

Morning Call

08 April 2022

Markets tumbled to extend losses for the third day running

- Shares tumbled as the release of hawkish minutes from the Fed's last policy meeting raised speculation that the U.S. central bank will raise interest rates by a hefty 50 basis points at its meetings in May and June.
- As inflation worries mount, investors also awaited the outcome of RBI's policy meeting on Friday for directional cues.

Global & Asian market overview

- **European stocks** closed lower with investors largely making cautious moves while closely following the developments on the geopolitical front and digesting the minutes from the recent policy meetings of the Federal Reserve and the European Central Bank.
- **US stocks** fluctuated over the course of the trading session before ending the day mostly higher. The upward move on the day came after the major averages showed significant moves to the downside over the course of the two previous sessions.
- **Asian stocks** fell after minutes from the Fed's March meeting revealed discussions on reducing the size of the central bank's balance sheet over time in a predictable manner. Participants generally agreed to beginning to reduce the balance sheet as early as May.

Industry Buzz

- **Sobha:** The company achieved best ever sales value and volume in Q4. It reported total sales value of Rs 1109.6 crore in Q4. Cash flows was healthy during the quarter, resulting in further net debt reduction. Average cost of borrowing has further come down during the quarter.
- **Infosys:** The company along with Rolls-Royce announced their joint 'Aerospace Engineering and Digital Innovation Centre' in Bengaluru.
- **Sonata Software:** The company has appointed Samir Dhir as the chief executive officer effective April 8 after Srikar Reddy voluntarily stepped down from the position.

- **Air India/IndiGo:** Virgin Atlantic Airways is in code-share talks with Air India and IndiGo, CCO Juha Jarvinen said.
- **Indiabulls Real Estate:** The company approved the issue price of its Rs 1,500-crore QIB offering at Rs 106.38 per share.
- **Sterling and Wilson Renewable Energy:** The company reported a loss of Rs 126.30 crore in Q4 compared to loss of Rs 422.41 crore in the previous quarter. Revenue stood at Rs 1,071.03 crore versus Rs 1,494.86 crore in the previous quarter.
- **Cholamandalam Investment and Finance:** The company reported disbursements for Q4 at Rs 12,718 crore a growth of 58% YoY. Collection Efficiency on billing improved across all Product segments and stood at 138% in Q4 of FY 22 as against 120% in Q4 of FY 21.

Indices	Close	Previous	Chg. %
Sensex Index	59,035	59,610	-0.97%
Nifty Index	17,640	17,808	-0.94%
NSEBANK INDEX	37,557	37,633	-0.20%
NSEAUTO INDEX	10,821	10,907	-0.79%
NSEIT INDEX	35,423	35,872	-1.25%

Market depth	Advance	Decline	T/O(bn)
NSE	922	1,230	793
BSE	1,629	1,786	88

Indices	Close	Previous	Chg. %
DJIA	34,584	34,497	0.25%
NASDAQ	13,897	13,889	0.06%
S&P 500	4,500	4,481	0.43%
DAX	14,078	14,152	-0.52%
CAC 40	6,462	6,499	-0.57%
FTSE 100	7,552	7,588	-0.47%
HANG SENG	21,809	22,081	-1.23%
SSE INDEX	3,237	3,283	-1.42%
NIKKIE 225	26,889	27,350	-1.69%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
AXISBANK	2.4	ADANI PORTS	-3.5
DIVISLAB	1.7	TITAN	-3.3
HINDUNILVR	1.3	HDFC	-2.8
ICICIBANK	1.0	ONGC	-2.2
DRREDDY	0.8	TCS	-1.9

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	39.2	59.2	-20.0
STOCK FUT	140.1	169.8	-29.7

- **Hester Biosciences:** The company executed Grant-in-Aid Letter agreement for grant of Rs 60 crore to the company by Biotechnology Industry Research Assistance Council, a Government of India Enterprise to support COVID vaccine manufacturing under Mission Covid Suraksha.
- **JSW Ispat Special Products:** The company crude steel production grew 11% YoY at 1.7 lakh tons.
- **L&T:** The company received a letter from Ministry of Corporate Affairs seeking information and documents for the period between 2003 to 2008. The letter does not refer to any governance lapses on the part of the company, it said.
- **Mahindra and Mahindra:** The company's debt-ridden subsidiary SsangYong Moto's deal with Edison Motors Co. has been terminated due to Edison's inability to deposit the bid amount as per the terms of the investment agreement.
- **Dr. Reddy's Laboratories:** The company received NCLT approval for amalgamation of Dr. Reddy's Holdings with the company.
- **BLS International:** The company will consider issue of bonus shares to the equity shareholders on April 13.
- **Everest Industries:** To consider declaration of dividend on May 28.
- **Jindal Stainless:** Q4 sales volume up 6% YoY at 2,69,168 million tonnes.
- **Lupin:** Introduces Merzee capsules in the United States.
- **NTPC:** Incorporates NTPC Green Energy.

