

Market Outlook

Indian markets are likely to open on a negative note despite mixed Asian cues tracking concerns on inflation and policy tightening. All eyes are on the outcome of a bi-monthly review by the RBI due later this week.

Markets Yesterday

- Domestic markets ended marginally lower on the back of losses in pharma and BFSI stocks amid mixed global cues
- US markets ended lower tracking losses in technology stocks amid negative news flows

Key Developments

- Marico is planning to grow its health food portfolio by allocating more resources and investments to the division. This includes hiring more manpower and adding new products under the Saffola brand. The company plans to increase the healthy food portfolio's revenue from ₹ 450 crore in FY22 to ₹ 850-1000 crore in FY24
- According to Anarock, housing sales may witness a 10% sequential decline in Q2CY22 on account of increasing interest rates, inflationary pressure and rise in building material costs that have pushed up property prices. Anarock data indicated sale of 99,550 units across the top seven cities in Q1CY22
- According to moneycontrol, Sebi revoked the securities market ban imposed on Abhay Bhutada, Managing Director of Poonawala Finance, in a case pertaining to alleged insider trading activities in the shares of Magma Fincorp (which is now known as Poonawala Fincorp)

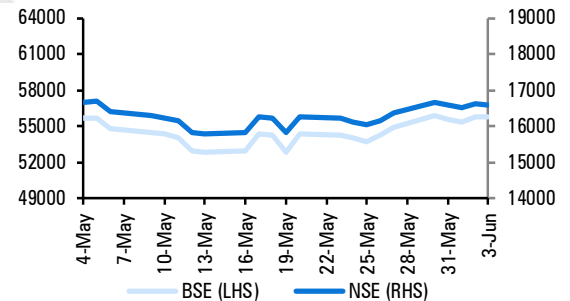
Nifty Heat Map

Reliance Ind.	2,780 2.0%	L&T	1,652 0.9%	Infosys	1,522 0.9%	Sun Pharma	865 0.6%	TCS	3,440 0.5%
HCL Tech	1,043 0.3%	HUL	2,292 0.3%	Wipro	476 0.3%	Power Grid	226 0.2%	TechM	1,148 0.2%
Dr Reddy	4,340 0.2%	Kotak Bank	1,859 0.1%	SBI Life	1,141 -0.2%	ITC	273 -0.3%	HDFC Bank	1,380 -0.3%
BPCL	328 -0.4%	Bajaj Auto	3,673 -0.4%	Bajaj Finance	6,028 -0.5%	HDFC Ltd	2,277 -0.5%	ONGC	152 -0.6%
Tata Consum	754 -0.6%	Coal India	197 -0.6%	ICICI Bank	744 -0.7%	UPL	770 -0.7%	Asian Paints	2,887 -0.7%
Titan	2,204 -0.7%	Hindalco	407 -0.8%	HDFC Life	603 -0.9%	SBI	465 -1.1%	Adani Ports	740 -1.1%
Nestle	17,171 -1.3%	Divis Lab	3,478 -1.3%	Britannia	3,530 -1.3%	Tata Steel	1,067 -1.3%	Bharti Airtel	687 -1.4%
Eicher	2,685 -1.4%	M&M	1,029 -1.5%	Apollo Hospitals	3,589 -1.5%	Tata Motors	432 -1.7%	Bajaj Finserv	12,692 -1.9%
JSW Steel	562 -1.9%	Indusind Bank	924 -2.0%	Axis Bank	677 -2.1%	NTPC	155 -2.5%	Cipla	961 -2.6%
Maruti	7,705 -2.8%	Hero Moto	2,584 -3.0%	Shree Cement	20,638 -4.6%	Ultratech	5,679 -5.5%	Grasim Ind	1,339 -6.5%

Today's Highlights

Events: Japan Household Spending

Index Movement



	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yrfwd)
Sensex	55,769	55,818	-0.1	0.4	-4.3	22.7
Nifty	16,584	16,628	-0.3	0.0	-4.4	21.9

