



Lighting a path forward
in Equities & Commodities...

SENSEX

NIFTY

GOLD

SILVER

CRUDE OIL

USD / INR

Price Forecast

INSTRUMENT	28th Feb 2023.	1 Month	2 Month	3 Month	1 year
SENSEX	58962	57500	59500	63583	67250
NIFTY	17304	17050	17600	18888	20000
USD \$ / INR	82.64	83	82.75	81.75	85
GOLD	55798	54900	56500	55000	57500
SILVER	64656	62500	65000	64500	70000
CRUDE OIL	6402	6300	6750	7100	8100



Dear Valued Reader,

We are ready with our Mar-Apr-May 2023 forecast.

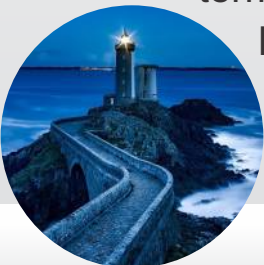
After a volatile Jan and Feb 2023, perma-bulls find themselves back in a similar position — volatile movements + lots of panic attacks.

More carnage at Dalal Street?

Well, fingers crossed as the benchmarks, Sensex and Nifty have slipped hard in Feb 2023 (-2.03%) and most importantly, are down around 5% after scaling their all-time-highs on December 2nd 2022.

The benchmarks have ended down for the third straight month and the negative takeaway is that are on a nervous footing on backdrop of extremely volatile and negative global headwinds like geopolitical risks (Russia – Ukraine war), FIIs camp clearly on sell side, and global economic growth seen fading on backdrop of rising inflation and probable intention of U.S Federal Reserve's to hike aggressively.

Also, blame the negative backdrop to extremely overbought technical conditions — the near term outlook for Dalal Street looks blurred indeed. That's primarily on backdrop of deteriorating liquidity conditions.



Meanwhile, part of February's fall can be also be blamed to the crisis in Adani Group stocks.

Since the release of the Hindenburg report on January 25, the combined market capitalisation of all 10 Adani stocks have so far lost around Rs 11.62 lakh crore to Rs 7.58 lakh crore.

In less than a month, Adani stocks have lost 60% of their value.

So, expect volatility to rule the roost and choppiness will prevail at Dalal Street this March 2023 primarily as investors brace for a tug of war battle between the bulls and the bears.

Now, before we get into detail and start a brand new-innings of trading this March 2023, let's review how the major indices listed at Dalal Street fared in Feb, Jan 2023 and December 2022 and also their performance in the year 2023.

Happy Investing!!



Market recap:

Instruments	Prices as on 28th Feb 2023	Feb 2023 % Change	Jan 2023 % Change	Dec 2022 % Change	2023 % Change
Sensex	58962	-0.99%	-2.12%	-3.58%	-3.11%
Nifty	17304	-4.42%	-2.45%	-3.48%	-6.87%
BSE Auto Index	29226	-4.03%	+5.29%	-4.78%	+1.26%
BSE Bankex Index	45609	-1.02%	-6.62%	-0.90%	-7.64%
BSE Capital Goods Index	33862	+0.17%	+1.39%	-1.49%	+1.56%
BSE Consumer Durables	37460	-0.72%	-5.00%	-4.28%	-5.72%
BSE FMCG	16162	-0.34%	+0.21%	-2.73%	-0.13%
BSE Healthcare	21600	-3.94%	-2.35%	-3.81%	-6.32%
BSE Metal	18986	-10.24%	+1.42%	+2.95%	-8.82%
BSE Mid-Cap	24158	-1.97%	-2.65%	-2.45%	-4.62%
BSE Small-Cap	27341	-3.07%	-2.49%	-2.00%	-5.56%
BSE Power	3296	-24.76%	-6.77%	-6.77%	+3.82%
BSE Realty	3907	-19.20%	+13.34%	-3.90%	-5.97%
BSE Oil/gas	16915	-8.68%	-9.25%	-0.98%	-17.93%
BSE IT	29404	-0.85%	+3.43%	-6.03%	+2.58%



The Back Story: The bears were out there and lurking.

