

Morning Call

22 March 2022

Markets Tumble Due to Global Cues

- Indian shares ended sharply lower and the rupee slumped, as the war in Ukraine raged on and a high-ranking Fed official made hawkish remarks on borrowing costs, saying that it is necessary to raise the interest rate by 50 basis points at least once this year.

Global & Asian market overview

- **European stocks** closed broadly lower as the ongoing war between Russia and Ukraine, and reports about an emerging subvariant of omicron strain of the coronavirus in Europe weighed on sentiment and rendered the mood cautious.
- **US stocks** fluctuated over the course of the trading day but largely maintained a negative bias throughout the session. The major averages gave back ground following the strong upward move seen on Wall Street last week.
- **Asian stocks** ended flat to slightly lower as the war in Ukraine rages on and a high-ranking Federal Reserve official made hawkish remarks on borrowing costs, saying that it is necessary to raise the interest rate by 50 basis points at least once this year.

Industry Buzz

- **Wipro:** To consider declaration of interim dividend on March 25.
- **Punjab National Bank:** The lender will consider raising funds through Basel-III Compliant Additional Tier-1 Bonds and/or Tier-2 Bonds on March 29.
- **BHEL:** The company has appointed Upinder Singh Matharu as director (power) on the board effective March 21, 2022, till August 31, 2023.
- **Sun Pharma:** The company has agreed to acquire Daiichi Sankyo's 11.28% stake in Hyderabad-based subsidiary Zenotech Laboratories.
- **GR Infraprojects:** The company has bagged the order to build a four-lane highway in the Ujjain-Badnawar sector of Madhya Pradesh at a cost of Rs 907 crore.
- **KM Sugar:** The firm has approved modernisation, including updating the double sulphitation refining process, at its Ayodhya plant.

Indices	Close	Previous	Chg. %
Sensex Index	57,292	57,864	-0.99%
Nifty Index	17,118	17,287	-0.98%
NSEBANK INDEX	36,019	36,429	-1.13%
NSEAUTO INDEX	10,448	10,576	-1.21%
NSEIT INDEX	35,378	35,643	-0.75%

Market depth	Advance	Decline	T/O(bn)
NSE	896	1,262	589
BSE	1,502	2,025	40

Indices	Close	Previous	Chg. %
DJIA	34,553	34,755	-0.58%
NASDAQ	13,838	13,894	-0.40%
S&P 500	4,461	4,463	-0.04%
DAX	14,327	14,413	-0.60%
CAC 40	6,582	6,620	-0.57%
FTSE 100	7,442	7,405	0.51%
HANG SENG	21,221	21,412	-0.89%
SSE INDEX	3,254	3,251	0.08%
NIKKIE 225	27,205	26,827	1.41%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
COALINDIA	3.3	BRITANNIA	-3.5
HINDALCO	2.2	GRASIM	-3.1
UPL	1.8	TATACONSUM	-3.1
ONGC	1.1	SHREECEM	-3.0
HDFCBANK	0.5	SBILIFE	-3.0

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	33.0	38.5	-5.5
STOCK FUT	117.3	129.7	-12.3

- **Bank of India:** The lender has invested Rs 108.81 crore in the National Asset Reconstruction Company for 9% of its stake.
- **Dhampur Sugar Mills:** The company has declared an interim dividend of Rs 6 per equity share of face value Rs 10 each.
- **APL Apollo:** The company has acquired 9.9% stake in Shankara Building Products for Rs 180.5 crore.
- **Kama Holdings:** The company will consider declaration of a second interim dividend on March 28.
- **Gulshan Polyols:** The company plans to raise Rs 150 crore through a qualified institutional placement. The floor price is Rs 343.66/share, a 7.96% discount to Monday's closing price.
- **Equitas Small Finance Bank:** The lender has raised the interest rate to 7% per annum for savings and retail term deposits from March 21. It has also approved merger of Equitas Holdings with itself at a share swap ratio of 231:100.

- **Kohinoor Foods:** To consider selling factory unit in Haryana.
- **Manappuram Finance:** Defers fundraising meeting to March 26.