Institutional Activity

	CY20	CY21	YTD CY22	Yesterday	Last 5 Days
FII (₹ cr)	64,379	-95,085	-2,31,446	-3,771	-4,827
DII (₹ cr)	-28,544	95,934	1,88,843	2,361	7,212

World Indices – Monthly performance

	Shanghai	Nikkei	France	Dow Jones	U.K.
	3,195	27,762	6,485	32,900	7,533
	4.9%	3.5%	0.2%	-0.1%	-0.2%
	Germany	Kospi	BSE	NSE	Nasdaq
	14,460	2,671	55,769	16,584	12,013
	-0.2%	-0.4%	-2.1%	-2.8%	-4.4%

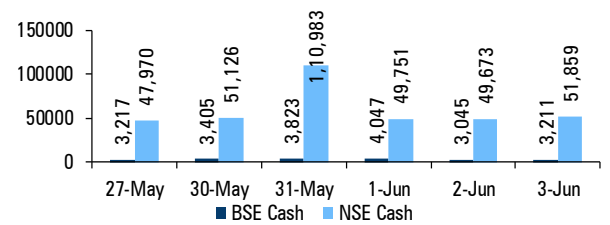
Markets Today (Updated till Yesterday)

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹/10 gm)	50,984	51,269	-0.6	-0.5	7.4
Silver (₹/kg)	61,660	62,336	-1.1	-1.7	2.1
Crude (\$/barrel)	121.1	117.6	3.0	3.7	46.2
Copper (\$/tonne)	9,499	9,446	0.6	0.0	-0.5
Currency					
USD/INR	77.6	77.7	0.0	0.0	4.5
EUR/USD	1.1	1.1	-0.3	-0.1	-5.1
USD/YEN	130.9	130.2	0.8	0.6	13.0
ADRs					
HDFC Bank	58.3	58.9	-1.0	-1.0	-14.3
ICICI Bank	19.1	19.6	-2.5	-2.5	-9.8
Tata Motors	27.5	28.8	-4.5	-4.5	-16.3
Infosys	19.4	19.5	-0.7	-0.7	-19.6
Dr Reddys Labs	55.6	55.8	-1.0	-0.5	-12.7
Wipro	6.0	6.2	-2.1	-2.1	-36.8

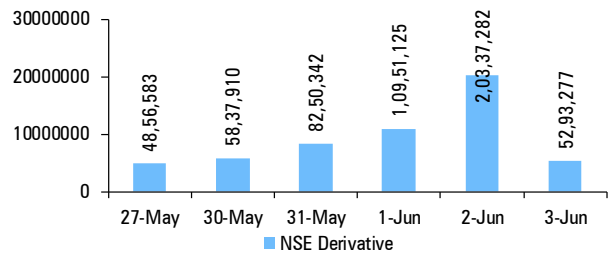
Key Data Points

Key Economic Indicator	Period	Latest	Prior Values
RBI Cash Reserve Ratio	N/A	4.50%	4.00%
RBI Repo Rate	N/A	4.40%	4.00%
RBI Reverse Repo Rate	N/A	3.35%	3.35%
CPI YY	Apr	7.79%	6.95%
Current Account Balance	Q3	-9.9bln \$	-9.6bln \$
Exports - USD	Apr	38.19bln\$	34.5bln\$
FX Reserves, USD Final	June	601.363 bln\$	595.95 bln\$
GDP Quarterly yy	Q4	4.10%	5.40%
GDP Annual	FY22	8.70%	-7.30%
Imports - USD	Apr	58.26 bln \$	59.07 bln \$
Industrial Output yy	Mar	1.9%	1.3%
Manufacturing Output	Mar	0.9%	1.1%
Trade Deficit Govt - USD	Apr	-20.07 bln \$	-18.51 bln \$
WPI Food yy	Apr	8.9%	8.7%
WPI Fuel yy	Apr	38.7%	34.5%
WPI Inflation yy	Apr	15.1%	14.6%
WPI Manuf Inflation yy	Apr	10.9%	10.7%

Exchange Cash Turnover (₹ crore)



