

## Morning Call

17 March 2022

### Markets Rally Due to Firm Global Cues

- Indian shares rallied with banks, auto and metal stocks leading the surge. Cues from global markets offered support as negotiations between Russia and Ukraine continued and China pledged support for its slowing economy.
- A breather in oil price rally and gains in the rupee also lifted sentiment. Crude prices were little changed today, giving up sharp early gains after the International Energy Agency (IEA) in a monthly report cut its oil demand forecast for 2022

### Global & Asian market overview

- **European stocks** closed on a buoyant note as investors indulged in hectic buying across the board amid hopes of progress in Russia-Ukraine peace talks, and on news about the Chinese government's promise to roll out more economic stimulus to boost growth.
- **US stocks** saw substantial volatility following the Federal Reserve's monetary policy announcement after showing a strong move to the upside in early trading. The major averages initially pulled back sharply in reaction to the Fed announcement but rallied strongly going into the close.
- **Asian stocks** posted strong gains after a senior Chinese official said Beijing would provide more support for the slowing economy. Underlying sentiment was also supported by a retreat in commodity prices and hopes for a possible diplomatic solution to the war in Ukraine.

### Industry Buzz

- **SAIL:** The company declared second interim dividend of Rs 2.5 per equity share, 25% on the paid-up equity share capital of the company.
- **Adani Power:** The company has completed the acquisition of Essar Power MP Ltd. under the Insolvency and Bankruptcy Code for a total consideration Rs 4,250 crore for the 1200 MW power plant.
- **Zydus Lifesciences:** The company has signed a share purchase agreement to acquire up to 11.86% stake in AMP Energy Green Nine for setting up captive wind solar hybrid power project in Gujarat.

- **NXT Digital:** The company has given in-principle approval to merge Hinduja Leyland Finance with itself.
- **JSW Energy:** The company has approved re-organisation of its renewables and thermal power businesses.
- **Mahindra and Mahindra:** The company has agreed to increase its stake in Carnot Technologies from 15.6% to 52.69% for Rs 14 crore.
- **Allcargo Logistics:** The company has declared an interim dividend of Rs 3 per equity share of face value Rs 2 each.
- **Wipro:** The company has joined the governing board of Open Source Security Foundation to help address the growing threat to the software supply chain.
- **Reliance Capital:** CEO Dhananjay Tiwari has resigned.

Indices	Close	Previous	Chg. %
Sensex Index	56,817	55,777	1.86%
Nifty Index	16,975	16,663	1.87%
NSEBANK INDEX	35,748	35,023	2.07%
NSEAUTO INDEX	10,350	10,131	2.16%
NSEIT INDEX	35,730	35,098	1.80%

Market depth	Advance	Decline	T/O(bn)
NSE	1,512	605	547
BSE	2,265	1,168	37

Indices	Close	Previous	Chg. %
DJIA	34,063	33,544	1.55%
NASDAQ	13,437	12,949	3.77%
S&P 500	4,358	4,262	2.24%
DAX	14,441	13,917	3.76%
CAC 40	6,589	6,355	3.68%
FTSE 100	7,292	7,176	1.62%
HANG SENG	20,088	18,415	9.08%
SSE INDEX	3,171	3,064	3.48%
NIKKIE 225	25,762	25,346	1.64%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
ULTRACEMCO	4.6	CIPLA	-1.3
AXISBANK	3.6	SUNPHARMA	-0.4
BAJAJ-AUTO	3.4	TATACONSUM	-0.1
INDUSINDBK	3.3	-	-
SHREECEM	3.0	-	-

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	51.5	33.3	18.2
STOCK FUT	117.4	104.3	13.1

