

Market Outlook

Indian markets are likely to open on a positive note today on the back of mostly positive global cues. Markets will largely be driven by global trends, economic outlook, WPI inflation data for April and the ongoing quarterly earnings of corporates.

Markets Yesterday

- Domestic markets ended lower tracking losses across BFSI stocks amid disappointing economic readings on the domestic front and lingering worries about interest-rate hikes
- US markets ended higher tracking gains in technology stocks as investors looked to go on a bargain hunt

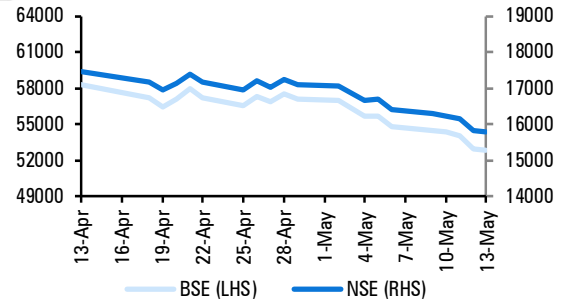
Key Developments

- MCX' continued shift is expected from futures to options in Q4FY22. Sequential traction in futures turnover is expected to remain in single digit, though growth in option turnover is expected to remain robust. Higher proportion of option turnover is expected to impact yields though operational revenue is seen witnessing healthy traction at ~18% QoQ to ₹ 106 crore aided by robust volume growth in options. Opex is expected to remain steady, with EBITDA expected at ₹ 49 crore. With other income at ₹ 17.3 crore, PAT is expected to increase ~35% QoQ to ₹ 46 crore, owing to growth in revenue
- IMD forecasts Monsoon 2022 onset date over Kerala as May 27, 2022, earlier than its usual date of about June 1
- NBCC (India) has secured the total business of ₹ 6.3 crore during April 2022. While order inflow remained muted during April 2022, its overall order book remains robust at ₹ 60,000+ crore. However, pick-up in execution and normalisation in margin remains key, going forward

Today's Highlights

Results: Bharat Forge, VIP Industries, MCX Greenply, Century Ply, Shankara

Index Movement



	Close	Previous	Chg (%)	MTD(%)	YTD(%)	P/E (1yrfwd)
Sensex	52,794	52,930	-0.3	-7.5	-9.4	21.3
Nifty	15,782	15,808	-0.2	-7.7	-9.1	20.8

Institutional Activity

	CY20	CY21	YTD CY22	Yesterday	Last 5 Days
FII (₹ cr)	64,379	-95,085	-2,03,702	-3,780	-21,705
DII (₹ cr)	-28,544	95,934	1,61,267	3,170	18,047

World Indices – Monthly performance

Germany	Nikkei	U.K.	Shanghai	France
14,028	26,428	7,418	3,084	6,363
-1.0%	-1.5%	-2.6%	-3.2%	-3.4%
Kospi	Dow Jones	BSE	NSE	Nasdaq
2,604	32,197	52,794	15,782	11,805
-4.1%	-6.4%	-9.5%	-9.7%	-13.5%

Nifty Heat Map

Tata Motors	404 8.6%	Sun Pharma	883 3.8%	M&M	890 2.8%	HUL	2,194 2.6%	ITC	259 2.3%
UPL	782 2.2%	Titan	2,092 2.1%	Eicher	2,433 2.0%	Hero Moto	2,449 2.0%	Britannia	3,279 1.9%
Bajaj Auto	3,642 1.6%	Cipla	935 1.5%	Dr Reddy	3,924 1.1%	Reliance Ind.	2,427 1.1%	Nestle	16,403 1.1%
Divis Lab	4,281 1.1%	Kotak Bank	1,780 1.1%	Coal India	169 1.0%	Asian Paints	3,064 0.8%	HDFC Life	551 0.6%
L&T	1,535 0.5%	Indusind Bank	872 0.3%	TCS	3,415 0.2%	Ultratech	6,197 0.2%	Power Grid	236 0.2%
Tata Consum	738 -0.1%	Infosys	1,504 -0.3%	Shree Cement	22,480 -0.7%	HCL Tech	1,052 -0.7%	Grasim Ind	1,475 -0.7%
HDFC Ltd	2,133 -0.8%	TechM	1,203 -0.8%	BPCL	337 -0.9%	HDFC Bank	1,291 -0.9%	Apollo Hospitals	3,548 -0.9%
Adani Ports	706 -1.0%	Wipro	469 -1.1%	Bajaj Finance	5,516 -1.4%	SBI Life	1,045 -1.5%	Tata Steel	1,097 -1.9%
ONGC	154 -1.9%	Bajaj Finserv	12,608 -1.9%	Maruti	7,102 -2.1%	Axis Bank	636 -2.1%	Bharti Airtel	690 -2.2%
ICICI Bank	677 -2.7%	NTPC	144 -3.0%	SBI	445 -3.9%	JSW Steel	600 -3.9%	Hindalco	388 -4.4%

Markets Today (Updated till Yesterday)

Commodities	Close	Previous	Chng (%)	MTD(%)	YTD(%)
Gold (₹/10 gm)	49,909	50,174	-0.5	-3.5	5.2
Silver (₹/kg)	59,382	58,751	1.0	-8.0	-1.7
Crude (\$/barrel)	111.2	107.5	3.5	1.7	34.3
Copper (\$/tonne)	9,104	9,359	-2.7	-6.1	-4.6
Currency					
USD/INR	77.4	77.5	0.0	1.3	4.2
EUR/USD	1.0	1.0	0.0	-1.8	-8.2
USD/YEN	128.9	129.5	-0.4	-1.0	11.3
ADRs					
HDFC Bank	53.1	52.8	0.6	-5.6	-22.0
ICICI Bank	16.7	17.9	-1.2	-14.6	-21.2
Tata Motors	26.4	24.1	9.4	-7.2	-19.7
Infosys	19.5	19.5	0.4	-5.1	-19.3
Dr Reddys Labs	50.9	50.3	1.2	-5.3	-20.1
Wipro	6.2	6.2	-1.1	-9.7	-35.6