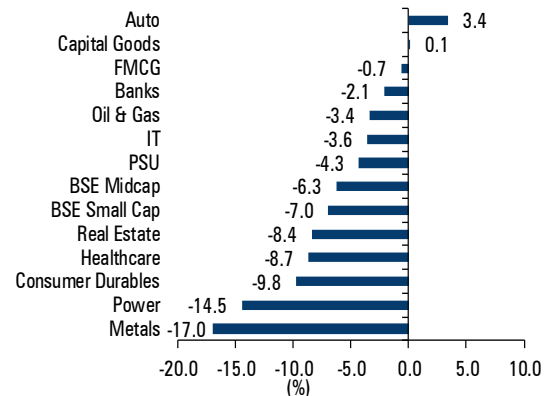
NSE Derivative Turnover (₹ crore)



Corporate Action Tracker



Security name	Action	Ex Date	Record Date	Status	Price (₹)
Varun Beverages	Bonus Issue	06-Jun-22	07-Jun-22	1:2	
AUROBINDO PHARMA	Dividend	06-Jun-22	07-Jun-22		4.50
FAZE THREE	Dividend	06-Jun-22	07-Jun-22		0.50
M.M.FORGINGS	Dividend	06-Jun-22	07-Jun-22		6.00
RALLIS INDIA	Dividend	06-Jun-22	08-Jun-22		3.00
KANSAI NEROLAC PAINTS	Dividend	08-Jun-22	09-Jun-22		1.00
ASIAN PAINTS	Dividend	09-Jun-22	10-Jun-22		15.50
HDFC Asset Management	Dividend	09-Jun-22	10-Jun-22		42.00
Tata Consumer Products	Dividend	09-Jun-22	11-Jun-22		6.05
VOLTAS	Dividend	09-Jun-22	11-Jun-22		5.50
TATA COMMUNICATIONS	Dividend	10-Jun-22	11-Jun-22		20.70




Sectoral Performance – Monthly Returns (%)




Key News for Today

Company/I ndustry	News	View	Impact
Indian automobile sector	As per media sources, some marquee global auto OEMs have started to operate their manufacturing plant at near full capacity utilisation levels on the back of meaningful improvement in chip availability and expect the supply chain to normalise sooner than expected	This comes as a positive development for the entire automobile space benefitting players across the OEM as well as ancillary supply chain. Since this is first being witnessed in key global markets, it is set to benefit global ancillary players like Motherson Sumi (now SAMIL), Bharat Forge among others. We await management commentary from Indian players on the same. Separately, post imposition of export duty on steel, domestic ferrous metal prices have corrected ~8%, which will help improve the margin profile at the ancillary players followed by the OEMs in the medium term	

<p>Infra sector</p>	<p>NHAI has said that as part of the government's monetisation strategy, it has offered additional three roads aggregating 247 km to its InvIT. Initially, the InvIT had a portfolio of five operating toll roads with an aggregate length of 390 km. These roads are located across Gujarat, Karnataka, Rajasthan and Telangana. Additionally, NHAI said its InvIT has announced a distribution of ₹ 0.79 paisa /unit to its unit holders for FY22</p>	<p>NHAI is aiming to monetize ₹ 20,000 crore of assets during FY23 amid ongoing economic uncertainties and geo-political instability. Thus, it is offering additional road assets to InvIT and payouts to unitholders are likely to reinforce confidence on the product and likely to aid its overall monetisation plan</p>	
<p>Reliance Industries (Reliance Retail)</p>	<p>As per media reports, Reliance Retail has started instant grocery delivery service through a new platform and app under the JioMart Express brand with trials currently ongoing in Navi Mumbai. The company plans to expand it to over 200 cities and towns where JioMart is currently active</p>	<p>Quick commerce is a fast growing segment, which has the presence of Tata-owned Big Basket, Zomato-funded Blinkit, Swiggy's Instamart, Walmart-owned Flipkart Quick and Zepto. With entry into the segment, the company would be able to cater to customers who need shorter delivery period. JioMart Express is promising 90-minutes delivery and no minimum order value while free deliveries will be only for orders above ₹199. The company has the infrastructure as it has strong network of physical stores which could be utilised for fulfilling orders. The company has vast gamut of products across consumer categories from grocery to electronics. With faster delivery times it can retain its existing JioMart customers and also acquire newer customers which would aid in supporting sustained revenue growth</p>	

