

Morning Call

07 April 2022

Indices	Close	Previous	Chg. %
Sensex Index	59,610	60,177	-0.94%
Nifty Index	17,808	17,957	-0.83%
NSEBANK INDEX	37,633	38,068	-1.14%
NSEAUTO INDEX	10,907	10,937	-0.27%
NSEIT INDEX	35,872	36,467	-1.63%

Market depth	Advance	Decline	T/O(bn)
NSE	1,315	837	765
BSE	2,142	1,277	59

Indices	Close	Previous	Chg. %
DJIA	34,497	34,641	-0.42%
NASDAQ	13,889	14,204	-2.22%
S&P 500	4,481	4,525	-0.97%
DAX	14,152	14,424	-1.89%
CAC 40	6,499	6,646	-2.21%
FTSE 100	7,588	7,614	-0.34%
HANG SENG	22,081	22,502	-1.87%
SSE INDEX	3,283	3,283	0.02%
NIKKIE 225	27,350	27,788	-1.58%

Nifty Gainers	Chg. %	Nifty Losers	Chg. %
COALINDIA	3.1	HDFCBANK	-3.6
NTPC	2.6	HDFC	-3.3
TATASTEEL	1.9	HDFCLIFE	-2.4
POWERGRID	1.6	HCLTECH	-2.0
BPCL	1.5	TECHM	-2.0

FII Derivatives	Buy (bn)	Sell (bn)	Net (bn)
INDEX FUT	42.8	44.1	-1.3
STOCK FUT	137.8	155.8	-18.0

Markets fell for a second day running

- Weak global cues dented sentiment after U.S. Federal Reserve Governor Lael Brainard indicated the Fed could start reducing its balance sheet at a rapid pace from May itself and that rate hikes could come at a more aggressive pace than the typical 25bps increments.
- The worsening Covid-19 situation in China and fears that new sanctions against Russia will add fuel to inflation and hurt economic growth also weighed on markets.

Global & Asian market overview

- **European stocks** closed sharply lower with investors pressing sales at several counters amid concerns about inflation and imminent monetary tightening by the Federal Reserve, and on reports about imposition of new sanctions by Western nations on Russia.
- **US stocks** moved mostly lower during trading, extending the significant downward move seen in the previous session. The major averages all moved to the downside, with the tech-heavy Nasdaq showing another particularly steep drop.
- **Asian stocks** tumbled, the U.S. dollar strengthened and bond yields surged as investors pondered the possibility of aggressive monetary tightening by the U.S. Federal Reserve to fight inflation.

Industry Buzz

- **Zee Entertainment:** The company's shareholder Invesco will sell 7.8% stake in the company. Once bookbuild is complete Invesco will continue to own in at least 11% stake of the company.
- **IDFC:** The bank signed definitive agreement to sell IDFC asset management company and IDFC AMC trustee to consortium comprising Bandhan Financial Holdings, GIC and Chrys Capital for a consideration of Rs 4500 crore. It also declared interim dividend of Rs 1 per equity share, 10% of paid-up share capital.
- **DCB Bank:** The bank reappointed Murali M. Natrajan as the Managing Director & CEO, for further period of two years effective April 29, 2022.

- **Godrej Consumer:** The company reported sales growth in high single digit, driven entirely by pricing. Unprecedented commodity inflation and subsequent price hikes impacted volumes. Within categories, personal care sustained its double-digit growth trajectory, primarily led by pricing. On the profitability front, the company is expected to deliver lower year-on-year EBITDA margins due to input inflation and weak performance in Indonesia.
- **Titan:** The company's overall revenue drops 3%. Revenue of its jewellery business dropped 4% YoY. Watches & Wearable business saw revenue growth of 12%. Eyecare, a relatively small business, recorded 5% growth over the previous year. Increase in sales from departmental stores and e-commerce led to a 21% YoY growth in fragrances and 67% growth in fashion accessories business. CaratLane, which is 72.3% owned by Titan, posted a 51% growth YoY.
- **Tata Steel:** The company has executed share purchase agreement to acquire entire equity stake of Steel Authority of India held in S&T Mining Company, a Joint Venture between SAIL and the company. On completion of the acquisition, S&T Mining will become a wholly owned subsidiary of the company.