Indian Macro

- Finance Minister Nirmala Sitharaman has praised the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) after an International Monetary Fund (IMF) working paper credited the free foodgrain programme for only a 10 basis points rise in extreme poverty in 2020 to 0.86 percent despite COVID. Sharing the IMF paper on Twitter, the minister said, "The working paper notes that the social safety net given to the poor by way of expansion of the country's food subsidy program absorbed a major chunk of the pandemic shock."
- The introduction of a Central Bank Digital Currency (CBDC) will not lead to the elimination of cryptocurrencies and stablecoins as they satisfy different objectives, Chief Economic Adviser V. Anantha Nageswaran said on April 7. "Will CBDC effectively end even cryptos, let alone stablecoins? My answer is no to both of that because the underlying objective for cryptos to emerge is...basically, its about tax evasion, money laundering, and speculation. And CBDC is clearly not a vehicle for evasion and speculation," he said. "And therefore, in the presence of CBDCs, neither stablecoins nor cryptos would actually disappear because they satisfy different objectives. Therefore, they have to be tackled separately with other regulatory instruments. The advent of CBDC will not obviate the need for regulatory instruments as well," according to the adviser.
- The Union Cabinet on April 7 approved a proposal to distribute fortified rice under all government schemes including mid-day meals and government ration shops. The government will spend about Rs 2,700 crore per year on the scheme, which is aimed to tackle the problem of nutritional deficiency. An official announcement on the decisions of the Cabinet and Cabinet Committee on Economic Affairs (CCEA) meeting will likely be made on April 8. Fortification is a process through which essential micronutrients in food are added to boost nutritional quality that helps improve public health.
- The Union government is exploring "all viable options" to procure crude oil at affordable rates, the finance ministry said on April 7. "In the spirit of Atmanirbhar Bharat, that places national economic and security interests above any other consideration, Government is exploring all viable options, including import diversification, to procure crude at an affordable price," the finance ministry wrote in its Monthly Economic Review report for March. "Affordability is desired as even the present level of international crude price, should it persist for a long time, may come in the way of India achieving a real economic growth rate north of 8 percent in FY23," the report added.

Global Macro

- The US 10-year Treasury Yield surged to above 2.66%, its highest level since March 2019 as investors anticipate an aggressive looming policy tightening cycle as major central banks sought to tame inflation, currently running at records levels. Earlier this week, Fed officials gave more hawkish remarks while on Wednesday Minutes from the Federal Reserve's March meeting showed that the central bank was considering hiking rates by 50-basis-point during the last meeting. Officials also agreed that monthly caps of about \$95 billion in the balance sheet reduction would likely be appropriate, which is higher than \$50 billion a month back in 2017-2019. Meantime, Germany's 10-year Bund yield, the benchmark for Europe, remained near 0.67%, closing in on its highest level since February 2018.
- Consumer credit in the United States increased by USD 41.82 billion in February of 2022, up from an upwardly revised USD 8.93 billion gain in the prior month, and well above market expectations of a USD 16.65 billion rise. It was the biggest monthly gain in consumer credit since December of 2010, as non-revolving credit went up by USD 23.82 billion while revolving credit increased by USD 18 billion. On an annual basis, consumer credit grew 11.3 percent, following an upwardly revised 2.4 percent increase in January.