<p>Capital Goods sector</p>	<p>India aims to achieve 60% of FY23 capex target by September quarter i.e. about ₹ 4.45 lakh crore. The Finance Ministry has asked key infrastructure ministries and departments to speed up projects, Gol wants to push capital expenditure to support the economy. The government has budgeted ₹ 7.5 lakh crore capital expenditure in FY23, up from ₹ 6.02 lakh crore in FY22. To achieve the target, infrastructure projects will be closely monitored to prevent any delays. Ministries and departments have been asked to provide detailed monthly plans and progress reports. In April FY23, the cumulative capital spending of all departments and ministries was ₹ 78,925 crore, 67.5% more than the ₹47,126 crore spent in the same month a year earlier. The highways and railways account for about ₹ 58,500 crore of the ₹ 78,925 crore spent on the capital account in April. MORTH has a capital expenditure budget of ₹ 1.18 lakh crore in the current fiscal year. It spent ₹ 40,318 crore in April, almost 21% of the annual target. The Ministry of Railways spent ₹18,199 crore in April, which is 13% of its annual capital expenditure budget of ₹1.37 lakh crore</p>	<p>The government is driving capex on the fast lane and FY23 has started on a promising note. As it shows the government is continuing with the committed capex for FY23 and it will be good for long-term economic growth. However, private investments are yet to pick up pace. Average capacity utilisation, which has crossed the 70% mark, is expected to get a renewed boost with this and positive for overall capital goods sector. We may see healthy order-inflows for first-half of FY23</p>	
<p>Power Sector</p>	<p>The government has directed state-owned CIL to be prepared to import 12 million tonnes (MT) of coal for power utilities for the next 13 months. The government is making all efforts to build up stock of coal to avoid the reoccurrence of power outages which happened in April on account of shortage of the fossil fuel</p>	<p>This came in on expected lines as the government does not want to repeat power shortage that happened in April due to low coal stocks at power plants and heightened power demand post-Covid-19. As most of the gencos have expressed their inability to export the due to limited knowledge and inexperience in subject matter. With the import of coal the prices of electricity are set to increase due to imported coal cost being ~25-30% more than normal coal but the problem of power shortage can be countered</p>	
<p>IEX</p>	<p>Nepal has started selling electricity to India through its power exchange market since last week. Total 37.7 MW has started to be sold to Indian buyers from Thursday onwards</p>	<p>This came in as positive for IEX that was lately struggling to garner volumes on account of electricity shortage and capping of DAM and TAM market. Nepal is selling electricity to India through its exchange market for the second year in a row. NEA sold electricity from the same two projects for nearly one and a half months starting early November last year. Hence, this will add to the volumes of IEX in coming months.</p>	

NTPC	India's largest power generating company (genco) NTPC has awarded multiple contracts to import 6.25 million tonne (mt) of coal to Adani Enterprises at a cumulative value of ₹ 6,585 crore	This came in line with recent directive of the Union Power Ministry to blend 10% imported coal in order to tackle domestic coal shortage	
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Key developments (Continued...)