- **Motherson Sumi:** The company has completed acquisition of 55% stake in CIM Tools.
- **Bank of Baroda:** The bank executed share purchase agreement to sell entire equity stake of 14% in India SME Asset Reconstruction Company.
- **Maruti Suzuki:** The company has voluntarily recalled 19,731 units of its EECO model to inspect and rectify incorrect marking of wheel rim size, if any, on the wheel in some of these vehicles. This issue has no implication on performance, safety or environment, the company said.
- **HDFC Bank:** To raise capital of Rs 50,000 crore via bonds through private placements.
- **Max Financial Services:** The company appointed Amrit Singh as the Chief Financial Officer effective May 1, after Mandeep Mehta resigned from the position.
- **L&T Financial Services:** To consider declaration of dividend and issuance of non-convertible securities on April 29.
- **Union Bank of India:** The bank executed agreement to sell stake of 8% in India SME Asset Reconstruction Company in favour of Dhansamridhi Finance.
- **KNR Constructions:** The company achieves financial closure for the development of six lane Chittoor-Thatchur Highway from Hybrid Annuity Mode under Bharatmala Pariyojana, Andhra Pradesh and Tamil Nadu.
- **Adani Enterprise:** The company has acquired 49% stake in of Jhar Mining Infra from ACB for Rs 2.45 lakh.
- **Tata Communications:** To consider declaration of dividend on April 21.
- **Canara Bank:** The bank executed agreement to sell stake of 4% in India SME Asset Reconstruction Company.
- **Rama Steel Tubes:** 4Q Sales Volume Up 50% YoY to 35,872 tonnes

Indian Macro

- India's foreign minister said the government is working to stabilise economic transactions with Russia, a day after India condemned killings of civilians in Ukraine and called for an independent probe. S Jaishankar told lawmakers in the Parliament that Russia continues to be a critical economic partner and efforts were underway to "stabilise economic transactions between India and Russia." Russia is India's main supplier of defence hardware but overall annual trade is small, averaging about \$9 billion in the past few years, mainly fertiliser and some oil.
- India's services activity improved in March, with the S&P Global India Services Purchasing Managers' Index (PMI) rising to a three-month high of 53.6 from 51.8 in February. A reading above 50 indicates expansion in activity, while a sub-50 print is a sign of contraction. IHS Markit - the compiler of the PMI - completed its merger with S&P Global on February 28, leading to the renaming of the PMI for India as well as some other countries.
- The slowing rural demand over the past two quarters, which has severely impacted the performance of companies, especially in the FMCG/consumer staples and two-wheeler segments, has been a cause for concern. Companies like Hindustan Unilever Ltd (HUL) had highlighted the visible signs of a slowing rural economy during its Q3FY22 earnings announcements. Subsequent analysis by economists and analysts also confirmed a certain slowdown made evident by the decline in volume offtake in the consumption category, declining sales of two-wheelers and tractors and lower credit offtake visible in the performance of micro-finance companies.

Global Macro

- Debt markets remained under heavy selling pressure in April, with the US yield on the 10-year note surging above 2.63%, its highest level since March 2019. Investors anticipate an aggressive looming policy tightening cycle as major central banks sought to tame inflation, currently running at records levels. On Wednesday Minutes from the Federal Reserve's March meeting showed that the central bank was considering higher rate hikes than its usual 25-basis-point, given a worsening inflation outlook. 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, rose to as high as 0.65%, closing in on its highest level since May 2018.
- US crude oil inventories rose by 2.421 million barrels to 412.4 million barrels in the week ended April 1st, after a 3.449 million barrel drop and compared with market expectations for a 2.056 million fall, data from the EIA Petroleum Status Report showed. Meanwhile, crude stocks at the Cushing, Oklahoma, rose by 1.654 million barrels, and distillate stockpiles which include diesel and heating oil went up 0.771 million barrels to 114.3 million barrels, against forecasts for a 0.819 million drop. Gasoline inventories went down 2.041 million barrels to 236.8 million barrels, while markets were expecting a 0.063 million-barrel increase.
- The yield on Britain's 10-year Gilt rose to above 1.7%, close to the highest since January 2016 as investors sell off government debt on prospects of higher interest rates following hawkish comments from Fed officials. The BoE delivered its third straight rate hike in March, bringing borrowing costs to pre-pandemic levels but one policymaker voted to keep rates unchanged while in January all members favored a rate hike and officials said a further tightening of policy "might be" appropriate in the coming months, instead of "likely" last month. Policymakers warned that inflation, currently running at 30-year highs, could increase further to around 8% in 2022 Q2, and perhaps even higher later this year. BoE Governor Andrew Bailey said that the shock to inflation-adjusted incomes in Britain from rising energy prices will be larger than every single year in the 1970s.