- **Oil India:** The company has approved a joint venture with Assam Gas in three geographical areas offered by the Petroleum and Natural Gas Regulatory Board for city gas distribution. It also approved investment of Rs 6,555 crore by Numaligarh Refinery for a petrochemical project.
- **Tube India:** The company has appointed Mukesh Ahuja as MD, M.A.M. Arunachalam as executive chairman and Vellayan Subbiah as executive vice chairman for five years.
- **GSK Pharma:** The company has completed the sale of trademarks pertaining to 'Iodex' and 'Ostocalcium' brands in India to GSK Asia.
- **Ansal Housing:** The company has defaulted on principal and interest payment of Rs 79.4 crore and Rs 37.57 crore to IFCL.
- **Godrej Industries:** The company has made a further investment of Rs 100.16 crore in Godrej Capital, taking its stake to 87.11%.
- **Godrej Consumer:** The company has completed divestment of its entire stake in Bhabani Blunt Hair Dressing and the right to use the brand name to manufacture and sell BBLUNT branded products.
- **BEML:** To consider declaration of dividend on March 22.
- **Bajaj Finserv:** The company has reappointed Sanjiv Bajaj as the managing director for five years.
- **Voltas:** The company will form a 40:60 joint venture with Highly International (Hong Kong), a wholly owned subsidiary of Shanghai Highly (Group) Company, for sale of air-conditioner parts.
- **PNC Infratech:** The company has received a bonus of Rs 82.68 crore (0.04% of contract price) from Uttar Pradesh Expressways Industrial Development Authority for early completion of the Purvanchal Expressway from Sansarpur to Gobindpur.
- **Yasho Industries:** The company has approved capital expenditure of Rs 350 crore for a new greenfield project in Dahej, Gujarat, to manufacture lubricant additives and rubber chemicals.
- **Jindal Saw:** The company approved scheme of amalgamation of Jindal Quality Tubular, Jindal Tubular (India) and Jindal Fittings with Jindal Saw.
- **Gufic Biosciences:** The company has incorporated a wholly owned subsidiary Gufic UK in the United Kingdom.
- **TCS:** Selected by SGX for NSE Ifsc-SGX Connect.
- **JSW Steel:** Winds up three Mauritius units to simplify structure.
- **KPR Mills:** To conduct Rs 180-crore buyback from March 25 to April 7.
- **Indiabulls Housing Finance:** To consider bonds' private placement on March 22.

## Indian Macro

- The bilateral trade in goods is projected to increase from the current \$60 billion to \$100 billion annually within five years of the implementation of the India-UAE free trade agreement, parliament was informed on Wednesday. India and the United Arab Emirates (UAE) signed the Comprehensive Economic Partnership Agreement (CEPA) on the sidelines of the India-UAE Virtual Summit held on February 18. The India-UAE CEPA is a comprehensive and balanced partnership agreement that will give enhanced market access for India in both goods and services, Minister of State for Commerce and Industry Anupriya Patel said in a written reply to the Lok Sabha. She said that the UAE has offered immediate market access at zero duty from Day 1 of the entry into force of the agreement to products accounting for around 90 per cent of India's exports to the UAE in value terms. As regards trade in services, the UAE has offered market access to India in around 111 sub-sectors from the 11 broad service sectors.
- India is boosting fertiliser imports from nations including Canada and Israel to ensure sufficient supplies for the coming summer sowing season after the disruption of shipments caused by Russia's invasion of Ukraine. India is a leading importer of fertilisers for its huge agriculture sector, which employs about 60% of the country's workforce and accounts for 15% of the \$2.7 trillion economy. "This time we have made advance preparations for kharif (summer sown crop)

season. We need about 30 million tonnes of fertilisers and arrangements are in place," fertiliser minister Mansukh Mandaviya told Reuters, without elaborating. He said India will have a comfortable opening stock, about a quarter of the overall amount of fertilisers needed for the summer season. Indian farmers usually start planting crops including rice, cotton and soybean with the arrival of monsoon rains in June. "Bilateral trade in goods is projected to increase from the current \$60 billion to \$100 billion annually within five years of implementation of the India-UAE CEPA," she said. In another reply, she said there is no shortage of coal supply from sources of Coal India Limited (CIL) to tea gardens in the northeastern region. "CIL has provided coal supplies to the tune of 618.70 million tonnes (MT) during the current fiscal (upto March 9, 2022) in comparison to 531.4 MT supplied during the same period last year, thereby achieving a growth of about 16.4 per cent," she added.

