-	-	-
Infibeam Avenues Ltd	14/03/22	Bonus issue 1:1	15/03/22	-	-	-	-
NLC India Ltd	14/03/22	Interim Dividend	15/03/22	-	-	-	-
RAMKRISHNA FORGINGS LTD.	14/03/22	Stock Split From Rs.10/- to Rs.2/-	15/03/22	-	-	-	-
ALLIANCE INTEGRATED METALIKS LTD.	15/03/22	Stock Split From Rs.10/- to Rs.1/-	16/03/22	-	-	-	-
Brightcom Group Ltd	15/03/22	Bonus issue 2:3	16/03/22	-	-	-	-
RAJRATAN GLOBAL WIRE LTD.	15/03/22	Stock Split From Rs.10/- to Rs.2/-	16/03/22	-	-	-	-
DRC Systems India Ltd	16/03/22	Stock Split From Rs.10/- to Rs.1/-	17/03/22	-	-	-	-
K.M.SUGAR MILLS LTD.	16/03/22	E.G.M.	-	18/03/22	24/03/22	-	-
Metro Brands Ltd	16/03/22	Interim Dividend	19/03/22	-	-	-	-
Ravindra Energy Ltd	16/03/22	E.G.M.	-	21/03/22	23/03/22	-	-
SHRIRAM CITY UNION FINANCE LTD.	16/03/22	Interim Dividend	17/03/22	-	-	-	-
ASM TECHNOLOGIES LTD.	17/03/22	Right Issue of Equity Shares	21/03/22	-	-	-	-
AYOKI MERCANTILE LTD.	17/03/22	E.G.M.	-	22/03/22	28/03/22	-	-
Innovative Ideals and Services (India) Ltd	17/03/22	E.G.M.	-	22/03/22	28/03/22	-	-
SUN TV NETWORK LTD.	17/03/22	Interim Dividend	21/03/22	-	-	-	-

ADVIK LABORATORIES LTD.	21/03/22	E.G.M.	-	23/03/22	29/03/22	-	-
B. P. Capital Ltd	21/03/22	E.G.M.	22/03/22	-	-	-	-
Virinchi Ltd	21/03/22	Bonus issue 1:1	22/03/22	-	-	-	-
BHARAT ELECTRONICS LTD.	24/03/22	Interim Dividend	26/03/22	-	-	-	-
AMBUJA CEMENTS LTD.	30/03/22	Final Dividend - Rs. - 6.3000	01/04/22	-	-	-	-
CRISIL LTD.	30/03/22	Final Dividend - Rs. - 15.0000	-	01/04/22	02/04/22	-	-
CRISIL LTD.	30/03/22	Special Dividend - Rs. - 7.0000	-	01/04/22	02/04/22	-	-
ACC LTD.	04/04/22	Final Dividend - Rs. - 58.0000	05/04/22	-	-	-	-
Vipul Organics Ltd	07/04/22	Bonus issue 1:4	09/04/22	-	-	-	-
Sanofi India Ltd	12/04/22	Final Dividend - Rs. - 181.0000	-	16/04/22	26/04/22	-	-
Sanofi India Ltd	12/04/22	Special Dividend - Rs. - 309.0000	-	16/04/22	26/04/22	-	-
Mahindra CIE Automotive Limited	13/04/22	Final Dividend - Rs. - 2.5000	-	19/04/22	25/04/22	-	-
Schaeffler India Ltd	19/04/22	Dividend - Rs. - 16.0000	-	21/04/22	27/04/22	-	-
Huhtamaki India Ltd	20/04/22	Dividend - Rs. - 1.0000	-	22/04/22	05/05/22	-	-
Sandhar Technologies Ltd	20/04/22	E.G.M.	-	22/04/22	28/04/22	-	-
NESTLE INDIA LTD.	21/04/22	Final Dividend - Rs. - 65.0000	22/04/22	-	-	-	-
ABB India Limited	27/04/22	Final Dividend - Rs. - 5.2000	-	29/04/22	05/05/22	-	-
VESUVIUS INDIA LTD.	28/04/22	Dividend - Rs. - 8.0000	29/04/22	-	-	-	-

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