February was definitely a difficult month for Indian equities as a series of strong economic data from the US did built a solid case for further interest rate hikes by the Federal Reserve.

Amidst this backdrop, the king US Dollar was seen making a solid comeback to 105 levels - a fresh two-month high against its global peers

The 2-year US Treasury yields hit 4.828% - highest levels since 2007. The 10-year Treasury spikes to 3.99%.

Long story short: Sell-off resumed at Wall Street. The Dow slumped into negative territory for the year 2023.

Well, at the moment - markets are fully pricing two more 25 basis points Federal Reserve rate hikes in March and May.

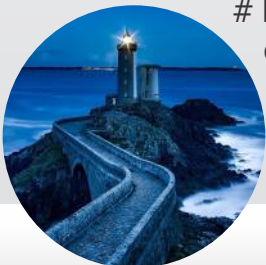
Bottom-line: There is no sight of soft landing from Fed rate hikes In-fact, there is risk of experiencing no landing at all or probably crash landing.

Let's now have a look at other key catalysts from last month:

The street was struggling with fears of aggressive rate hike by the US Fed. Add to that, a sudden free-fall in stock of Adani Group after The US-based Hindenburg Research LLC said it shorted Adani Group companies due to "brazen" market manipulation and accounting fraud.

The United Nations slashes India's GDP growth forecast for the calendar year 2023 to 5.8%, citing the effect of tighter monetary policy and weak global demand.

Private sector SBI Life Insurance reported more than 16 per cent decline in net profit at Rs 304 crore in the third quarter ended December 2022.



- # IDFC First Bank reported a two-fold jump in its net profit to Rs 605 crore for the quarter ending December 2022, driven by growth in operating income.
- # State-owned power giant NTPC on Saturday reported a nearly 5% rise in its consolidated net profit to Rs 4,854.36 crore for the December quarter, mainly due to higher revenue.
- # Metals and mining major Vedanta on Friday reported a 41% year-on-year (YoY) fall in consolidated net profit (attributable to owners) to Rs 2,464 crore for the quarter ended December 31, 2022. This was mainly because the company was hit by lower output and weak commodity prices..
- # Consumer financier Bajaj Finance reported its highest ever quarterly profit at Rs 2,973 crore in the October-December quarter (Q3) of FY23, up 40% year on year (YoY). The performance was aided by a healthy rise in net interest income (NII) and drop in provisions and contingencies.
- # Reliance Power said its consolidated net loss widened to Rs 291.54 crore in the December 2022 quarter
- # Mahindra & Mahindra (M&M) reported a 14% rise in its profit after tax (PAT) to Rs 1,528 crore for the third quarter ended December 2022, driven by robust sales.
- # Lupin has reported 72% decline in consolidated net profit at Rs 153 crore for the third quarter ended December 31, 2022.
- # State-owned engineering firm BHEL posted a 56.5% rise in its consolidated net profit to Rs 42.28 crore in the December quarter mainly on the back of higher revenues.
- # Indian Railway Catering and Tourism Corporation's (IRCTC's) net profit rose 22.37 per cent year-on-year to Rs 255.53 crore in the third quarter of FY23.
- # Restaurant aggregator Zomato's losses widened to Rs 346.6 crore for the quarter that ended in December (2022-23, or FY23), compared with Rs 63.2 crore in the corresponding period of the previous financial year (2021-22). The food delivery giant had reported a net loss of Rs 250.8 crore in the second quarter (Q2) of FY23.



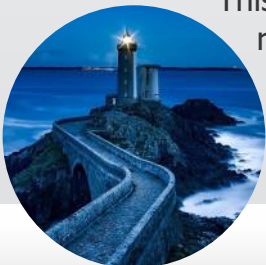
The US Retail sales rose by 3% month over month to \$697 billion, which was above estimates to rise by 1.7% in the month.