- As per media sources, Honda Motorcycles have patented Honda U-Go electric scooter in India (being already offered in Chinese markets in a JV with local partner). This could very well be the first electric offering by the company, which its peers are lacking in terms of transition to new technology i.e. electrification
- Essar Power has entered into a definitive agreement with Adani Transmission (ATL) to sell one of its two transmission lines for ₹ 1,913 crore. Essar Power Transmission Company (EPTCL), an arm of Essar Power, has 465-km transmission lines across three Indian states. The asset transacted is an operational 400 kilovolt (kV) inter-state transmission line linking Mahan in Singrauli, Madhya Pradesh to Sipat pooling substation in Bilaspur, Chhattisgarh
- Defence Minister Rajnath Singh will be paying an official visit to Vietnam from June 8-10 at the invitation of Vietnam, where he will hold bilateral talks with the officials of Vietnam to review defence cooperation between the two countries and explore new initiatives to further strengthen the defence engagements. He will also hand over 12 high speed coast guard boats under its \$100 million defence line of credit to the country
- Adani Defence & Aerospace is likely to invest ₹ 1500 crore for setting up the state-of-the-art ammunition development and manufacturing complex in Kanpur node of the UP Defence Industrial Corridor. The complex spreads over more than 250 acres and will have state-of-the-art technology across small and medium calibre ammunition, along with short-range air defence missiles
- Strong demand for rice has led traders in Asian countries like Thailand and Vietnam to increase export prices. Thailand's 5% broken rice prices were quoted at \$455-460 per tonne, up from \$450 in the previous week. Vietnam's 5% broken rice prices were quoted at \$420-425 per tonne compared to \$415-420 a week ago. In Bangladesh, the government has launched a nationwide drive against rice hoarders to sharp increase in domestic prices for rice
- As per The Economic Times, the Reserve Bank of India had raised questions about an arrangement on home loans origination and transaction between mortgage lender Housing Development Finance Corp and its banking unit HDFC Bank. This may have been one of the reasons for their merger. The regulator had been bringing up the issue of the unique agreement between HDFC and HDFC Bank over a period as it thought the arrangement was not good for the industry from the structure as well as the risk point of view
- According to Business Line, Bank of Baroda (BoB) plans to set up mid-corporate branches across the country for quick processing of corporate proposals and tap the opportunities available in this segment. BoB is also considering cross sell of term loan facility to existing working capital customers
- As per Business Line, Fairfax India Holdings, the investment arm led by Prem Watsa, has concluded initial talks with representatives of the Finance Ministry to acquire the government's 45.48% stake held in IDBI Bank
- According to Bloomberg, Saudi Arabia has raised oil prices for its key Arab Light crude grade to Asian customers for July shipments
- According to The New Indian Express, import of Russian crude oil by Indian companies is likely to grow by 20% month-on-month to 1.05 million barrels per day in June, as per the data compiled by commodity analysts Kpler. The data highlighted that India imported 840,645 barrels per day of Russian crude in May

Nifty Daily Chart

NIFTY [N59901]16527.90,16793.85,16438.85,16584.50, 11114768384, 1.42%
Price Avg(E,20)



Technical Outlook

Equity benchmarks extended gains over third consecutive week tracking global recovery. The Nifty ended the volatile week at 16584 up 1.4%. In the coming session, index is likely to open on a subdued note tracking muted global cues. We expect index to consolidate amid stock specific action. Hence, use intraday pullback towards 16650-16682 for creating short position for the target of 16563

Going ahead, Nifty holding 16400 post RBI policy outcome, would challenge 16800 and gradually head towards 17200 in the month of June. Key point to highlight during last week is that, throughout the week index managed to sustain above the earlier range breakout zone of 16400 coincided with positive gap area, highlighting elevated buying demand emerging from immediate support of 16400 as per change of polarity concept. Thus, we believe, after past six sessions rally of 1000 points, a healthy retracement towards 16500-16400 should be used as an incremental buying opportunity with focus on BFSI, IT, Auto and Capital goods.

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
S&P BSE SENSEX INDEX	Positive	55769.2	55515	55261	56229	56687
NIFTY 50	Positive	16584.3	16504	16423	16730	16875
AARTI INDUS LTD	Neutral	720.5	708	696	743	766
ASIAN PAINTS LTD	Positive	2886.9	2855	2824	2918	2950
DIVI LABS LTD	Neutral	3478.3	3445	3412	3540	3600
STATE BANK IND	Neutral	464.5	461	456	473	480
DR REDDY'S LABS	Positive	4340.0	4306	4272	4383	4426
TATA MOTORS LTD	Negative	431.9	427	421	442	451
INDUSIND BANK	Positive	924.3	912	901	944	965
BATA INDIA LTD	Negative	1839.9	1826	1813	1861	1883
TATA CONSULTANCY	Positive	3440.2	3423	3404	3469	3496
GRANULES INDIA	Positive	269.2	266	262	276	282
BHARAT PETROL	Neutral	328.2	326	324	331	334
INDIAN RAILWAY C	Negative	665.4	659	651	680	693
RELIANCE INDS	Positive	2779.5	2743	2705	2818	2855
AU SMALL FINANCE	Neutral	1262.8	1239	1216	1304	1344
CESC LTD	Positive	79.3	78	78	79	81

