

# Morning Call

25 April 2022

Indices	Close	Previous	Chg. %
Sensex Index	57,197	57,912	-1.23%
Nifty Index	17,172	17,393	-1.27%
NSEBANK INDEX	36,045	36,816	-2.10%
NSEAUTO INDEX	11,029	11,091	-0.56%
NSEIT INDEX	32,427	32,612	-0.57%

Market depth	Advance	Decline	T/O(bn)
NSE	795	1,344	642
BSE	1,382	2,030	51

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. %
ADANI PORTS	2.8	HINDALCO	-4.9
M&M	0.9	SBIN	-3.3
HCLTECH	0.3	HINDUNILVR	-3.0
ITC	0.3	CIPLA	-3.0
MARUTI	0.3	DRREDDY	-2.9

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	36.5	45.9	-9.4
STOCK FUT	220.3	232.1	-11.9

## Markets Tumble on Fed Comments

- Indian shares ended sharply lower, snapping a two-day rally after U.S. Federal Reserve Chairman Jerome Powell toughened his stance on inflation and Shanghai extended the Covid-19 lockdown to April 26.
- During a seminar sponsored by the International Monetary Fund (IMF) on Thursday, Powell said he saw merit in "front-end loading" policy moves in the meeting.

## Global & Asian market overview

- **European stocks** tumbled, weighed down by fears about sharper interest rate hikes after U.S. Federal Reserve Chairman Jerome Powell toughened his stance on inflation and said he saw merit in "front-end loading" policy moves.
- **US stocks** With the steep drop on the day, the major averages slumped to their worst closing levels in over a month. The continued weakness on Wall Street partly reflected ongoing concerns about the Federal Reserve aggressively tightening monetary policy
- **Asian stocks** turned in a mixed performance throwing soft concerns over the outlook for interest rates and economic slowdown.

## Industry Buzz

- **Reliance Industries:** India's most valuable firm by market cap has abandoned a plan to buy Future Group's retail assets amid protracted legal challenges from Amazon.com Inc.
- **HDFC Bank:** The lender's board has approved a dividend of Rs 15.5 per share, weeks after it approved a merger with HDFC Ltd.
- **Tata Motors:** Hikes passenger vehicle prices to offset rising costs.
- **Future Group:** Secured creditors of the group companies rejected a reorganisation scheme for merging their assets with Reliance Retail.
- **Firstsource Solutions:** The company will expand its operations in the U.K. to create about 1,000 new jobs over the next 12 months.
- **Varroc Engineering:** The firm has termed as "speculative" reports that it plans to sell its lighting business for \$650 million.

- **Central Bank of India:** The Reserve Bank of India has imposed a penalty of Rs 36 lakh on the lender for non-compliance with 'Customer Protection—Limiting Liability of Customers in Unauthorised Electronic Banking Transactions'.
- **Torrent Power:** The Gujarat-based power generator has agreed to buy out Sunshakti Solar at an enterprise valuation of Rs 417 crore.

## Earnings Update

- **Tata Metaliks Q4 FY22 (Consolidated, YoY)** Revenue rose 22.25% to Rs 807.92 crore EBITDA fell 60.23% to Rs 56.91 crore EBITDA margin stood at 7.04% vs 21.65% Net profit fell 30% to Rs 52.46 crore Recommended dividend of Rs 8 per share.
- **Tejas Networks Q4 FY22 (Consolidated, QoQ)** Revenue rose 18.6% to Rs 126.5 crore EBIT stood at a negative Rs 110 crore EBIT margin stood at -87% vs -45% Net loss widened to Rs 49.62 crore.

- **MMTC Q2 FY22 (Consolidated, QoQ)** Revenue fell 66.6% to Rs 1,390.54 crore EBIT stood at negative Rs 29.01 crore EBIT margin stood at -2.09% vs -0.69% Net loss widened to Rs 185.8 crore
- **ICICI Bank Q4FY22 (Consolidated, YoY)** Net Profit stood at Rs 7,018.71 crore vs Rs 4,402.61 crore Net Interest Income was Rs 12,605 crore vs Rs 10,431 crore Gross NPAs stood at 3.6% vs 4.13% in Q3 FY22 Net NPAs stood at 0.76% vs 0.85% in Q3 FY22.

## Results Today

- Tatva Chintan Pharma Chem, Tata Investment Corporation, Century Textiles & Industries, Eveready Industries India, Gujarat Mineral Development Corporation, Mahindra CIE Automotive, Meghmani Finechem, Arihant Capital Markets, Artson Engineering, Automotive Stampings & Assemblies, Axita Cotton, Divyashakti, Maharashtra Scooters, Snowman Logistics, Steel Exchange India, Sylph Technologies, Triveni Enterprises and VTM.