	S1	S2	PIVOT	R1	R2
ADANIAPORTS	839	828	851	861	873
APOLLOHOSP	4462	4424	4535	4572	4646
AXISBANK	768	763	774	779	785
BAJAJFINSV	16576	16489	16738	16824	16986
BAJFINANCE	7280	7227	7352	7405	7477
BHARTIARTL	765	755	773	783	791
BPCL	381	375	384	390	393
CIPLA	1020	1007	1027	1040	1047
COALINDIA	189	185	193	198	202
DIVISLAB	4323	4271	4425	4477	4579
DRREDDY	4242	4210	4299	4331	4387
GRASIM	1684	1677	1700	1707	1724
HDFC	2500	2478	2552	2574	2626
HDFCBANK	1529	1517	1560	1572	1602
HDFCLIFE	549	544	558	563	573
HINDALCO	574	568	582	588	595
ICICIBANK	733	726	739	746	752
INDUSINDBK	958	951	968	976	986
JSWSTEEL	730	721	738	746	755
KOTAKBANK	1768	1759	1780	1789	1802
LT	1836	1817	1847	1866	1877
NTPC	150	145	152	157	159
ONGC	171	169	172	175	176
POWERGRID	233	228	236	240	243
RELIANCE	2592	2566	2613	2640	2661
SBILIFE	1096	1089	1109	1117	1130
SBIN	508	502	512	517	521
SHREECEM	24440	24239	24859	25060	25480
SUNPHARMA	921	916	930	935	944
TATASTEEL	1350	1328	1368	1390	1408
ULTRACEMCO	6678	6633	6735	6780	6837
UPL	794	783	803	814	823
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
BHAGIRADHA CHEMICALS & INDUSTRIES LTD.	7-Apr-22	Right Issue of Equity Shares	44660	-	-	6-Apr-22	7-Apr-22
DISA INDIA LTD.	7-Apr-22	Interim Dividend - Rs. - 150.0000	8-Apr-22	-	-	31-Mar-22	7-Apr-22
DWARIKESH SUGAR INDUSTRIES LTD.	7-Apr-22	Interim Dividend - Rs. - 2.0000	8-Apr-22	-	-	31-Mar-22	7-Apr-22
Edelweiss Financial Services Ltd.	7-Apr-22	Interim Dividend - Rs. - 0.2500	9-Apr-22	-	-	4-Apr-22	7-Apr-22
EKI Energy Services Ltd	7-Apr-22	Interim Dividend - Rs. - 20.0000	8-Apr-22	-	-	31-Mar-22	7-Apr-22
FILATEX INDIA LTD.-\$	7-Apr-22	Buy Back of Shares	8-Apr-22	-	-	31-Mar-22	7-Apr-22
Johnson Pharmicare Ltd	7-Apr-22	Bonus issue 1:10	8-Apr-22	-	-	31-Mar-22	7-Apr-22
Kkalpana Industries (India) Ltd	7-Apr-22	Spin Off	8-Apr-22	-	-	6-Apr-22	7-Apr-22
Narayani Steels Ltd	7-Apr-22	Resolution Plan -Suspension	8-Apr-22	-	-	31-Mar-22	7-Apr-22
SUPREME PETROCHEM LTD.	7-Apr-22	Reduction of Capital	8-Apr-22	-	-	4-Apr-22	7-Apr-22
Vipul Organics Ltd	7-Apr-22	Bonus issue 1:4	9-Apr-22	-	-	4-Apr-22	7-Apr-22
Angel One Ltd	8-Apr-22	Interim Dividend - Rs. - 7.0000	11-Apr-22	-	-	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	-	-
Ducon Infratechnologies Ltd	18-Apr-22	Bonus issue 1:10	19-Apr-22	-	-	-	-
India Infrastructure Trust	18-Apr-22	Income Distribution (InvIT)	19-Apr-22	-	-	-	-
Veeram Securities Ltd	18-Apr-22	Stock Split From Rs.10/- to Rs.2/-	19-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	-	-	-	-

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