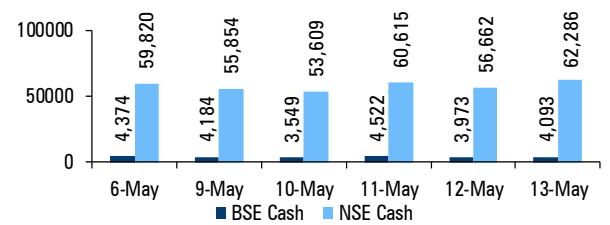
Key Data Points

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	Mar	631.92 bln\$	634.28 bln\$
GDP Quarterly yy	Q3	5.40%	8.40%
GDP Annual	FY21	-7.30%	4.20%
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	Mar	-20.07 bln \$	-18.51 bln \$
WPI Food yy	Feb	8.2%	9.6%
WPI Fuel yy	Feb	31.5%	32.3%
WPI Inflation yy	Feb	13.1%	13.0%
WPI Manuf Inflation yy	Feb	9.8%	9.4%

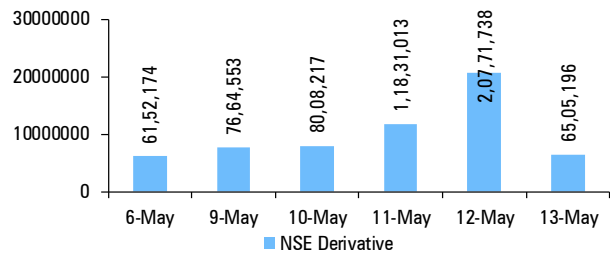
Corporate Action Tracker

Security name	Action	Ex Date	Record Date	Status	Price (₹)
KEWAL KIRAN CLOTHING	Dividend	20-May-22	23-May-22		5.00
TRENT	Dividend	20-May-22	23-May-22		1.10

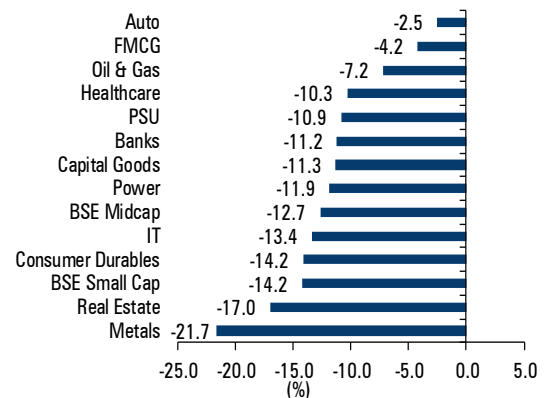
Exchange Cash Turnover (₹ crore)



NSE Derivative Turnover (₹ crore)











Sectoral Performance – Monthly Returns (%)










Key News for Today




Company/Industry	News	View	Impact
Neogen Chemicals	Neogen Chemicals reported topline growth of 69.2% YoY to ₹156.8 crore against our expectations of ₹ 153.8 crore, led by higher growth in the organic chemical segment (+38% YoY) due to better utilisation of recently commissioned Phase 1 & 2 capacities at Dahej. The revenue from inorganic chemical segment was up 176% YoY to ₹ 58 crore. OPM for the quarter fell 300 bps YoY to 17%, impacted by higher RMAT cost (+72% YoY), leading to EBITDA growth of 44% YoY to ₹ 26.6 crore vs. our estimate of ₹ 28.7 crore. PAT was up 68% YoY to ₹ 15.6 crore against our estimate of ₹ 12.2 crore, driven by lower taxes (16.6% vs. 30% in Q4FY21)	Since the company has commissioned both phase 1 and 2 capacity at Dahej, we expect it to report strong growth in the CRAMS and advance bromide intermediates in the coming time. This should augur well for operational growth. Further, foray into lithium electrolyte is likely to offer strong revenue visibility in the long run. We expect Neogen’s management capability can assist company to gain meaningful market share in lithium electrolyte in long run and thereby support business performance. The company has announced incremental capex of ₹ 150 crore, which should support growth beyond FY24E	


