

The Daily

June 15, 2022





| DOMESTIC INDICES | | | |
|------------------|-------|--------|----------|
| | CLOSE | POINTS | % CHANGE |
| SENSEX | 52694 | -153 | -0.29 |
| NIFTY | 15732 | -42 | -0.27 |
| MIDCAP | 21841 | -36 | -0.16 |
| SMALL CAP | 24943 | -101 | -0.40 |

| SECTORAL INDICES | | | |
|------------------|-------|--------|----------|
| | CLOSE | POINTS | % CHANGE |
| REALTY | 3111 | 22 | 0.72 |
| CG | 25986 | 132 | 0.51 |
| POWER | 4024 | 17 | 0.42 |
| TECK | 12962 | 50 | 0.39 |
| Healthcare | 21636 | 30 | 0.14 |
| IT | 28413 | 31 | 0.11 |
| BANKEX | 38403 | -91 | -0.24 |
| CD | 35467 | -102 | -0.29 |
| METAL | 16942 | -80 | -0.47 |
| Finance | 7122 | -36 | -0.50 |
| AUTO | 25298 | -133 | -0.52 |
| OIL & GAS | 18234 | -210 | -1.14 |

| BSE 200 GAINERS/LOSERS | | | |
|------------------------|------|------------|-------|
| GAINERS | % | LOSERS | % |
| ADANIENIT | 5.53 | HINDPETRO | -5.75 |
| AUROPHARMA | 3.81 | OIL | -5.74 |
| TORNTPOWER | 3.26 | BAJAJ-AUTO | -5.06 |
| VBL | 3.06 | POLYCAB | -3.63 |
| COROMANDEL | 2.94 | CROMPTON | -3.10 |

| ADVANCE/DECLINES | | |
|------------------|------|----|
| | BSE | % |
| ADVANCES | 1532 | 44 |
| DECLINES | 1782 | 52 |
| UNCHANGED | 135 | 4 |

| INSTITUTIONAL ACTIVITY | | | |
|------------------------|------------|------------|------------|
| Rs Cr | 13-06-2022 | 14-06-2022 | JUNE TOTAL |
| FII | -4164 | -4502 | -29927 |
| DII | 2815 | 3808 | 25806 |

Indian markets could open flat in line with muted Asian markets today and despite mixed US markets on Tuesday.....

U.S. stocks ended mostly lower Tuesday, with the S&P 500 and Dow Jones Industrial Average each falling for a fifth straight day, ahead of what's expected to be one of the biggest Federal Reserve interest-rate hikes in decades on Wednesday. Major U.S. stock benchmarks ended mixed in a choppy trading session Tuesday as the Federal Reserve kicked off its two-day policy meeting, with question marks around how the central bank will respond to the fastest inflation in four decades.

Investors' expectations for the Fed to hike its benchmark interest rate by 75 basis points have climbed, a move that seemed remote even last week. How the central bank will convey its intentions about future rate activity is also a big question.

The yield on the 10-year US Treasury note climbed 11.1 basis points to 3.482%, the highest since April 14, 2011.

The US producer-price index showed the cost of wholesale goods and services jumped 0.8% in May, adding to mounting evidence that the highest U.S. inflation in 40 years may persist through the summer.

China released economic data for May that topped muted expectations for a month hampered by Covid controls. Industrial production rose mildly by 0.7% in May from a year ago, versus an expected 0.7% drop, according to analysts polled by Reuters. In April, industrial production unexpectedly fell, down by 2.9% year-on-year. Retail sales fell less than expected, down by 6.7% in May from a year ago. Retail sales were estimated to have declined by 7.1% in May from a year ago, according to the Reuters poll. In April, retail sales fell by 11.1% from a year ago. Fixed asset investment for the January to May period rose by 6.2%, topping expectations of 6% growth.

Asian stocks struggled for traction Wednesday ahead of a Federal Reserve meeting that's expected to deliver a hefty interest-rate hike to fight inflation.