## Indian Macro

- India's crude oil import bill nearly doubled to \$119 billion in the fiscal year that ended on March 31, as energy prices soared globally following the return of demand and war in Ukraine. India, the world's third biggest oil consuming and importing nation, spent \$119.2 billion in 2021-22 (April 2021 to March 2022), up from \$62.2 billion in the previous fiscal year, according to data from the oil ministry's Petroleum Planning & Analysis Cell (PPAC). It spent \$13.7 billion in March alone, when oil prices surged to 14-year high. This compared with \$8.4 billion spending in the same month last year. Oil prices started to surge from January and rates crossed \$100 per barrel in the following month before touching \$140 per barrel in early March. Prices have since receded and are now around \$106 per barrel.
- The current power crisis is mainly on account of sharp decline in electricity generation from different fuel sources and not due to non-availability of domestic coal, a top official said on Sunday. The above statement assumes significance in the wake of reports of many states, including Maharashtra, facing power outages due to shortage of coal. In an interview to PTI, Coal Secretary A K Jain attributed the low coal stocks at power plants to several factors such as heightened power demand due to the boom in the economy post COVID-19, early arrival of summer, rise in the price of gas and imported coal and sharp fall in electricity generation by coastal thermal power plants. "It is not a coal crisis but a power demand-supply mismatch... The power demand has registered an upswing as the economy has bounced back, summers have arrived early and the price of gas and imported coal have shot up sharply," Jain explained. He added that a slew of measures are already under way to enhance total power supply in the country.

## Global Macro

- The S&P Global Flash US Manufacturing PMI increased to 59.7 in April of 2022 from 58.8 in March, beating market forecasts of 58.2. The reading pointed to the strongest growth in factory activity in seven months, mainly due to faster rises in output, new orders and employment. Despite another marked deterioration in vendor performance, firms were able to increase production amid stronger client demand and the acquisition of new customers, mainly from abroad. Inflationary pressures remained marked, with the rate of increase in costs quickening again to the sharpest since last November's series record amid reports of hikes in fuel, material and transportation prices. Output prices also increased at a record pace. Although firms stepped up their input buying and efforts to build safety stocks, backlogs of work rose steeply. Finally, the degree of confidence in the manufacturing sector slipped to a six-month low following greater geopolitical uncertainty and inflation concerns.

- The S&P Global US Services PMI fell to 54.7 in April of 2022 from 58 in March, the lowest in 3 months and well below forecasts of 58, a preliminary estimate showed. New business growth eased to a three-month low amid reports of labor and supply shortages and inflation dampening customer willingness to spend. The easing of travel restrictions allowed new export orders to tick higher again, as the rate of growth reached the fastest since data collection began in September 2014. Meanwhile, cost burdens continued to soar, as the rate of input price inflation accelerated to a series-record pace. In response, service providers hiked their selling prices at the steepest rate on record in an effort to pass through greater cost burdens. Employment growth was the second-fastest on record, as some services companies continued to highlight challenges fulfilling hiring requirements. Finally, business confidence dipped to the lowest level since October 2021.
- The S&P Global US Composite PMI registered 55.1 in April, down from 57.7 in March, a preliminary estimate showed. It was the lowest reading in 3 months due to the impact of inflation on customer spending. Although service providers recorded a softer upturn in activity, manufacturing firms noted the quickest uptick in production since last July. New orders growth eased from March's 9-month high while new export orders expanded sharply and at the steepest pace since the series began in September 2014. April data indicated a series-record rise in input costs across the private sector as raw materials, fuel, transportation and wage bills ticked higher. In an effort to pass through higher cost burdens to clients, businesses signaled the steepest rise in output charges on record. Meanwhile, the rate of job creation was the second-fastest since May 2021. Finally, the level of business confidence over the coming year slipped to a six-month low.