<p>Vinati Organics</p>	<p>Vinati Organics reported topline growth of 74% YoY to ₹ 486.1 crore against our estimates off ₹ 385.4 crore. We expect the growth should have been driven largely on account of better sales from ATBS segment along with butyl phenols, Rise in the input cost and delay in passing on entire inflation along with changes in the product mix towards butyl phenols have impacted gross margins for the quarter, which declined by 1310bps YoY to 46.1%. This dented OPM, which was down 680 bps YoY to 28.6%. However, the same witnessed an improvement on QoQ (+350bps) largely due to operating leverage. EBITDA was up by 40% YoY to ₹ 138.8 crore against our estimates of ₹ 106.4 crore. The bottom-line growth was aided by 43% YoY to ₹ 101.1 crore against our estimates of ₹ 82.7 crore</p>	<p>Since key RM prices such as toluene, MTBE went up due to higher crude prices, we expect positive delta towards realisations should have come along with the volume growth for the quarter. Since ATBS has been witnessing strong growth along with decent performance from butyl phenols, one can expect this trend should continue from both of these segments in the coming year. Apart from this, integration with Veeral additives and thereby increasing presence into more anti-oxidants will likely to aid company performance in long run</p>	
<p>Elgi Equipment</p>	<p>Elgi Equipments reported strong revenue growth for Q4FY22 with decent margins amid higher input costs. Consolidated revenue grew 19.2% YoY to ₹ 727.6 crore. Standalone revenue (domestic & direct exports compressor) grew 16% YoY to ₹ 456 crore (~63% of consolidated top-line). Absolute EBITDA grew by 34.1% to ₹ 106.2 crore on YoY basis with margins came strong at 14.6% in Q4FY22. PAT came in at ₹ 73.1 crore, up 68.5% on YoY aided by strong operational performance and higher other income</p>	<p>Q4FY22 performance outperformed our expectations across fronts. On the topline front, the domestic air compressor segment, automotive segment witnessed good growth led by better demand and exports. EBITDA margins came in strong and beat (our estimates of 11.1%) despite higher commodity prices, operating costs. The automotive (ATS) business registered strong comeback and expected to further improve gradually in the long run. Overall, the company continues to surprise on the upside with every passing quarter as it makes inroads in international markets</p>	
<p>Eicher Motors</p>	<p>Eicher Motors (EML) reported healthy performance in Q4FY22. Consolidated revenues for Q4FY22 were at ₹ 3,193 crore up 10.9% QoQ. EBITDA for the quarter was at ₹ 757 crore with attendant EBITDA margins placed at 23.7%, up 350 bps QoQ. The company reported ~350 bps gross margin expansion vs. our estimates of ~80 bps contraction. Consequent consolidated PAT was at ₹ 610 crore up 33.8% QoQ</p>	<p>EBITDA margin for the quarter came in higher than anticipated amid ~10% QoQ growth in volumes at Royal Enfield. ASPs for Royal Enfield (RE) came in higher by 2.9% QoQ to ~₹ 1.70 lakh/unit primarily attributable to price hike & higher share of exports. The company's share of profit from VECV JV for the quarter was at ₹ 53.8 crore. It has declared a dividend of ₹ 21/share for FY22. It maintains a net cash positive balance sheet with CFO for FY22 at ₹ 1,527 crore and FCF at ₹ 886 crore</p>	

Balkrishna Industries	Balkrishna Industries (BIL) reported a mixed performance in Q4FY22. Standalone revenues for the quarter came in at ₹ 2,374 crore, up 16.9% QoQ. EBITDA in Q4FY22 was at ₹ 499.5 crore with corresponding EBITDA margins at 21%, down 80 bps. Consequent PAT for the quarter came in at ₹ 373.7 crore, up 13.7% QoQ	Margin remained muted largely tracking higher other expenses, which were up 290 bps QoQ (primarily due to higher freight rates). The company announced a final dividend of ₹4/ share taking total dividend to ₹28/ share for FY22. However, it remains optimistic about demand outlook & guided for ~3.2-3.3 lakh MT sales volume for FY23 (10%+ on YoY basis) with long term EBITDA margin guidance retained at 28-30%	
Maruti Suzuki India	In a notification to stock exchanges, Maruti Suzuki has announced a fresh capex amounting to ₹ 11,000 crore for setting up a new car manufacturing plant in Sonipat, Haryana. In first phase it will have a manufacturing capacity of 2.5 lakh units per annum & is expected to be commissioned by 2025. Media reports suggest the site will have a total manufacturing capacity of 1 million vehicles when fully utilised	This comes as surprise as earlier media reports reported Maruti was planning to shift existing plant due to space constrains. Its current capacity is pegged at 22.5 lakh units annually (15 lakh units owned and 7.5 lakh unit leased by SMG, Gujarat) with annual sales of ~16.5 lakhs in FY22. This site is some 80-100 km away from the existing set up of Maruti as well its associated ancillaries in the state of Haryana and hence looks inappropriate to us	
Mahindra CIE	Mahindra CIE in a regulatory exchange filing informed about promoters (CIE) buying ~1 crores share (2.7% stake) of Mahindra CIE in open market on May 12, 2022. Estimated transaction size is ~₹190-200 crore	Post the stake purchase, CIE group holding in the company has increased to 63.44% vs. 60.74% earlier. This coupled with M&M stake in the company will take the total promoter holding to 74.9% vs. 72.2% earlier. This reaffirms promoters positive view on the company and its future prospects. It is structurally positive for the company in the long run	
Titan Company	We attended Titan's analyst meet. Key highlights are; 1) Aspires to achieve 2.5x YoY growth for the jewellery division by FY27 (20% CAGR), 2) Targeting ₹ 10000 crore revenue (watches: ₹ 7000 crore, wearables: ₹ 3000 crore) by FY26 with an EBIT margin of 18%. 3) Plans for new emerging businesses such as ethnic wear and women bags to clock in sales worth ₹ 1000 crore each by FY27	Titan is building sustainable growth levers for its core and new emerging businesses. In the past, despite headwinds company has delivered 23% PAT CAGR since the last five years. Capital efficient business model (30% RoCE) coupled with robust revenue growth (20%+) makes Titan our preferred pick in the consumer discretionary space	
Reliance Industries (Reliance Retail)	As per media reports, Reliance Retail plans to build a portfolio of 50 to 60 grocery, household and personal care brands within six months. The report further says Reliance is in final stages of negotiations with around 30 popular niche local consumer brands to fully acquire them or form joint venture partnerships for sales. it is targeting building its own consumer goods business to challenge foreign companies operating in Indian market. Reliance has set a goal to achieve ₹ 50000 crore (\$6.5 billion) of annual sales from the business within five years	The acquisition of local brands in the space would enable Reliance Retail to scale up faster than an organic foray. Reliance Retail already has the largest retail footprint in India and these brand acquisitions would enable reliance to reduce dependence on third party brands and promote its own brands through its retail network and grow at a fast pace and acquire decent size in a shorter period. Through foray into own brands the company will be able to price their products attractively in their stores and drive revenue growth and capture higher proportion of customer wallet share	