Indian Macro

- The Reserve Bank of India's (RBI) foreign exchange reserves are "well dispersed" and diversified, Governor Shaktikanta Das said on March 21, rejecting concerns about the central bank being crippled if the country faced sanctions similar to Russia in the future. "Our reserves are quite well dispersed. And I don't foresee a situation whereby India will ever face a sanction situation. We are a democratic country. Rule of law prevails. And India doesn't have any expansionary ambitions. This is something which I think the government has stated. These are not my words... I am just quoting what the Prime Minister said last year in Ladakh," Das said in an interaction with members of the Confederation of Indian Industry (CII). "Our reserves are distributed in various foreign currencies, not just concentrated in one currency. We have gold reserves, which are also dispersed partly in India, partly outside. So it is quite diversified. And sanctions, we don't foresee that situation. But yes, it is something which going forward every country will start thinking about it," the governor added. Russia's invasion of Ukraine last month resulted in various sanctions being imposed on the world's largest country, including the freezing of assets of the Central Bank of Russia held overseas. This limited the central bank's ability to contain the damage to the ruble, which has plummeted against the US dollar over the last month. The sanctions against the Central Bank of Russia have sparked speculation that central banks may choose to reduce their holdings of certain assets as part of their foreign exchange reserves.
- The government is in the midst of roadshows "to assess the investors' interest before the Expression of Interest" for the strategic disinvestment of IDBI Bank, Minister of State for Finance Bhagwat Kishanrao Karad said in response to a question in Lok Sabha on March 21. The strategic disinvestment of the government and Life Insurance Corp of India's (LIC) stakes in IDBI Bank was approved by the Cabinet Committee on Economic Affairs on May 5, 2021. While the government has a 45.48 percent stake in IDBI Bank, LIC owns 49.24 percent of the lender. The extent to which the two stakes will be divested will be decided "at the time of structuring of transaction in consultation with RBI", the government had said last year. The roadshows for IDBI Bank's disinvestment comes amid delays for LIC's own initial public offering. The insurance giant filed its draft red herring prospectus over a month ago. However, financial markets have been in turmoil ever since Russia invaded Ukraine in late February, leading to speculation that the listing may be delayed. Reports have emerged that the IPO could be pushed to FY23. IDBI Bank is an associate company of LIC. In its IPO papers filed with the Securities and Exchange Board of India, LIC had said that while IDBI Bank "does not need to raise further capital at the moment, we may be required to infuse additional funds into IDBI Bank in the future".

Global Macro

- Federal Reserve policymakers will take the necessary steps to get inflation down even if that means increasing interest rates by more than 25 basis points at a meeting or meetings, Chair Powell said in comments to a National Association for Business Economics conference in Washington. Powell also repeated that the Fed's reductions to its massive balance sheet could start by May. The Fed raised the target for the fed funds rate by a quarter-point to 0.25%-0.5% during its March 2022 meeting for the first time in three years and signaled ongoing rate hikes ahead. 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.
- U.S. inflation will likely exceed 3% through the end of next year, according the majority of economists surveyed by the National Association for Business Economics. Some 78% of panelists see 3% or more annual growth in consumer prices,

with 36% of forecasters indicating that inflation is “very likely” to stay above that level. Meanwhile, 77% of panelists said that monetary policy is too stimulative. The NABE survey was conducted before the Federal Reserve raised interest rates last week for the first time since 2018, but that decision was widely anticipated. The survey of 234 NABE members was conducted March 1-8. While inflation had already been top-of-mind for economists prior to Russia’s invasion of Ukraine, which began in late February, the war is poised to add upside risks to prices and could negatively impact growth, panelists said in the survey. “The Russia-Ukraine crisis is viewed as a negative growth shock for the global economy,” NABE President David Altig said in a statement. “With 47% of respondents indicating global growth will be reduced by more than 0.5%. More than three-quarters of panelists expect supply-chain bottlenecks to worsen because of the Russia-Ukraine crisis.” Energy prices have been one of the primary concerns. About a third of NABE panelists believe that the government should release oil from the Strategic Petroleum Reserve in order to mitigate rising fuel prices. Other suggestions included hastening a deal to bring Iranian oil into the market, lowering or suspending gasoline taxes or subsidizing oil and gas producers.