	S1	S2	PIVOT	R1	R2
ADANIPTS	794	778	830	847	883
APOLLOHOSP	4493	4445	4538	4587	4632
AXISBANK	779	761	787	805	813
BAJAJFINSV	16460	16360	16580	16680	16800
BAJFINANCE	7249	7216	7302	7335	7388
BHARTIARTL	754	748	766	773	784
BPCL	378	375	382	385	390
CIPLA	1019	1011	1041	1049	1071
COALINDIA	188	186	193	195	200
DIVISLAB	4418	4361	4444	4502	4527
DRREDDY	4271	4234	4314	4352	4395
GRASIM	1666	1651	1683	1698	1715
HDFC	2435	2416	2478	2497	2539
HDFCBANK	1507	1497	1524	1535	1552
HDFCLIFE	555	550	558	563	566
HINDALCO	567	560	576	583	592
ICICIBANK	739	727	748	759	769
INDUSINDBK	957	945	972	984	999
JSWSTEEL	720	714	731	737	748
KOTAKBANK	1753	1744	1773	1782	1802
LT	1802	1783	1829	1848	1875
NTPC	151	149	154	156	160
ONGC	166	164	170	172	176
POWERGRID	227	224	234	237	244
RELIANCE	2553	2540	2579	2592	2618
SBILIFE	1101	1092	1108	1116	1124
SBIN	512	506	516	521	526
SHREECEM	24610	24339	24838	25110	25338
SUNPHARMA	919	912	933	940	954
TATASTEEL	1334	1317	1357	1374	1397
ULTRACEMCO	6672	6634	6734	6773	6835
UPL	796	784	802	814	821
NESTLEIND	17229	17100	17331	17459	17562
NTPC	134	134	135	136	136
ONGC	162	159	163	166	168
POWERGRID	216	214	216	218	219
RELIANCE	2615	2601	2643	2657	2684
SBILIFE	1112	1107	1120	1126	1134
SBIN	491	489	494	496	499
SHREECEM	23718	23600	24024	24142	24448
SUNPHARMA	906	900	916	922	933
TATACONSUM	770	761	775	784	789
TATAMOTORS	431	429	435	437	440
TATASTEEL	1297	1289	1309	1318	1329
TCS	3726	3706	3740	3760	3775
TECHM	1489	1477	1499	1511	1522
TITAN	2525	2510	2535	2550	2561
ULTRACEMCO	6542	6503	6621	6660	6739
UPL	761	756	770	775	784
WIPRO	587	582	595	600	608

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
Angel One Ltd	8-Apr-22	Interim Dividend - Rs. - 7.0000	44662	-	-	4-Apr-22	8-Apr-22
DATASOFT APPLICATION SOFTWARE (INDIA) LTD.	8-Apr-22	E.G.M.	-	9-Apr-22	15-Apr-22	5-Apr-22	8-Apr-22
ASIAN GRANITO INDIA LTD.	11-Apr-22	Right Issue of Equity Shares	12-Apr-22	-	-	7-Apr-22	11-Apr-22
BMW Industries Ltd	11-Apr-22	Interim Dividend - Rs. - 0.0200	12-Apr-22	-	-	5-Apr-22	11-Apr-22
PCBL Ltd	11-Apr-22	Stock Split From Rs.2/- to Rs.1/-	12-Apr-22	-	-	5-Apr-22	11-Apr-22
Adcon Capital Services Ltd	12-Apr-22	Stock Split From Rs.10/- to Rs.1/-	13-Apr-22	-	-	6-Apr-22	12-Apr-22
ARIHANT CAPITAL MARKETS LTD.	12-Apr-22	Stock Split From Rs.5/- to Rs.1/-	15-Apr-22	-	-	7-Apr-22	12-Apr-22
BAID LEASING AND FINANCE CO.LTD.	12-Apr-22	Stock Split From Rs.10/- to Rs.2/-	15-Apr-22	-	-	7-Apr-22	12-Apr-22
JYOTI STRUCTURES LTD.	12-Apr-22	E.G.M.	-	15-Apr-22	22-Apr-22	7-Apr-22	12-Apr-22
Sanofi India Ltd	12-Apr-22	Final Dividend - Rs. - 181.0000	-	16-Apr-22	26-Apr-22	7-Apr-22	12-Apr-22
Sanofi India Ltd	12-Apr-22	Special Dividend - Rs. - 309.0000	-	16-Apr-22	26-Apr-22	7-Apr-22	12-Apr-22
White Organic Retail Ltd	12-Apr-22	Bonus issue 2:1	14-Apr-22	-	-	7-Apr-22	12-Apr-22
Mahindra CIE Automotive Limited	13-Apr-22	Final Dividend - Rs. - 2.5000	-	19-Apr-22	25-Apr-22	8-Apr-22	18-Apr-22
Ducon Infratechnologies Ltd	18-Apr-22	Bonus issue 1:10	19-Apr-22	-	-	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	-	-	-	-
IDFC LIMITED	19-Apr-22	Interim Dividend - Rs. - 1.0000	20-Apr-22	-	-	-	-
Jubilant FoodWorks Ltd	19-Apr-22	Stock Split From Rs.10/- to Rs.2/-	20-Apr-22	-	-	-	-
Schaeffler India Ltd	19-Apr-22	Dividend - Rs. - 16.0000	-	21-Apr-22	27-Apr-22	-	-
Huhtamaki India Ltd	20-Apr-22	Dividend - Rs. - 1.0000	-	22-Apr-22	5-May-22	-	-
Sandhar Technologies Ltd	20-Apr-22	E.G.M.	-	22-Apr-22	28-Apr-22	-	-
GAIL (INDIA) LTD.	21-Apr-22	Buy Back of Shares	22-Apr-22	-	-	-	-
NESTLE INDIA LTD.	21-Apr-22	Final Dividend - Rs. - 65.0000	22-Apr-22	-	-	-	-
NESTLE INDIA LTD.	21-Apr-22	Interim Dividend	22-Apr-22	-	-	-	-
MUTHOOT FINANCE LTD.	25-Apr-22	Interim Dividend	26-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	-	-	-	-
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	-	-	-	-