Tech M	<p>TechM) reported strong numbers on revenues while margin performance was weak. The company's revenues increased by 5.4% QoQ in constant currency terms, while it was up 4.9% in dollar terms. In terms of geographies, the revenue growth was aided by 8.6% in Europe (26% of mix), while the sequential growth in US/ RoW was at 3.6% each. In terms of verticals, the growth was aided by Telecom (41% mix) grew by 4.1% QoQ, while BFSI (17% mix) has reported 18.5% QoQ growth (base quarter it was down 1.6% QoQ). The company's EBIT margin dip 160bps QoQ to 13.2% due to higher employee and amortisation expenses. The company's order book (net new order wins) up 48% in FY22 and stands at to US\$3.2bn. The company added 6.1K employees in Q4 and 30K for FY22, taking its total employee base at 151K. LTM attrition remained flat QoQ to 23.5%. Board of directors re-appointed Mr CP Gurnani as a MD and CEO from Aug 10, 2022 to 19th Dec 2023. Current CFO is retiring on 31st May 2022, the company has appointed Mr Rohit Anand as new CFO with effect from Jun 01, 2022. He has been with Tech M for last 1.5 years before spending 18+ years in GE Electric. The company declared total dividend of ₹45 per share for FY22, 71% payout</p>	<p>LTM attrition was flat QoQ which means, attrition might taper down in subsequent quarters. The deal wins remained healthy as it is fifth consecutive quarter of US\$700mn+ new deal wins which provides visibility for future revenues. The company's margin at 14.6% in FY22 were below than guided number of 15%, however margins are expected to improve going forward on i) Price hikes taken in FY22 would be reflected in FY23 ii) exiting low margin portfolios iii) continued fresher additions iv) continued focus on offshoring. The company also made certain leadership changes in America and Europe regions which are also expected to benefit near term performance. The company is confident of its growth in FY23 despite some near term macro headwinds</p>	
HAL	<p>HAL reported 6.4% revenue growth for Q4FY22 to ₹ 11,561 crore and 7.6% YoY for FY22, better than the provisional numbers announced in April. However, the revenues include one-off of Rs 1,276 crore related to pricing variation of one old contract. EBITDA margin at 21.6%; lower than 25% in Q4FY21 as higher other cost negated the impact of better gross margins. PAT came at ₹ 3,105 crore; up 91% YoY led by higher other income and tax refunds to the tune of ₹ 1,456 crore</p>	<p>HAL's order book position is at over ~₹ 80,000 crore, which provides strong earnings visibility. Given the government's strong push towards indigenisation and having large scale of orders in hand (Aircrafts and Helicopters) with strong repair & overhaul pipeline, HAL prospects look better as the order book is expected to further increase in the coming period</p>	
Indraprastha Gas (IGL)	<p>IGL hiked CNG price by ₹ 2.5/kg to ₹ 71.6/kg and domestic PNG price by ₹ 4.25/scm to ₹ 45.86/scm in Delhi.</p>	<p>With increase in APM gas prices in April and LNG prices trending at high level, passing on higher costs to customers will benefit the company on margins front</p>	

<p>PPAP Automotive</p>	<p>PPAP Automotive reported steady set of numbers in Q4FY22. Standalone revenue came in at ₹115.4 crores up 3.7% QoQ. EBITDA for the quarter stood at ₹12.1 crores up 3.2% QoQ with corresponding EBITDA margins at 10.5%, flat QoQ. PAT for the quarter came in at ₹ 2.9 crores, up 22.2% QoQ.</p>	<p>Margin performance was largely on account of gross margin expansion of ~70 bps QoQ offset by higher other expense which were up 110 bps QoQ. Management expects FY23 to be a recovery year; further with exit quarter capacity utilization levels at 72% it possess sufficient room to grow ahead of the industry going forward. Company has recommended final dividend of ₹1.5/share.</p>	
<p>Avenue Supermarkets</p>	<p>As guided by the management in its pre-quarterly update, Avenue Supermarkets reported revenue growth of 18.5% YoY to ₹ 8786.5 crore (2-year CAGR: 19%). Company during the quarter added 21 new D-Mart stores (FY22: 50) taking the total store count to 284. Added ~ 1.2 million sq. ft. space in Q4FY22 (FY22: 2.7 million) taking. EBITDA margins remained flattish YoY at 8.4% (I-direct estimate: 8.2%). Absolute EBITDA grew by 20% YoY to ₹ 739.3 crore (I-direct estimate: ₹ 722.3 crore).</p>	<p>The key positive highlight remained robust store addition during Q4FY22 (the positive impact for which should be visible in upcoming quarters). For FY22 SSSG recovered to 16.7% after declining by ~13.1% in FY21. Revenue per sq. ft. continued to stay below pre-covid levels at ₹ 27454/sq. ft. (up 0.5% YoY, FY20: ₹ 32879/sq. ft.). Company has witnessed healthy recovery in March 2022 and inflation is allowing to deliver relatively better value to shoppers and manage costs better.</p>	
<p>DB Corp</p>	<p>DB Corp revenues witnessed a muted growth of 3.4% YoY to ₹ 472 core, with muted Print & digital ad revenue at ₹ 283 crore, up 0.7% YoY while radio ad revenue also registered growth of 9% YoY at ₹ 30.3 crore, on a depressed base. Circulation revenue was up 4.3 YoY to ₹ 115.2 crore. EBITDA was 42.2% YoY to ₹ 58.4 crore while margins at 12.4% were down 977 bps YoY on the back of higher newsprint prices (up 36% YoY) leading to higher newsprint expenses by 30% YoY despite controlled pagination. Reported PAT was at ₹ 24.5 crore, was down 60% YoY.</p>	<p>The impact of rising newsprint prices, for next few quarter, remains a key concern. The growth trajectory of print ad post normalisation does not have the visibility alongwith challenges in government ad for the company.</p>	
<p>ITC</p>	<p>Indian Government bans wheat exports with immediate effect citing lower wheat production of ~100 million tonnes as against earlier expectation of 111 million tonnes due to extreme heat wave. The exporters with the LOC would be allowed to export</p>	<p>Government agencies have procured ~18 million tonnes of wheat in the current procurement season as against 44 million tonnes last year. With the stock level of 18.5 million tonnes on 1st April 2022, the government is expected to have ~37 million tonnes wheat availability out of which ~30 million tonnes can be utilized for Food security, Mid-day meals & Garib Kalyan schemes. It is important to note that government distributed ~50 million tonnes of wheat in FY22. We believe government agencies are looking to procure close to 23 million tonnes in the current season & ban is expected to be lifted after that. ITC is one of the biggest exporter of wheat. We believe it would be negatively impacted by wheat export ban in near term</p>	
<p>ICICI Securities</p>	<p>Retail Research</p>	<p>in near term</p>	