- # The US Dollar index topped 104 levels for the first time since early January, as robust economic data threw some cold water on expectations for the ending of the Fed's tightening campaign.
- # Vodafone Idea (Vi) net loss widened 10.5% on a year-on-year (YoY) basis to Rs 7,990 crore in Q3 of FY23 due to rise in operating expenses and finance costs. In the same period last year, the company posted a net loss of Rs 7,230 crore.
- # Nestlé India posted a 65.5% increase in net profit to Rs 628.06 crore, while revenue was up 13.6% at Rs 4,256.7 crore.

State-owned engineering firm BHEL posted a 56.5% rise in its consolidated net profit to Rs 42.28 crore in the December quarter mainly on the back of higher revenues.

- # State-owned MTNL on Wednesday posted a widening of consolidated loss at Rs 775.5 crore in the third quarter ended on December 31, 2022. The company had posted a loss of Rs 659.28 crore in the year-ago period.
- # Apollo Hospitals Enterprise has posted a 33% dip in consolidated net profit for the third quarter of the financial year 2022-23 to Rs 153 crore, as compared to Rs 228 crore during the October-December quarter of 2021-22.
- # Oil prices fell recovered from their 3-week lows, up 8.63% at \$ 79.72 per barrel. Oil prices posts gained after Russia said it will cut output by 500,000 barrels a day.
- # Finance Minister Nirmala Sitharaman came out with flying colors on her fifth Budget and most importantly, the economic blueprint meets the expectations of the country and should take Indian economy to the top three economic powers in the world over the next 10-15 years.

This Budget definitely aims to provide impetus to growth as focus on infrastructure. Well, by retaining the thrust on capex-related spending to support and revive economic growth — FM Nirmala Sitharaman has taken up the big responsibility of proving to the big investors across the globe that the Prime Minister Narendra Modi's magic is still on.



The big bang economic push with outlay for capital expenditure in the Union Budget 2023-24 is stepped up sharply by 33% from Rs 7.50 lakh crore in the current year to Rs 10 lakh crore or 3.3% of the GDP in 2023-24.

The total budget size for FY24 (total expenditure) will be Rs 45 trillion, compared with revised estimates (RE) of FY23 of Rs 41 trillion.

- # US Federal Reserve slowed its pace of interest rate hikes on Wednesday, suggesting that inflation has eased somewhat but still remains elevated.

The US central bank announced a quarter-point hike to the benchmark lending rate at the end of its two-day policy meeting. US Fed took the rate to a target range of 4.50-4.75 per cent, bringing down an aggressive campaign to rein in costs as inflation cools. While recent developments are encouraging, officials will need "substantially more evidence" to be confident that inflation is on a sustained downward path, Fed Chair Jerome Powell told a press briefing.

- # Job growth in the U.S. blew past expectations in January. The Labor Department said nonfarm payrolls grew by 517,000 through the middle of the month, abruptly snapping a four-month trend of slowing job gains.

Analysts had expected a further slowdown to 185,000, which would have been the slowest job growth in nearly two years. Now, the street fears of even more aggressive stance by the US Fed in raising interest rates.

- # The annual consumer price inflation in India accelerated to 6.52% in January of 2023, the highest in three months, compared to 5.72% in December.

- # Investors were relieved after India's wholesale inflation fell again, bringing another relief to a long cycle of rising prices. As per the official updates, the WPI inflation has declined to 4.73%, touching another low vis-a-vis previous figures. This also means that WPI inflation has now touched a 24-month low.

- # The US Consumer Price Index declined to 6.4% on a yearly basis in January from 6.5% in December. This reading came in higher than the market expectation of 6.2%. As a result, the 10-year Treasury yield rose 8 basis points to 3.83%. The 10-year yield reversed slightly lower Friday after testing the late December peaks, but is still up 50 basis points from the Feb. 2 intraday low.