Cholamandalam Securities Limited
Member: BSE, NSE, MSE
Regd. Office: Dare House, 2 (Old) # 234 N.S.C Bose Road, Chennai – 600 001.
Website: www.cholawealthdirect.com
Email id – customercarewm@chola.murugappa.com
CIN U65993TN1994PLC028674

Chola Securities Limited (CSL), AMFI registered mutual fund distributor, is a leading southern India based Stock broker. Our focus area of coverage within the Indian market is Mid and Small caps with a focus on companies from southern India.

Our Institutional Equities services are carried out in partnership with RCCR, a boutique Investment research and Corporate Advisory firm founded by a team with extensive experience in the Asset management industry.

RESEARCH			
Kedar S Kadam	DGM & Head of Research	+91-44 - 4004 7361	kedarsk@chola.murugappa.com
Mugilan K	Technical Analyst	+91-44 - 4004 7353	mugilank@chola.murugappa.com
Nilesh Patil	Fundamental Analyst	+91-44 - 4004 7266	nileshmp@chola.murugappa.com
Ammar Haider	Associate	+91-44 - 4004 7360	amarh@chola.murugappa.com
Balaji H	Compliance Officer	044-30007226	balajih@chola.murugappa.com
Gayathri Devi	Customer service	1800 425 4477	gayathrids@chola.murugappa.com

DISCLAIMER:

This report is for private circulation and for the personal information of the authorized recipient only, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not provide individually tailor-made investment advice and has been prepared without regard to any specific investment objectives, financial situation, or any particular needs of any of the persons who receive it.

The research analyst(s), Cholamandalam Securities Limited (CSL), AMFI registered mutual fund distributor, who is primarily responsible for this report certifies that: (1) all of the views expressed in this report accurately reflect his or her personal opinions about any and all of the subject securities or issuers; and (2) no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of Cholamandalam Securities Limited makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete.

The views expressed are those of the analyst and the Company may or may not subscribe to all the views expressed therein Cholamandalam Securities Limited reserves the right to make modifications and alterations to this statements as may be required from time to time without any prior approval. Cholamandalam Securities Limited, its affiliates, directors and employees may from time to time, effect or have effect an own account transaction in or deal as agent in or for the securities mentioned in this report. The recipient should take this into account before interpreting the report.

All investors may not find the securities discussed in this report to be suitable. Cholamandalam Securities Limited recommends that investors independently evaluate particular investments and strategies. Investors should seek the advice of a financial advisor with regard to the appropriateness of investing in any securities / investment strategies recommended in this report. The appropriateness of a particular investment or strategy will depend on an investor's individual preference. Past performance is not necessary a guide to future performance. Estimates of future prospects are based on assumptions that may not be realized. Re-publication or redistribution in any form, in whole or in part, is prohibited.

No part of this material may be duplicated in any form and/or redistributed without Cholamandalam Securities Limited prior written consent.

The news items appearing in this are collected from various media sources and we make no representations that it is complete or accurate

Cholamandalam Securities Limited

(A subsidiary of Cholamandalam Investment and Finance Company Ltd.)

Dare House, 2, N.S.C. Bose Road, Parrys, Chennai 600001, India

Tel: 91.44.30007172 / 91.44.30007370 Fax: 91.44.30007373

Website: www.cholawealthdirect.com

CIN – U65993TN1994PLC028674