<p>Amber Enterprises</p>	<p>Amber Enterprises consolidated revenue increased by ~21% YoY to ₹ 1937 led by recovery in demand of cooling products and components. Delay in passing of higher raw material prices along with sharp increase in employee cost (up 44% YoY) brought down EBITDA margin by 240 bps YoY to 6.5%. PAT fell by 22% YoY to ₹ 59 crore dragged by lower EBITDA margin and higher interest outgo.</p>	<p>We believe that a change in product mix and higher input costs impacted profitability in Q4. This, combined with higher interest outgo (up 77% year on year to ₹ 18.6 crore), resulted in sharp drop in the Q4 bottom line. Although, the management commentary suggest company to achieve 30% + revenue growth in FY23E with recovery in margins. We believe price hikes and improved product mix are key variables to watch for the company's overall profitability.</p>	
<p>Triveni engineering</p>	<p>Triveni engineering reported strong results with 28.4% growth in earnings. Consolidated sales saw a decline of 7.8% to ₹1070 crore (net of excise) on the back of 14.7% decline in sugar sales. The decline in sugar sales was mainly on account of lack of exports in current season. We believe the company has not exported any sugar in 2021-22 sugar season. Domestic sales volume were higher by 14.3% to 1.95 lakh tonnes in Q4. Domestic sugar realisation was higher by 8.2% to ₹34.99 /kg. Distillery sales witnessed a growth of 81.4% to ₹ 283.7 crore on the back of higher ethanol volume & diversion towards B-heavy ethanol. Ethanol sales volume recorded a growth of 23.8% to 2.7 crore litre. Distillery realisation was flat at ₹56.8 / litre. B-heavy ethanol contributed 93% of the total ethanol produced during the quarter. Operating profit saw a growth of 6.3% to ₹174.7 crore adversely impacted by lower sugar sales & increase in cost of production (due to hike in sugarcane prices & lower gross recoveries). Profit after tax increased by 28.4% to ₹109.2 crore mainly on account of lower tax provisioning & higher profits from associates.</p>	<p>Despite expected higher sugar production in India at 35.5 MT, sugar inventories are likely to come down by 1.5 MT by September 2022 due to record exports of 9.5 MT. We believe sugar prices would move up by ₹ 1-2 / kg in next few months & average sugar realisation for FY23 would be higher by ₹1/kg. Though, Triveni has not exported any sugar in current season, it would be able to divert addition sugarcane towards ethanol production given expected completion of capex by July 2022. Triveni is divesting its stake in Triveni turbine, which would result in additional cash flow to the tune of ₹ 1200 crore. We believe the company would pay one-time dividend in FY23. We remain positive on sugar sector and Triveni Engineering.</p>	
<p>Power Industry</p>	<p>A government committee has suggested ₹ 6.05-7.03 per unit variable tariff for six power plants that are using imported coal.</p>	<p>This decision came in view keeping in mind the increasing imported coal prices, it was getting tough for power plants to operate as coal was costing them too much. With this decision some fresh capacity is likely to be added in next 20 days which will provide relief in current power crisis situation.</p>	

<p>Action Construction</p>	<p>Sales of construction equipment a barometer of economic activity is expected to increase in healthy double digits in the ongoing financial year on the back of increased government spending on infrastructure projects, especially in rural areas. The industry estimates sales of construction equipment (domestic sales and exports) to grow 15-20% in fiscal 2023, compared with an 8% fall last fiscal year. Even though exports grew 60.5% to 7,802 units in FY22, local sales fell 11.4% to 77,583 units.</p>	<p>This will be big positive for Action construction who is the market leader in Cranes and Earth Moving segment. Last fiscal year didn't go well for ACE due to several lockdown, increased raw material costs and due to transition to BS 4 and BS 6 engines which increased the price of machinery to almost 50%.</p>	
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Key developments (Continued...)