## Global Macro

- The Fed raised the target for the fed funds rate by a quarter-point to 0.25%-0.5% during its March 2022 meeting, in line with market expectations. It is the first increase in borrowing costs since 2018. In addition, policymakers expect to begin reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities at a coming meeting. The Fed now sees rate hikes at each of the six remaining meetings this year, with the fed funds rate reaching 1.9% by year's end. PCE inflation is seen sharply higher at 4.3% in 2022 (2.6% in the December projection) and the economy is seen growing 2.8% this year, well below 4% seen in December. Regarding the war in Ukraine, the central bank noted the implications for the US economy are highly uncertain, but it is likely to create additional upward pressure on inflation and weigh on economic activity.
- The dollar index touched briefly the 99 levels after the Federal Reserve hiked the fund's rate by 25bps as expected and pointed to six more hikes this year to tame surging inflation but retreated again as Fed Chair Powell was giving a press conference. "The American economy is very strong and well positioned to handle tighter monetary policy," and the probability of a recession is "not particularly elevated." Powell said. The latest data showed the US annual inflation rate accelerated to 7.9% in February, matching expectations but rising to a fresh 40-year high. The data came amid growing concerns over a commodity-driven rise in inflation spurred by the Russia-Ukraine war, leaving central banks with a balancing act between curbing inflation and supporting growth.

	S1	S2	PIVOT	R1	R2
ADANIPTS	720	716	725	729	733
ASIANPAINT	3020	2996	3035	3060	3074
AXISBANK	715	703	720	731	737
BAJAJ-AUTO	3514	3442	3553	3625	3664
BAJAJFINSV	15877	15669	16058	16265	16447
BAJFINANCE	6747	6667	6823	6903	6979
BHARTIARTL	708	701	712	718	722
BPCL	352	347	355	359	362
BRITANNIA	3264	3205	3291	3350	3377
CIPLA	1039	1030	1059	1068	1087
COALINDIA	174	171	176	179	181
DIVISLAB	4360	4322	4409	4448	4496
DRREDDY	3885	3846	3930	3969	4014
EICHERMOT	2323	2297	2349	2375	2400
GRASIM	1584	1560	1600	1624	1640
HCLTECH	1188	1178	1195	1206	1213
HDFC	2279	2252	2299	2326	2347
HDFCBANK	1437	1427	1446	1455	1465
HDFCLIFE	510	502	516	525	530
HEROMOTOCO	2347	2320	2362	2389	2403
HINDALCO	568	560	572	580	584
HINDUNILVR	2054	2019	2067	2102	2115
ICICIBANK	702	696	706	712	717
INDUSINDBK	914	900	925	938	949
INFY	1867	1835	1880	1911	1925
IOC	120	118	121	123	125
ITC	240	238	242	244	246
JSWSTEEL	648	640	655	663	671
KOTAKBANK	1747	1739	1761	1769	1783
LT	1744	1733	1757	1768	1782
M&M	766	760	771	777	782
MARUTI	7402	7343	7499	7558	7655
NESTLEIND	17553	17305	17719	17967	18134
NTPC	132	131	132	133	134
ONGC	164	160	166	170	172
POWERGRID	209	207	210	211	213
RELIANCE	2386	2366	2397	2417	2428
SBILIFE	1073	1062	1085	1095	1108
SBIN	490	487	492	494	497
SHREECEM	23015	22413	23365	23967	24317
SUNPHARMA	878	869	889	897	909
TATACONSUM	740	733	748	755	763
TATAMOTORS	420	416	424	428	432
TATASTEEL	1247	1228	1259	1278	1290
TCS	3632	3598	3650	3683	3702
TECHM	1475	1459	1485	1501	1511
TITAN	2573	2556	2583	2601	2611
ULTRACEMCO	6181	6012	6249	6419	6487
UPL	744	738	750	757	763
WIPRO	595	590	597	602	604