CNX Nifty Technical Picture

	Intraday	Short term
Trend	Range Bound	Up
Support	16490-16430	16100
Resistance	16620-16700	16800
20 day EMA		16388
200 day EMA		16752

Advances/Declines

	Advances	Declines	Unchanged
BSE	1308	2029	129
NSE	736	1411	66

Daily Technical Calls

- Daily Technical Calls**
- Buy ITC Infotech in the range 271.00-272.00
 - Sell Cholamandalam Investment & Finance in the range of 657.00-659.00
 - Buy Coforge in the range of 3890-3948

All recommendations of June Future

[See Momentum Pick for more details](#)

Intraday Derivative Strategy

i) Infosys Limited (CMP: 1526.6)

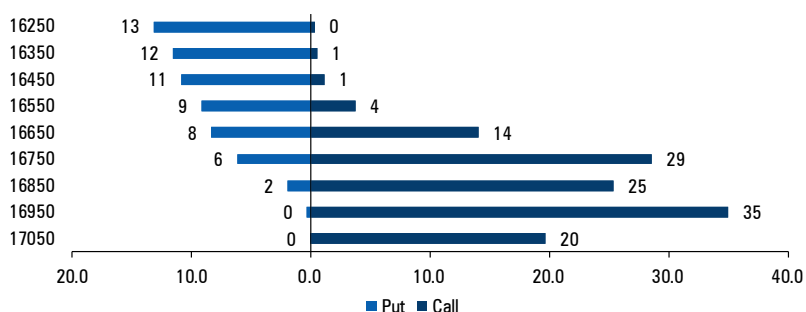
Buy INFTEC June Fut at ₹ 1524.6-1528.6
Target 1: 1556.6 Target 2: 1601.6
Stop Loss: 1496.6

ii) The Ramco Cements Limited (CMP: 627.55)

Sell RAMCEM June Fut at ₹ 626.05-629.05
Target 1: 617 Target 2: 601.1
Stop Loss: 638.1

[See Derivatives view for more details](#)