- Bharat Forge is expected to report a stable operating performance in Q4FY22 largely tracking robust QoQ volumes growth in the domestic CV space and stable export prospects. On a standalone basis, we expect the company to report net sales of ₹ 1,662 crore, up 5% QoQ. EBITDA for Q4FY22 is seen at ₹ 423 crore with corresponding EBITDA margins at 25.2%, down 30 bps QoQ. Standalone PAT is expected at ₹ 251 crore, down 25.6% QoQ (high base in Q3FY22 due to exceptional gains)
- Bank of Baroda has posted healthy growth in net interest income at 21% YoY to ₹ 8612 crore. NII improvement was backed by 41 bps YoY uptick in NIMs to 3.14%, though sequentially margins witnessed a decline of ~7 bps. Decline in opex (by 3% YoY) and steady provisioning at ₹ 3736 crore (5% YoY) depicts steady operational performance. Net profit for the bank, supported by tax benefit and growth in NII further aided by lower provisions, reported at 1.12 1779 crore vs loss in Q4FY21. GNPA and NNPA declined by 64 bps and 53 bps QoQ to 6.61% and 1.72% respectively. Overall loan growth remained healthy at domestic book up 6.7% YoY to ₹ 6.84 lakh crore. Deposit growth came in 8.2% YoY to 10.45 lakh crore, wherein CASA remained steady QoQ at 44.24%
- Bandhan Bank posted healthy improvement in its operating performance with NII growing by 44.6% YoY and 19.5% QoQ to ₹2540 crore, this was on the back of sharp improvement in NIMs. Other income was up 37.7% YoY and 35.4% QoQ to ₹964 crore helped by surge in fee income due to increased business volumes. Provisions for the quarter were mere ₹4.7 crore vs ₹805 crore QoQ and ₹828 crore YoY. As a result, net profit for the quarter jumped 121% QoQ to ₹1902 crore and was well ahead of our estimates. GNPA and NNPA ratio declined 435 bps and 135 bps QoQ to 6.46% and 3.01% respectively. Gross loans were up 12.9% QoQ and 14.1% YoY to ₹99340 crore. Deposits were up 23.5% YoY and 14.0% QoQ to ₹96331 crore. CASA ratio stood at 41.6% for the bank as on Q4FY22
- SBI's operational performance was strong with NII growth at 15.3% YoY and up 1.7% QoQ to ₹31198 crore (largely in-line with estimates), led by strong credit growth of 11% YoY and domestic NIMs stable at 3.4% QoQ. GNPA ratio declined by 53 bps sequentially to 3.97% while net NPA was down 32 bps QoQ to 1.02%. Provisions rose QoQ to ₹ 7237 crore but loan loss provisions were stable at ₹3262 crore from ₹3096 crore. As a result net profit for Q4FY22 rose to ₹9139 crore, up 41% YoY. Credit growth at 11% YoY to ₹28.1 lakh crore while sequential growth came in at 5.8% driven by retail segment (up 15% YoY) in which home loans were up 11.5% YoY. Deposits growth came in at 10.6% YoY to ₹40.51 lakh crore. CASA ratio declined from 45.7% to 45.3% QoQ
- L&T Construction was awarded a significant (ranging from ₹ 1000-2500 crore) contract for its Water & Effluent treatment business. L&T has secured a design & build order from the Public Health Engineering Department, Jodhpur Rajasthan to execute a parallel carrier system to the Rajiv Gandhi Lined Canal (RGLC Phase III) on a single point responsibility basis. The scope of work includes 213 kms of raw water mild steel transmission mains, 4 pump houses along with associated electrical, mechanical and instrumentation works. The project will cater to the water demands of the districts of Jodhpur, Pali and Barmer and also provide raw water to the Delhi Mumbai Industrial Corridor (DMIC) and Rajasthan State Industrial Development & Investment Corporation Ltd (RIICO)
- For Affle India, Q4 is seasonally weak quarter while Q3 is strongest as advertisers invests heavily during Diwali /Christmas etc. Revenue is down by 7.2% QoQ to ₹315.1 crore while it is up 122% YoY. Converted users down by 3.2% QoQ to 56.6mn (up by 91% YoY) while realization (average CPCU) was down 1.4% QoQ to ₹51.1 (up by 24.9% YoY). EBITDA margins declined by 140bps QoQ to 18.5% (it was down 580bps YoY) due to increase in employee as well as inventory costs. For FY22, The company reported, 135% growth in revenues to ₹1082 crore , aided by 195.3 mn converted users (up 85%) while 22% growth in Average CPCU to ₹49.9. EBITDA margins were down 550bps in FY22 to 19.7%

- Zydus Lifesciences has launched Bemdac (Bempezoic acid), a new class of drug for the first time in India. The oral drug is new line of treatment for patients suffering from uncontrolled levels of LDL-Cholesterol (LDL-c).
- Lupin is recalling over 33 lakh bottles of Losartan Potassium Tablets, of different strengths and 39 lakh bottles of Losartan Potassium and Hydrochlorothiazide tablets, in US market
- Glenmark Pharma is recalling over 32,000 bottles of Zonisamide capsules in US market
- Dr Reddy's is recalling 252 blister packs of Lansoprazole delayed-release orally disintegrating tablets in US market
- Torrent Pharma is recalling 24,888 bottles of Pantoprazole sodium delayed-release tablets in US market
- As per media reports (Businessline), Bharti Airtel is planning to set up a new technology centre in Pune to support digital services in the Western region and will be hiring around 500 digital engineering professionals by the end of the current fiscal. This will be Airtel's fourth digital technology hub in India and first in the Western region to support its strategy to pivot to a digital services company, especially as 5G services are on the horizon
- Inox Leisure (Inox) announced the launch of its fourth multiplex in Hyderabad. The new multiplex has seven screens with a total of 1,534 seats. With this launch, INOX will expand its presence to 162 multiplexes spanning 688 screens across 72 cities in the country
- Ashoka Buildcon's credit rating has been updated by CRISIL for both long-term and short-term debt as 'Crisil AA-/Stable (Removed from 'Rating under Watch with Developing Implications; Rating reaffirmed and Crisil A1+ (Removed from 'Rating under Watch with Developing Implications; Rating reaffirmed) respectively
- NBCC (India) has secured the total business of ₹ 6.3 crore during the month of April 2022. While order inflow remained muted during April 2022, its overall order book remains robust at ₹ 60,000+ crore. However, pick-up in execution and normalization in margin remains key going forward
- PNC Infratech has signed concession agreement with NHAI for two packages of Kanpur - Lucknow Expressway HAM project. The aggregate contract value stands at ₹ 2,926 crore
- Holcim has signed a binding agreement for the Adani Group to acquire its business in India, comprising its 63.11% stake in Ambuja Cement, which owns a 50.05% interest in ACC, as well as its 4.48% direct stake in ACC. The corresponding offer share prices of ₹385 for Ambuja Cement and ₹2,300 for ACC translate into cash proceeds of ₹50,183 crore (or CHF 6.4 billion) for Holcim. This along with the open offer makes total deal size of \$10.5 billion or ₹80000 crore
- Gail and Brookfield Asset Management-based Pipeline Infrastructure Ltd has signed an MoU to jointly develop a hydrogen-based ecosystem in India. GAIL and Pipeline Infrastructure will explore various options for transportation, using the existing natural gas pipeline and the end-use of hydrogen
- Reserve Bank of India (RBI) governor Shaktikanta Das will meet chiefs of public sector banks (PSBs) on May 17 to review credit flow and assess the outlook on asset quality, as reported in Financial express. Das may also take stock of state-run banks' strategy to deal with the rising interest rate scenario without upsetting growth dynamics
- As per Financial Express, public sector banks reported over 51% dip in the amount involved in frauds to ₹ 40,295.25 crore during FY22, as per Reserve Bank of India. The 12 PSBs had reported frauds worth ₹ 81,921.54 crore in preceding FY21. However, the number of fraud cases didn't fall at the same pace as a total of 7,940 frauds reported by the PSBs in 2021-22, against 9,933 incidents reported in FY21. According to the RBI data on frauds reported by PSBs in all categories during FY22, the highest amount of ₹ 9,528.95 crore was reported by Punjab National Bank (PNB)