Nifty ended in the negative on June 14 for the third consecutive session after swinging between gains and losses through the day. It closed 0.27% or 42.3 points lower at 15732.1.



GLOBAL INDICES

| | CLOSE | POINTS | % CHANGE |
|-----------|--------|---------|----------|
| DOW JONES | 30486 | 111.00 | 0.37 |
| S & P 500 | 3735 | -14.15 | -0.38 |
| NASDAQ | 10828 | 19.12 | 0.18 |
| FTSE | 7187 | -18.35 | -0.25 |
| CAC | 5950 | -72.48 | -1.20 |
| DAX | 13304 | -122.64 | -0.91 |
| NIKKEI | 26456 | -174.36 | -0.65 |
| SHANGHAI | 3322 | 32.69 | 0.99 |
| HANG SENG | 21305 | 237.01 | 1.12 |
| BOVESPA | 102063 | -535.00 | -0.52 |

EXCHANGE RATES

| | VALUE | % CHANGE |
|----------|-------|----------|
| USD/INR | 78.0 | 0.20 |
| EURO/USD | 1.045 | 0.30 |
| USD/GBP | 1.204 | 0.38 |
| USD/JPY | 135.2 | -0.22 |

COMMODITIES

| | VALUE | % CHANGE |
|-----------------------|--------|----------|
| GOLD (\$/Oz) | 1818.9 | 0.30 |
| SILVER (\$/Oz) | 21.2 | 1.05 |
| CRUDE OIL FUTURES | 119.1 | 0.11 |
| BRENT OIL (\$/Barrel) | 121.3 | 0.12 |

BOND YIELD

| | VALUE | ABS CHANGE |
|-----------------------|-------|------------|
| IND10 YEAR BOND YIELD | 7.581 | -0.023 |

ADR

| | VALUE | % CHANGE |
|----------------|-------|----------|
| DR REDDY'S LAB | 55.3 | 1.71 |
| HDFC BANK | 52.7 | 0.08 |
| ICICI BANK | 17.4 | 1.28 |
| TATA MOTORS | 26.0 | 2.40 |
| WIPRO | 5.65 | 1.80 |
| VEDANTA LTD | 16.50 | 0.00 |
| INFOSYS | 18.24 | 2.18 |

On an intra day basis, Nifty made a lower low compared to the previous session and closed lower. Nifty has closed at the lowest in 11 months. Nifty has formed a near "Inverted Hammer" pattern which has bullish implications. Markets globally could remain nervous till the US Fed meet on June 15 gets out of the way. 15431-15513 band could provide support while 16173 could offer resistance over the next few sessions.

WPI inflation hits new high in May, rises to 15.88%

India's inflation based on the Wholesale Price Index (WPI) hit a fresh high in May, rising to 15.88 percent, according to data released by the commerce ministry on June 14. WPI inflation was 15.08 percent in April 2022 and 13.11 percent in May 2021. Inflation was driven higher in May by a sequential increase in prices across the board. The overall all-commodities index of the WPI rose 1.4 percent month-on-month, while the index for primary articles rose 2.8 percent. Within primary articles, the index for food articles rose 2.4 percent from April, with price momentum particularly strong for vegetables (up 18.5 percent month-on-month). The index for the fuel and power group was 2.3 percent higher in May compared to April, while that for manufactured products – which account for 64.23 percent of the WPI basket – rose 0.6 percent.

Airtel launches India's first Multiplex in Metaverse

Bharti Airtel launched Xstream multiplex, a 20-screen platform with access to content portfolios from leading OTT partners available on its Xstream app. Airtel's Xstream multiplex provides a larger-than-life experience, which brings together Web 3.0 apps and immersive storytelling, and an assortment of content from partners.

Vi launches SonyLiv premium as add-on pack for postpaid users

Vodafone Idea introduced SonyLIV premium add-on pack option for its postpaid users. The new postpaid special pack offers 30-day access to SonyLIV premium content clubbed with 10GB of free data at a monthly subscription fee of just Rs100 including taxes.