## 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
ASM TECHNOLOGIES LTD.	17/03/22	Right Issue of Equity Shares	21/03/22	-	-	11/03/22	17/03/22
AYOKI MERCANTILE LTD.	17/03/22	E.G.M.	-	22/03/22	28/03/22	14/03/22	21/03/22
Innovative Ideals and Services (India) Ltd	17/03/22	E.G.M.	-	22/03/22	28/03/22	14/03/22	21/03/22
SUN TV NETWORK LTD.	17/03/22	Interim Dividend - Rs. - 5.0000	21/03/22	-	-	11/03/22	17/03/22
ADVIK LABORATORIES LTD.	21/03/22	E.G.M.	-	23/03/22	29/03/22	15/03/22	22/03/22
B. P. Capital Ltd	21/03/22	E.G.M.	22/03/22	-	-	14/03/22	21/03/22
GAIL (INDIA) LTD.	21/03/22	Interim Dividend - Rs. - 5.0000	22/03/22	-	-	14/03/22	21/03/22
SPV Global Trading Ltd	21/03/22	Right Issue of Equity Shares	22/03/22	-	-	16/03/22	21/03/22
Virinchi Ltd	21/03/22	Bonus issue 1:1	22/03/22	-	-	14/03/22	21/03/22
AGI Infra Ltd	22/03/22	Interim Dividend - Rs. - 1.0000	23/03/22	-	-	15/03/22	22/03/22
BCL Industries Ltd-\$	22/03/22	Interim Dividend - Rs. - 2.0000	23/03/22	-	-	15/03/22	22/03/22
DCW LTD.	22/03/22	E.G.M.	-	24/03/22	30/03/22	16/03/22	23/03/22
Mishra Dhatu Nigam Ltd	22/03/22	Interim Dividend - Rs. - 1.5600	23/03/22	-	-	15/03/22	22/03/22
Veeram Securities Ltd	22/03/22	E.G.M.	-	24/03/22	01/04/22	16/03/22	23/03/22
MOLD-TEK TECHNOLOGIES LTD.	23/03/22	Interim Dividend - Rs. - 1.7000	24/03/22	-	-	16/03/22	23/03/22
ALLCARGO LOGISTICS LTD.	24/03/22	Interim Dividend - Rs. - 3.0000	25/03/22	-	-	17/03/22	24/03/22
BHARAT ELECTRONICS LTD.	24/03/22	Interim Dividend	26/03/22	-	-	-	-
DJ Mediaprint & Logistics Ltd	24/03/22	Bonus issue 1:1	25/03/22	-	-	17/03/22	24/03/22
Nandan Denim Limited	24/03/22	Bonus issue 2:1	25/03/22	-	-	17/03/22	24/03/22
RITES Ltd	24/03/22	Interim Dividend - Rs. - 7.5000	25/03/22	-	-	17/03/22	24/03/22
Rail Vikas Nigam Ltd	24/03/22	Interim Dividend - Rs. - 1.5800	25/03/22	-	-	17/03/22	24/03/22
VARDHMAN TEXTILES LTD.	24/03/22	Stock Split From Rs.10/- to Rs.2/-	26/03/22	-	-	-	-
CENTURY EXTRUSIONS LTD.	25/03/22	E.G.M.	-	29/03/22	04/04/22	-	-
Data Infrastructure Trust	25/03/22	Income Distribution (InvIT)	28/03/22	-	-	-	-
DILIGENT INDUSTRIES LTD.	25/03/22	E.G.M.	-	29/03/22	04/04/22	-	-
TIJARIA POLYPIPES LTD.	25/03/22	E.G.M.	-	29/03/22	04/04/22	-	-
TVS MOTOR COMPANY LTD.	25/03/22	Interim Dividend	28/03/22	-	-	-	-
STEEL AUTHORITY OF INDIA LTD.	28/03/22	Interim Dividend - Rs. - 2.5000	29/03/22	-	-	-	-
ARC Finance Ltd	29/03/22	Stock Split From Rs.10/- to Rs.1/-	30/03/22	-	-	-	-
BEML LTD.	29/03/22	Interim Dividend	30/03/22	-	-	-	-
Housing & Urban Development Corporation Ltd	29/03/22	Interim Dividend	30/03/22	-	-	-	-
SBI Life Insurance Company Ltd	29/03/22	Interim Dividend	30/03/22	-	-	-	-
SUNDARAM-CLAYTON LTD.	29/03/22	Interim Dividend	30/03/22	-	-	-	-
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	-	-
DHAMPUR SUGAR MILLS LTD.	30/03/22	Interim Dividend	31/03/22	-	-	-	-
SBI Cards and Payment Services Ltd	30/03/22	Interim Dividend	31/03/22	-	-	-	-
ACC LTD.	04/04/22	Final Dividend - Rs. - 58.0000	05/04/22	-	-	-	-
Nirmitee Robotics India Ltd	04/04/22	E.G.M.	-	06/04/22	09/04/22	-	-
EKI Energy Services Ltd	07/04/22	Interim Dividend	08/04/22	-	-	-	-
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	-	-
Shree Ganesh Biotech (India) Ltd	27/04/22	Bonus issue 1:1	28/04/22	-	-	-	-
VESUVIUS INDIA LTD.	28/04/22	Dividend - Rs. - 8.0000	29/04/22	-	-	-	-

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