Nifty Daily Chart

NIFTY [N59901]16227.70,16404.55,15735.75,15770.50, 11664113664, -3.90%
 Price Avg(E,52)



Technical Outlook

Equity benchmarks slumped over fifth week on the trot tracking weak global cues owing to rate hike and inflation worries. The Nifty ended the volatile week at 15782, down 3.8%. In the coming session, index is likely to open on a flat to positive note tracking positive global cues. We expect buying demand to emerge around the March low (15671). Hence after a positive opening use intraday dips towards 15690-15722 for creating long position for the target of 15807. Going forward, a follow through strength along with a decisive close above Friday's high (16083) is necessary for a meaningful pullback to materialise towards 16400 from current oversold reading. Failure to do so would lead to prolongation of corrective bias wherein key support is placed at 15600-15400 zone which is 61.8% retracement of CY21 rally coincided with equality of previous down leg of 14%.

Pivot Points

Index/Stocks	Trend	Close	S1	S2	R1	R2
S&P BSE SENSEX INDEX	Positive	52793.6	52370	51947	53501	54209
NIFTY 50	Positive	15782.2	15654	15526	15997	16212
AARTI INDUS LTD	Positive	752.0	741	730	767	782
ASIAN PAINTS LTD	Positive	3064.0	3028	2991	3109	3153
DIVI LABS LTD	Positive	4281.1	4239	4196	4340	4398
STATE BANK IND	Neutral	444.7	431	417	468	491
DR REDDY'S LABS	Positive	3924.3	3883	3843	3972	4020
TATA MOTORS LTD	Positive	404.3	389	372	421	436
INDUSIND BANK	Neutral	872.4	862	853	887	903
BATA INDIA LTD	Positive	1679.3	1656	1631	1718	1755
TATA CONSULTANCY	Neutral	3414.9	3384	3354	3442	3470
GRANULES INDIA	Positive	239.1	236	232	244	248
BHARAT PETROL	Negative	337.0	333	330	342	348
INDIAN RAILWAY C	Positive	651.8	631	611	666	681
RELIANCE INDS	Positive	2426.6	2402	2377	2465	2503
AU SMALL FINANCE	Positive	1293.7	1276	1257	1320	1345
CESC LTD	Positive	78.6	77	76	80	82

CNX Nifty Technical Picture

	Intraday	Short term
Trend	Range Bound	Down
Support	15740-15670	15600
Resistance	15880-15950	16400
20 day EMA		16658
200 day EMA		16820

Advances/Declines

	Advances	Declines	Unchanged
BSE	2162	1178	132
NSE	1426	714	53

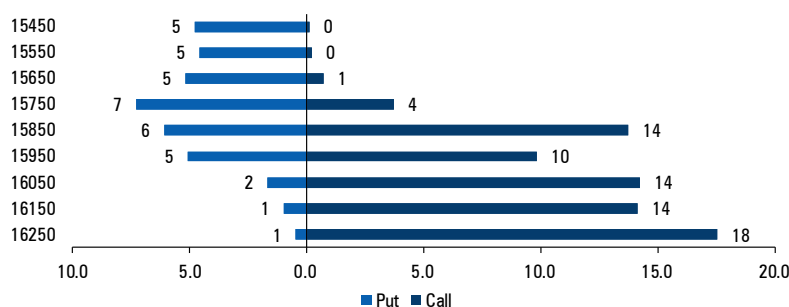
Daily Technical Calls

Daily Technical Calls
1. Buy ABB in the range 2284.00-2288.00
2. Sell NMDC in the range of 136.00-137.00

All recommendations of May Future

[See Momentum Pick for more details](#)

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



Intraday Derivative Strategy

i) Godrej Consumer Products Limited (CMP: 799.25)

Buy GODCON May Fut at ₹ 797.75-800.75
 Target 1: 817.3 Target 2: 844.3
 Stop Loss: 781.3

ii) Ntpc Limited (CMP: 144)