Nifty Call – Put Strike (Number of shares in lakh) – June, 2022



Results/Events Calendar

23	May Monday	24	May Tuesday	25	May Wednesday	26	May Thursday	27	May Friday	28	May Saturday
Pricol,HG Infra,Birla Soft,SAIL Bharat Elect. Divis Action Construction Graphite India	JM Fin,Gabriel,Minda Ind MBL,Dalmia Bharat Sugar,Indo Con Adani Ports,Jyothi Labs,Eclerx Phoneix Mills,globus spirit IPCA,Aster DM,Balrampur chini	Apollo Hospital,HEG,Bata,BPCL Torrent Pharma,Ashoka Bildcon Coal India,Shalby,Nesco,Easy Trip MM Forging AIA Engg.,	Page Ind,NMDC,Oberoi Realty,Goodyear Hindalco,Healthcare Global,Hind Rect. Motherson Sumi,Hawking Cooker Berger Paints,sudarshan chem Colgate Palmolive,Muthoot Fin	Ramco Cem,Eng India,Crompton Grees M&M,Transport Corp ESAB,Sumitomo Chem,Mah Seamlas TTK Prestige,Hikal Time Technoplast PNC Infra JSW Steel,Info Edge,GR Infra,Aarti In							
30	May Monday	31	May Tuesday	01	June Wednesday	02	June Thursday	03	June Friday	04	June Saturday
Sun Pharma,Radico,Shaily Eng KNR Construction,Techno Electric Jagran Prakashan,Suntech Realty Aurobindo Pharma,Mayur Uniquoters Natco Pharma,Dixon Tech,NBCC	EU CPI ,JP Manufacturing PMI IN Federal Fiscal Deficit,IN GDP CH Caixin Manufacturing PMI IN Infrastructure Output US CB Consumer Confidence	IN Nikkei Manuf PMI EU Manuf PMI,US JOLTS Job Opening UK Manuf PMI US Manf PMI US ISM Manf PMI	EU PPI US Factory Orders	IN Nikkei Service PMI EU Markit Composite PMI EU Service PMI, US Service PMI EU Retail Sales US Marki Composite PMI							
06	June Monday	07	June Tuesday	08	June Wednesday	09	June Thursday	10	June Friday	11	June Saturday
JP Household Spending IN Bank Loan Growth IN Deposit Growth	CH FX Reserves UK Service PMI US Trade Balance JP GDP UK Composite PMI	UK Construction PMI EU GDP JP M3 Money Supply CH Trade Balance	JP PPI CH PPI CH CPI	US Core CPI US CPI US Federal Budeget Bal							
13	June Monday	14	June Tuesday	15	June Wednesday	16	June Thursday	17	June Friday	18	June Saturday
UK Industrial Production IN Cumulative Industrial Production IN Industrial Production IN Manufacturing Output	JP Ind Prod, US PPI, US Core CPI UK Unemployment Rate,CH Ind. Prod IN WPI Food, IN WPI Fuel IN WPI Manf. Inflation,IN CPI IN WPI Infaltion,EU Ind Prodn	US Core retail Sales US Retail Sales US Fed int Rate decision	UK Car sales EU Labour Cost Index UK BOE Int Rate Decision	EU Core CPI EU CPI US ind. Prodn US Manf. Prodn							
20	June Monday	21	June Tuesday	22	June Wednesday	23	June Thursday	24	June Friday	25	June Saturday
EU Cnstruction Outpput	EU Current Account US Existing Home Sales	UK Core CPI UK CPI YoY UK PPI Input EU Consumer Confidence JP Manufacturing PMI	EU Manf PMI,EU Services PMI JP National CPI US Current Account Balance US Manufacturing PMI US service PMI	UK Core Retail sales UK Retail Sales US New Home Sales							

Major Economic Events this Week

Date	Event	Country	Period	Expected	Previous
06-May	Bank Loan Growth	IN	June	-	11.90%
06-May	Deposit Growth	IN	June	-	9.70%
06-May	M3 Money Supply	IN	June	-	9.30%
07-May	Composite PMI	UK	June	51.8	51.8
07-May	Service PMI	UK	June	51.8	51.8
07-May	Trade Balance	US	June	-89.30B	-109.80B
07-May	API Weekly Crude Oil Stock	US	June	-	-1.181M
07-May	GDP	JP	June	-0.30%	-0.20%
08-Jun	Cash Reserve Ratio	IN	June	4.50%	4.50%
08-Jun	Interest Rate Decision	IN	June	4.80%	4.40%
08-Jun	Reverse Repo Rate	IN	June	3.35%	3.35%
08-Jun	Construction PMI	UK	June	58.0	58.2
08-Jun	GDP	EU	June	0.30%	0.30%
08-Jun	Crude Oil Inventories	US	June	-1.350M	-5.068M
09-Jun	Initial Jobless Claims	US	June	207K	200K
09-Jun	PPI	JP	June	9.80%	10.00%
09-Jun	CPI	CH	June	1.80%	2.10%
09-Jun	PPI	CH	June	7.70%	8.00%
10-Jun	CPI	US	June	8.30%	8.30%

Bulk Deals

Company	Client Name	Type	No. of shares	Price (₹)
BSE				
CAPRIHANS	M T CORPORATION	BUY	450	111

Recent Releases

Date	Report
June 3, 2022	Company Update- Greaves Cotton
June 3, 2022	Company Update- Shalby
June 3, 2022	Sector Update- BFSI
June 2, 2022	Company Update- Shailly Engineering Plastics
June 2, 2022	Result Update- Radico Khaitan



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