Viacom18 bags consolidated digital media rights for IPL

Viacom18 has won the non-exclusive digital rights for 18 matches of the Indian Premier League (IPL) during the media rights auction. The company has bagged the rights for package C at Rs 3,273 crore which translates into Rs 33.24 crore per match for 98 games. The 18 games in package C include the opening match, four playoff games and 13 evening double header matches. The base price for this package was set at Rs 1,440 crore and Rs 16 crore per game.



Government of India IT spending to rise 12.1% to \$9.5 billion this year, says Gartner

The Indian government's information technology spending is expected to reach \$9.5 billion in 2022, up 12.1 percent from last year. This year, the software segment will continue to grow at the fastest rate in India, followed by IT services. Governments are now implementing innovative operations by leveraging technology to streamline digital services, automate procedures, improve citizen experiences, and create a data fabric. In 2022, global government IT spending is expected to reach \$565.7 billion, up 5 percent over the previous year.

Coal ministry launches PIM module of single window clearance system

The government on Tuesday launched the Project Information and Management (PIM) module of the Single Window Clearance System, a platform to seek various clearances to operationalise coal mines. The development assumes significance in the wake of the government making efforts to secure domestic fuel supplies amid fear of shortage during monsoon.

French energy giant TotalEnergies to invest \$12.5bn in Adani Group's new firm

French multi-energy major TotalEnergies will invest at least \$12.5 billion for a 25% stake in a new clean energy services company Adani New Industries Ltd., according to an exchange filing by Adani Enterprise. Adani New Industries will be created by billionaire Gautam Adani-promoted Adani Enterprises Ltd. in partnership with TotalEnergies. Adani New Industries aims to invest over \$50 billion over the next 10 years in green hydrogen and associated ecosystem, said a statement by Adani. In the initial phase, Adani New will develop green hydrogen production capacity of 1 million ton per annum before 2030.

PNB Housing Finance to raise up to Rs 2,000 Crore via bonds

PNB Housing Finance said its board has approved raising up to Rs 2,000 crore by issuing bonds on a private placement basis. The housing finance company, promoted by the city-headquartered Punjab National Bank (PNB), was looking to raise equity capital worth Rs 4,000 crore and struck a deal with joint-venture partner Carlyle Group, among other investors, in May last year. However, it had to nix the deal in October after facing some regulatory hurdles and legal battles. Quality Investment Holdings (QIH), a unit of Carlyle Group, holds over 32 per cent stake in PNB Housing Finance. Thereafter, the company said it will raise money through debt instruments.

Tarsons Products Ltd inks MOU with BRIT

Tarsons Products Limited has entered into a Memorandum of Understanding (MOU) with Board of Radiation & Isotope Technology, Government of India (BRIT) in relation to setting up of Gamma Radiation Processing Plant of the Company at Amta, Howrah, West Bengal for captive consumption purpose.

Bajaj Auto defers share buyback; Shekhar Bajaj steps down

Bajaj Auto announced the deferral of its share buyback proposal, saying it needed "further deliberation." Separately, the company also announced the resignation of Shekhar Bajaj from his position of non-executive director from the company from June 30 due to health reasons.



Important news/developments to influence markets

- Wholesale price-based inflation in India surged to a record high of 15.88 per cent in May as crude prices rose. The Wholesale Price Index (WPI)-based inflation was 15.08 per cent in April and 13.11 per cent in May last year.
- Britain's jobless rate rose for the first time since late 2020, jobless rate edged up to 3.8% in the three months to April from 3.7% in the previous labour market report for the three months to March.
- German investor sentiment rose slightly in June as financial market experts were less pessimistic about the economy. The ZEW economic research institute said its economic sentiment index rose to -28.0 points from -34.3 in May.
- German economic confidence brightened slightly in June. The ZEW Economic Sentiment Index rose to -28 from -34.3 in May. However, a negative figure indicates pessimism about the economic outlook.
- U.S. small-business confidence edged down in May as worries about high inflation persisted, its Small Business Optimism Index dipped 0.1 point last month to 93.1.
- U.S. producer prices increased solidly in May as the cost of gasoline surged. The producer price index for final demand rose 0.8% last month after advancing 0.4% in April. A 1.4% jump in the prices of goods accounted for nearly two-thirds of the rise in the PPI.