Gainers over 1-Month

Stocks	LTP (28th Feb 2023)	Change %	52 Week H/L
ITC	376.8	9.01%	394/210.80
ULTRATECH	7263.05	8.13%	7489/5158.05
TECHM	1101.65	6.94%	1574.8/944.10
BAJAJFINANCE	6116.45	6.26%	7777/5235.6
ICICIBANK	854.65	4.54%	958/642

Losers over 1-Month

Stocks	LTP (28th Feb 2023)	Change %	52 Week H/L
TATASTEEL	103.95	-13.84%	138.6/82.71
SUNPHARMA	957.0	-8.30%	1071.90/789.75
HUL	2457.65	-5.91%	2741/1901.80
TATAMOTORS	420.60	-5.60%	494.50/366.05
SBHARTIARTL	742.95	-4.07%	877.10/629.05

Stocks at 52 Week High

Stocks	LTP (28th Feb 2023)	52 Week High
KIRLOSIND	2240	2300
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

Stocks at 52 Week Low

Stocks	LTP (28th Feb 2023)	52 Week Low
ADANIGREEN	485.30	439.10
NETWORK18	58.10	56.95
PEL	770.5	765.10
-	-	-

FII / DII - monthly break up and compared to January 2023.

FII (Feb) Rs. In Cr.	FII (Jan) Rs. In Cr.	DII (Feb) Rs. in Cr.	DII (Jan) Rs. In Cr.
-11090.64	-41464.73	19239.28	33411.85i



Looking Ahead: The trading theme will move from caution, to panic, to skepticism. Investors may also have to brace for flash crashes.

Sensex: 58,962.

Nifty: 17,304.

Strictly speaking, the pathway forward for Dalal Street in the near term are likely to become more perilous. Yes, going into the March 2023, investors have a lot to worry about.

To put it straight, the tug of war battle will be between 'the optimism from the Federal Reserve efforts to control inflation' and 'the recession concerns which pose a significant risk.'

Obviously, the street is increasingly sensitive to the economic outlook.

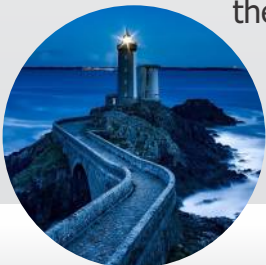
The other negative catalysts are the fact that the FIIs are on a selling spree.

FIIs camp continue to be net sellers, selling to the tune of Rs. 11,091 crore worth of shares in February month on top of more than Rs 41,465 crore of offloading in January 2023.

The risk-off theme will be preferred strategy as even DIIs have failed to cover up the FIIs' selling quantum.

Amidst this negative backdrop, there will be definitely frequent shocks and volatility. The battle will be between overbought technical conditions, fundamentals and sentiments.

On the positive side, we firmly believe and suspect Nifty's downside could be limited and probably Dalal Street could grind higher as on the positive side is the hope that the GST collections for the February month may have crossed Rs. 1.55 lakh crore+



The other positive catalyst in favor of bulls is that West Texas Intermediate Oil Prices are trading sluggish below \$85 a barrel. The prices have dropped 30 percent in the last five-and-half months. Further fall in oil prices is expected to support the RBI commentary as India is amongst the largest oil importers. Hence, market participants will be closely watching this space.

Long story short: Bears are likely to be on the driver’s seat in March 2023. Unstoppable rally possible only on hopes that the Federal Reserve has reached peak hawkishness. (That’s wishful thinking).

Honestly speaking, to achieve Dalal Street’s bigger bullish happiness, love and wisdom, investors’ will have to keep their attention squarely only on the five catalysts:

1. Flow of liquidity.
2. Rates.
3. Inflation.
4. Recession.
5. Earnings.

But at the moment, all the above catalysts are working as headwinds for the equity markets and most importantly, are on the front pages...

Bottom-line: We reiterate, the trading theme will move from caution, to panic, to skepticism. Investors will also have to brace for flash crashes.