	S1	S2	PIVOT	R1	R2
ADANIPTS	851	823	869	897	914
APOLLOHOSP	4776	4746	4818	4848	4890
AXISBANK	3131	3092	3152	3191	3212
BAJAJFINSV	770	764	784	789	804
BAJFINANCE	3604	3577	3649	3675	3721
BHARTIARTL	15292	15202	15520	15610	15839
BPCL	7052	6994	7130	7188	7265
CIPLA	731	724	736	743	748
COALINDIA	391	388	394	397	400
DIVISLAB	3337	3305	3357	3389	3410
DRREDDY	949	934	974	989	1013
GRASIM	199	196	204	207	212
HDFC	4448	4403	4488	4532	4573
HDFCBANK	4128	4082	4214	4260	4346
HDFCLIFE	2608	2567	2622	2663	2677
HINDALCO	1696	1681	1725	1740	1769
ICICIBANK	1076	1051	1105	1129	1159
INDUSINDBK	2175	2152	2208	2231	2265
JSWSTEEL	1340	1332	1358	1366	1384
KOTAKBANK	546	541	557	563	574
LT	2279	2261	2292	2311	2324
NTPC	506	501	518	522	534
ONGC	2098	2074	2143	2167	2212
POWERGRID	741	737	750	753	763
RELIANCE	945	936	967	976	997
SBILIFE	1574	1564	1592	1602	1620
SBIN	259	256	261	263	265
SHREECEM	717	712	727	732	742
SUNPHARMA	1714	1704	1731	1741	1759
TATASTEEL	1682	1673	1699	1708	1725
ULTRACEMCO	900	876	914	938	952
UPL	7757	7601	7887	8043	8173
NESTLEIND	17976	17695	18113	18393	18530
NTPC	158	158	161	162	164
ONGC	173	172	175	175	177
POWERGRID	223	221	227	229	232
RELIANCE	2733	2710	2768	2791	2825
SBILIFE	1125	1115	1133	1143	1151
SBIN	492	488	503	507	517
SHREECEM	25696	25447	25856	26106	26265
SUNPHARMA	913	904	928	937	952
TATACONSUM	802	793	812	821	830
TATAMOTORS	434	431	441	443	450
TATASTEEL	1260	1248	1286	1298	1324
TCS	3590	3558	3604	3636	3649
TECHM	1289	1276	1307	1321	1338
TITAN	2480	2453	2503	2530	2553
ULTRACEMCO	6691	6651	6750	6791	6850
UPL	807	801	818	825	836
WIPRO	533	527	537	543	547

## 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
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
TCM LTD.	26-Apr-22	Right Issue of Equity Shares	27-Apr-22	-	-	22-Apr-22	26-Apr-22
ABB India Limited	27-Apr-22	Final Dividend - Rs. - 5.2000	-	29-Apr-22	05-May-22	22-Apr-22	28-Apr-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	25-Apr-22	28-Apr-22
HCL TECHNOLOGIES LTD.	28-Apr-22	Interim Dividend - Rs. - 18.0000	29-Apr-22	-	-	22-Apr-22	28-Apr-22
KSB Ltd	28-Apr-22	Dividend - Rs. - 12.5000	-	30-Apr-22	11-May-22	25-Apr-22	28-Apr-22
MAN INDUSTRIES (INDIA) LTD.-\$	28-Apr-22	Interim Dividend - Rs. - 2.0000	29-Apr-22	-	-	22-Apr-22	28-Apr-22
Mold-Tek Packaging Limited	28-Apr-22	Interim Dividend - Rs. - 6.0000	29-Apr-22	-	-	22-Apr-22	28-Apr-22
PRO FIN CAPITAL SERVICES LTD.	28-Apr-22	Stock Split From Rs.10/- to Rs.1/-	29-Apr-22	-	-	22-Apr-22	28-Apr-22
PRO FIN CAPITAL SERVICES LTD.	28-Apr-22	Bonus issue 2:1	29-Apr-22	-	-	22-Apr-22	28-Apr-22
STOVEC INDUSTRIES LTD.	28-Apr-22	Dividend - Rs. - 57.0000	-	30-Apr-22	06-May-22	25-Apr-22	28-Apr-22
VESUVIUS INDIA LTD.	28-Apr-22	Dividend - Rs. - 8.0000	29-Apr-22	-	-	22-Apr-22	28-Apr-22
Avro India Ltd	29-Apr-22	E.G.M.	-	04-May-22	10-May-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 - Rs. - 7.0000	09-May-22	-	-	-	-
Embassy Office Parks REIT	06-May-22	Income Distribution RITES	09-May-22	-	-	-	-
MAHASHREE TRADING LTD.	06-May-22	E.G.M.	-	09-May-22	14-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	-	-	-	-
VIKRAM THERMO (INDIA) LTD.	12-May-22	Bonus issue 4:1	13-May-22	-	-	-	-
INFOSYS LTD.	31-May-22	Final Dividend - Rs. - 16.0000	01-Jun-22	-	-	-	-
Linde India Limited	01-Jun-22	Special Dividend - Rs. - 10.0000	-	03-Jun-22	23-Jun-22	-	-
Linde India Limited	01-Jun-22	Final Dividend - Rs. - 3.5000	-	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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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.

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