| Index | CMP | View | R1 | R2 | S1 | S2 |
|--------------------|-------|---------------------|-------|-------|-------|-------|
| Nifty Jun Fut | 15740 | Bearish below 15650 | 15846 | 15951 | 15648 | 15554 |
| Bank Nifty Jun Fut | 33380 | Bearish below 33185 | 33660 | 33938 | 33143 | 32906 |

Daily Technical View on Nifty



- Nifty opened with a gap down of 100 points at 15674, then went down to hit day's low at 15659.
- Nifty fell for the third consecutive session, to close at 15732.
- From the high of 16793, made on 3rd June 2022, Nifty has registered a fall of more than 1100 points.
- On 14th June, Nifty and BankNifty both ended the session with an "Inverted Hammer" candlestick pattern on the daily chart.
- The bullish implication of this candlestick pattern would be confirmed once we see Nifty surpassing 15858.
- The breadth of the market is positive with 9:11 adv dec ratio at NSE
- Indicators and oscillators are still favouring bears on the daily charts
- Above 15858, traders can initiate longs for the target of 16150, keeping a stoploss at 16700



OPEN SHORT TERM TRADING CALLS

| NO. | RECO DT. | RECO | COMPANY NAME | ENTRY | CMP | SL | TARGET | UPSIDE % | VALID TILL |
|-----|-----------|------|--------------------------------------|-------------|----------|----------|----------|----------|------------|
| 1 | 14-JUN-22 | BUY | NIFTY JUNE FUT | 15737-15680 | 15,742.0 | 15,645.0 | 15,950.0 | 1.3 | 17-JUN-22 |
| 2 | 14-JUN-22 | BUY | NIFTY 23RD JUNE 15800 CALL OPTION | 177.8 | 196.0 | 138.0 | 242.0 | 23.5 | 21-JUN-22 |
| 3 | 14-JUN-22 | BUY | MHRIL | 216-222.5 | 218.0 | 212.0 | 240.0 | 10.1 | 28-JUN-22 |
| 4 | 14-JUN-22 | BUY | BSOFT | 351.3-339 | 348.7 | 333.0 | 377.0 | 8.1 | 28-JUN-22 |

OPEN E-MARGIN POSITIONAL CALLS

| NO. | RECO DT. | RECO | COMPANY NAME | ENTRY | CMP | SL | TARGET 1 | TARGET 2 | UPSIDE % | VALID TILL |
|-----|-----------|------|---------------------------------|--------|--------|--------|----------|----------|----------|------------|
| 1 | 18-MAY-22 | BUY | L&T | 1597.0 | 1544.7 | 1499.0 | 1745.0 | 1793.0 | 16 | 18-AUG-22 |
| 2 | 23-MAY-22 | BUY | NOCIL | 259.4 | 255.6 | 225.0 | 280.0 | 315.0 | 23 | 23-AUG-22 |
| 3 | 30-MAY-22 | BUY | AB CAPITAL | 101.2 | 95.0 | 93.0 | 114.0 | 118.0 | 24 | 30-AUG-22 |
| 4 | 31-MAY-22 | BUY | ABB | 2371.0 | 2321.4 | 2170.0 | 2660.0 | - | 15 | 31-AUG-22 |
| 5 | 31-MAY-22 | BUY | NCC | 64.1 | 60.1 | 57.0 | 73.0 | - | 22 | 31-AUG-22 |
| 6 | 3-JUN-22 | BUY | ADVANCED ENZYME TECHNOLOGIES | 298.0 | 291.1 | 271.5 | 329.0 | 365.0 | 25 | 3-SEP-22 |

*= 1st Target Achieved



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