Sell NTPC May Fut at ₹ 143.95-144.05
 Target 1: 142.4 Target 2: 140.1
 Stop Loss: 145.6

[See Derivatives view for more details](#)

Results/Events Calendar

02	May Monday	03	May Tuesday	04	May Wednesday	05	May Thursday	06	May Friday	07	May Saturday
Mahindra Holidays HDFC Ltd,Alembic Pharma M&M Fin, Inox Leisure Castrol,Astec life, Saregama Dwarikesh Sugar,Jindal stainless steel		Ramkrishna Forging,Solar Ind Tata Steel Hero Moto. Titan,Kec Int Symphony		Tata consumer,ABB,EIH Havells India Kotak Mahindra Bank Deepak nitrite Adani Total Gas		Dabur,Marico,Firstsource PGHL,Intellect design arena ABB, Indus tower, Exide Ind,Voltas,Blue Dart CAMS,TVS,Jindal Stainless(Hisar)		Grindwell Norton,Vesuvius In,ENIL CSB Bank,Federal Bank Reliance Ind		Navin Fluorine Siyaram Silk Mangalam Cement DCB Bank	
09	May Monday	10	May Tuesday	11	May Wednesday	12	May Thursday	13	May Friday	14	May Saturday
BASF India,PVR, Suven Pharma SRF VST Tillers Tractors Mold Trek Packaging		Kansai Nerolac,Polycab,Taj GVK Hotel Asian Paints,Ajanta Pharma,EPL Cipla,Awadh Sugar,Vodafone Idea Gujarat gas,Mahanagar Gas Zensar Tech,		KKCL,Relaxo,Birla Corp,Orient Cement Petronet LNG,Sagar Cement,NCC Butterfly Gandhimati SKF,Indian Bank MRPL		Tata Motor,L&T, Siemens TV Today,Caplin Point,Apollo Tyres GSPL,Brigade Enterprise Greaves Cotton,Coforge J&K Bank,Matrimony		Escorts,Eicher Motors,BKT Tech M,SBI,BOB,Bandhan Bank Elgi Equipments PPAP Aut. Amber Ent,		Vinati Organics Neogen chemicals Avenue Supermarts Triveni Eng & Ind, Affle India	
16	May Monday	17	May Tuesday	18	May Wednesday	19	May Thursday	20	May Friday	21	May Saturday
Bharat Forge,VP Industries MCX Greenply Century Ply Shankara		Indoco Remedies,Bajaj Electricals IOC,Zydus Wellness Airtel,Minda Corp Abbott India,Anup Engg Kajaria Ceramics		Sandhar Tech,ITC,Somany Ceramics Pidilite Industries,Navneet,LIC housing Granuels India,Indraprastha Gas Lupin,Teamlease,Gujarat Pipavav Ratnamani metal & tubes		Bosch Ltd,HPCL Dr Reddy,V Guard Ind. Novartis Gland Pharma Ashok Leyland,Concor		Amara Raja Bat,Pfizer.IDFC Ltd Hester Biosciences,Cochin Shipyard Indigo Paints,JK Tyre,Sobha,NTPC Ador Welding,Advanced Enzyme Thermax,Zydus Lifescience,Narayana		Shree cement Gulf Oil BHEL Powergrid	
23	May Monday	24	May Tuesday	25	May Wednesday	26	May Thursday	27	May Friday	28	May Saturday
Pricol Bharat Elect. Divis Action Construction		JM Financial,Gabriel MBL Adani Ports ZF Commercial Vehicle IPCA		Apollo Hospital,HEG Torrent Pharma Coal India,Shalby MM Forging AIA Engg.,		Page Industries,NMDC Hindalco,Healthcare Global Motherson Sumi Berger Paints Colgate Palmolive		Ramco Cements,Engineers India ESAB,Sumitomo Chem Nirlon,Timken India TCI Express JSW Steel			
30	May Monday	31	May Tuesday	01	June Wednesday	02	June Thursday	03	June Friday	04	June Saturday
Sun Pharma											

Major Economic Events this Week

Date	Event	Country	Period	Expected	Previous
17-May	WPI Food	IN	May	-	8.60%
17-May	WPI Fuel	IN	May	-	34.52%
17-May	WPI Inflation	IN	May	14.48%	14.55%
17-May	WPI Manufacturing Inflation	IN	May	-	10.71%
17-May	Retail Sales MoM	US	May	0.80%	0.70%
17-May	Industrial Production YoY	US	May	-	5.47%
17-May	GDP YoY	JP	May	-1.80%	4.60%
18-May	Industrial Production MoM	JP	May	-	0.30%
18-May	CPI	UK	May	9.10%	7.00%
18-May	Core CPI	EU	May	7.50%	7.50%
18-May	M3 Money Supply	IN	May	-	10.20%
18-May	Crude Oil Inventories	US	May	-0.475M	8.487M
19-May	Initial Jobless Claims	US	May	200k	203k
19-May	National Core CPI	JP	May	2.10%	0.80%
20-May	Bank Loan Growth	IN	May	-	11.10%
20-May	Deposit Growth	IN	May	-	9.80%
20-May	FX Reserves, USD	IN	May	-	595.95B

Result Preview

Company	Revenue	Chg(%)	EBITDA	Chg(%)	PAT		
₹ Crore	Q4FY22E	YoY	QoQ	Q4FY22E	YoY	QoQ	Q4FY22E
Bharat Forge	1,662.0	28.2	5.0	423.0	17.9	3.8	251.0

Recent Releases

Date	Report
May 15, 2022	Result Update- Eicher Motors
May 15, 2022	Result Update- TV Today Network
May 15, 2022	Result Update- Brigade Enterprise
May 15, 2022	Result Update- Tech Mahindra
May 14, 2022	Company Update- Siemens



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