So, the next few days will be important especially in the US with Federal Reserve's interest rate decision and labor reports taking center stage. The street suspects the Federal Reserve is unlikely to be able to bring down inflation without having to raise interest rates considerably higher, causing a recession.

Bullish looking stocks	Bearish looking stocks
ABB, BRITANNIA, POLYCAB, POWER INDIA, SIEMENS INDIA, LINDE INDIA, RATNAMNANI METALS, CUMMINS INDIA	BANDHAN BANK, LAURUS LAB, IPCA LABS, PEL, VEDANTA, PVR, DR REDDYS LAB, RAIN INDUSTRIES.



Daily chart of Nifty:



Our **call of the month** suggests investors will continue to wrestle with the implications of spiking inflation while on the positive side are hopes of a rebound in the economy on back by record high GST revenue.

The ice likely to crack further on this bull market on any move below Nifty 16601 mark with aggressive downside targets at 15183 mark. Alternatively, Nifty poised for its biggest hurdles at 18250 as long as 16601 support is held.

Preferred Trade on Nifty:

CMP 17304

Technically speaking, from a chartist standpoint, still extremely overbought technical conditions prevail. The near term price action for Nifty is suggesting that we are likely to see a 16900- 17900 range in near term with slight bias. Please note, Nifty's 200DMA at 17384 mark.

Selling on strength should be the preferred strategy between 17700-17900 zone. Targets at 17101 mark and then at 16600-16750 zone with strict stop at 18251.



The single-most conviction idea for March 2023.

BUY BRITANNIA INDUSTRIES (CMP 4462): Targets at 4750.

Daily chart of BRITANNIA



Incorporated in 1918, Britannia Industries is one of India's leading food companies with 100 year legacy and annual revenues in excess of Rs. 13500 Cr. and now commands a market cap of Rs. 111,411 crores.

Britannia is among the most trusted food brands, and manufactures India's favorite brands like Good Day, Tiger, NutriChoice, Milk Bikis and Marie Gold which are household names in India. Britannia's product portfolio includes Biscuits, Bread, Cakes, Rusk, and Dairy products including Cheese, Beverages, Milk and Yoghurt.

Britannia is a market leader in the biscuit category, with close to 34% market share in the domestic market and reach over 50% of Indian homes. The dairy business contributes 5% of overall revenue.

Britannia reported a strong operational performance in the December quarter (Q3FY23) as its consolidated net profit of Rs 932 crore for the December quarter, up 152% YoY. It was Rs 371 crore in the December quarter of last year.

In Q3FY23, Britannia's consolidated sales grew 16% YoY to Rs 4,101 crore, while operating profit rose 55% YoY to Rs 760 crore, and net profit jumped 151% to Rs 932 crore over the previous year quarter.



The positive takeaway is that Britannia reported stellar performance in a challenging environment and most importantly, the growth momentum continues led by price hike. The growing consumer franchise and brand strength is evident in the consistent market share gains over the past 39 quarters.

Also, Britannia and Bel SA, a French cheese maker, have announced that they have entered into a joint venture (JV) to develop, manufacture, market, distribute, trade and sell cheese products in India and certain other territories, it said in a stock exchange filing.

Technically, brace yourselves for a breakout play on the weekly and monthly time frames. The recent sequence of higher high/low is intact on all time-frames. An impulse uptrend is seen forming on the monthly time scale too, with positive SAR series.

Add to that a bullish divergence and a rising stochastic signal (on daily charts) with recent increase in volumes signaling a larger rebound. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 4025 zone. The level of 4000-4025 zone will act as a strong support zone and any sharp panic declines to these levels offer opportunities to initiate aggressive long positions.

Simply buy at CMP, and on dips between 4250-4300 zone, targeting 4751 mark and then targets at psychological 5000 mark. Above 5000, the stock will aim to move towards 5400-5500 zone. Stop below 4101. Holding Period: 5-8 Months.





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