	S1	S2	PIVOT	R1	R2
ADANIPTS	722	711	736	747	761
ASIANPAINT	3006	2975	3062	3094	3149
AXISBANK	713	706	731	739	757
BAJAJ-AUTO	3516	3479	3617	3654	3755
BAJAJFINSV	16035	15946	16239	16329	16533
BAJFINANCE	6799	6740	6909	6967	7077
BHARTIARTL	699	694	712	716	729
BPCL	351	348	359	362	370
BRITANNIA	3180	3145	3265	3300	3385
CIPLA	1040	1034	1056	1062	1078
COALINDIA	178	173	182	187	191
DIVISLAB	4396	4354	4469	4511	4584
DRREDDY	3960	3935	4021	4046	4108
EICHERMOT	2337	2316	2393	2413	2470
GRASIM	1540	1519	1577	1598	1635
HCLTECH	1145	1132	1177	1189	1222
HDFC	2351	2330	2405	2427	2481
HDFCBANK	1477	1464	1485	1498	1506
HDFCLIFE	516	511	525	531	539
HEROMOTOCO	2349	2330	2398	2416	2466
HINDALCO	580	572	590	598	609
HINDUNILVR	2018	1999	2064	2082	2129
ICICIBANK	703	696	713	721	731
INDUSINDBK	902	893	920	929	947
INFY	1832	1814	1859	1878	1905
IOC	116	115	119	120	123
ITC	243	241	245	246	249
JSWSTEEL	669	664	684	689	704
KOTAKBANK	1751	1733	1790	1808	1847
LT	1725	1705	1765	1785	1825
M&M	778	773	784	789	795
MARUTI	7527	7444	7734	7817	8024
NESTLEIND	17573	17415	17972	18130	18528
NTPC	132	131	133	134	134
ONGC	170	168	172	175	177
POWERGRID	200	196	208	211	219
RELIANCE	2441	2417	2462	2486	2507
SBILIFE	1073	1061	1106	1118	1151
SBIN	484	480	493	497	506
SHREECEM	22932	22705	23560	23788	24415
SUNPHARMA	903	897	917	923	937
TATACONSUM	734	725	754	763	783
TATAMOTORS	423	421	430	432	439
TATASTEEL	1276	1266	1305	1316	1345
TCS	3571	3543	3642	3669	3741
TECHM	1459	1446	1490	1503	1533
TITAN	2675	2654	2722	2743	2790
ULTRACEMCO	6092	6037	6231	6286	6425
UPL	766	754	772	784	790
WIPRO	592	586	604	610	622

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
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 - Rs. - 1.5000	26/03/22	-	-	21/03/22	24/03/22
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	-	-	21/03/22	24/03/22
CENTURY EXTRUSIONS LTD.	25/03/22	E.G.M.	-	29/03/22	04/04/22	22/03/22	28/03/22
Data Infrastructure Trust	25/03/22	Income Distribution (InvIT)	28/03/22	-	-	21/03/22	25/03/22
DILIGENT INDUSTRIES LTD.	25/03/22	E.G.M.	-	29/03/22	04/04/22	22/03/22	28/03/22
TIJARIA POLYPIPES LTD.	25/03/22	E.G.M.	-	29/03/22	04/04/22	22/03/22	28/03/22
TVS MOTOR COMPANY LTD.	25/03/22	Interim Dividend - Rs. - 3.7500	28/03/22	-	-	21/03/22	25/03/22
GOLDIAM INTERNATIONAL LTD.	28/03/22	Stock Split From Rs.10/- to Rs.2/-	29/03/22	-	-	22/03/22	28/03/22
STEEL AUTHORITY OF INDIA LTD.	28/03/22	Interim Dividend - Rs. - 2.5000	29/03/22	-	-	22/03/22	28/03/22
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	-	-	-	-
Gian Life Care Ltd	29/03/22	Bonus issue 6:5	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 - Rs. - 6.0000	31/03/22	-	-	-	-
Gilada Finance & Investments Ltd	30/03/22	Bonus issue 1:1	31/03/22	-	-	-	-
Gilada Finance & Investments Ltd	30/03/22	Stock Split From Rs.10/- to Rs.5/-	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	-	-	-	-

Kama Holdings Limited-\$	04/04/22	Interim Dividend	05/04/22	-	-	-	-
Nirmitee Robotics India Ltd	04/04/22	E.G.M.	-	06/04/22	09/04/22	-	-
DISA INDIA LTD.	07/04/22	Interim Dividend	08/04/22	-	-	-	-
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	-	-	-	-
PCBL Ltd	11/04/22	Stock Split From Rs.2/- to Rs.1/-	12/04/22	-	-	-	-
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	-	-	-	-

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