



Lighting a path forward  
in Equities & Commodities...

**SENSEX**

**NIFTY**

**GOLD**

**SILVER**

**CRUDE OIL**

**USD / INR**

## Price Forecast

INSTRUMENT	31st Mar. 2022.	1 Month	2 Month	3 Month	1 year
SENSEX	58569	60051	61475	62245	67501
NIFTY	17465	18001	18351	18605	20001
USD \$ / INR	75.79	75.05	74.75	75	75.5
GOLD	52140	53001	53501	50500	51000
SILVER	67475	68501	70000	62001	63000
CRUDE OIL	7754	7505	8001	7350	6751



Dear Valued Reader,

The last trading day of FY 22 was uninspiring but the positive takeaway was that the key benchmarks — Sensex and Nifty witnessed significant buying in the month of March, up 4% each and most importantly, were seen outperforming even U.S stock markets.

On a monthly basis in March, the three indexes at Wall Street, Dow Jones Industrial Average, the Nasdaq and the S&P 500 Index gained 2.3%, 3.4% and 3.6%, respectively. That said, as for the first quarter of 2022, the Dow (-4.6%), Nasdaq (-9.1%) and S&P 500 (-5.0%) all finished solidly in the red, marking their worst quarter since Q1 2020.

Positive sentiments at Dalal Street was despite the backdrop of extremely volatile and negative global cues (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 remove stimulus. The buzz on the street is that the US Fed is likely to announce faster tapering of asset purchases amid rising inflation with traders confidently betting on half-point moves higher in the Fed Funds rate at the next three Fed meetings in May, June and July.

Bulls continue to shrug off all bad news with regards to global growth concerns that were getting amplified, making the markets nervous. But the best part is that the markets are not reacting to this terrible news in any negative manner for more than one day.

### **This brings us to the big question — Run for the hills?**

Well, Dalal Street was one of the few bright spots amongst equity markets globally. The street is now setting its bullish eyes on April 2022 on backdrop of a 0.75% gains in Nifty — for the year 2022.

We are ready with our Apr-May-June 2022 forecast.

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

We are ready with our Mar-Apr-May 2022 forecast.

**Happy Investing!!**



## Market recap:

Instruments	Prices as on 31st March 2022	March 2022 % Change	Feb. 2022 % Change	Jan. 2022 % Change	2022 % Change
Sensex	58561	+4.11%	-3.45%	-0.41%	+0.79%
Nifty	17465	+3.99%	-3.23%	-0.08%	+0.68%
BSE Auto Index	24050	-2.30%	-6.77%	+6.41%	-2.66%
BSE Bankex Index	41754	+0.28%	-4.44%	+7.82%	+3.66%
BSE Capital Goods Index	27506	-0.55%	-5.14%	+1.42%	-4.27%
BSE Consumer Durables	42271	-1.92%	+2.81%	-6.36%	-5.47%
BSE FMCG	13335	+2.51%	-3.37%	-2.35%	-3.21%
BSE Healthcare	24304	+4.06%	-10.88%	-8.02%	-14.84%
BSE Metal	22368	+17.82%	+9.48%	-1.36%	+25.94%
BSE Mid-Cap	24108	+3.22%	-5.11%	-1.43%	-3.32%
BSE Small-Cap	28216	+5.83%	-9.49%	-0.78%	-4.44%
BSE Power	4044	+4.93%	-2.11%	+13.07%	+15.89%
BSE Realty	3682	+6.23%	-9.08%	-0.75%	-3.6%
BSE Oil/gas	18741	+8.24%	+7.27%	+6.68%	+22.19%
BSE IT	36403	+8.66%	-11.47%	-8.21%	-11.02%



## The Back Story: The market mood seen improving considerably!

Dalal Street got off to a disorganized start to the March, but the positive takeaway was that the benchmarks Sensex and Nifty finished in positive territory, up around 4%.

Blame the full-blown panic at the start of the month to Russia-Ukraine conflict. The 'Russian Bear' was hinting for higher oil/commodity prices and slower growth across globe. Emerging market economies like India were susceptible to be hit hard and most importantly, making the RBI's recent dovish stand a big question.

FII's too were seen on a selling spree as they net sold shares worth Rs. 43,281 crores worth of shares in March month on top of more than Rs. 45720 crores and Rs. 41,346 crores of offloading in February and January respectively.

The risk-off theme was the preferred strategy as even DIIs failed to cover up the FII's selling quantum buying only worth Rs. 39677 crores.

**Long story short: Despite headwinds Nifty bulls witnessed a marvelous March.**

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

# Markets rejoiced the fact that the Bharatiya Janata Party (BJP) retained power in Uttar Pradesh, Uttarakhand, Goa and Manipur while the Aam Aadmi Party (AAP) secured a landslide victory in Punjab.

# Indian economy grew by 5.4 per cent in the October-December quarter of 2021-22, according to the data released by the National Statistical Office (NSO) on last Monday. The gross domestic product (GDP) expanded by 0.7% in the corresponding period of 2020-21, the NSO said. In its second advance estimates of national accounts, the NSO has projected 8.9% growth in 2021-22. In its first advance estimates released in January, it had projected 9.2% growth for 2021-22 as against a contraction of 6.6 per cent in 2020-21. The economy had grown by 20.3% in the first quarter of this fiscal due to lower base effect. In the second quarter, the GDP grew by 8.5% which when compared to latest Q3 readings was quite more.





- # India's CPI inflation rose to 8-month high of 6.07% in February 2022. The retail inflation rate in India - measured by the Consumer Price Index (CPI)- came in at 6.07% in February 2022. Also, wholesale inflation in India rose to 13.11% in February. It had moderated to 12.96% in January 2022 after rising to 13.56% in December 2021.
- # India resumed regular international flights from March 27th.
- # The policy-setting FOMC raised policy rates by 25 basis points for the first time since 2018 while setting a more hawkish tone and indicating a further 6 rate increases this year. The Fed also revised down its projections for real GDP this year to 2.8% from 4% in December. They have also revised the PCE inflation projection upward to 4.3% with core PCE inflation at 4.1%.
- # US Consumer Price Index rose by 7.9% through February, the fastest pace of annual inflation in 40 years. Rising food and rent costs contributed to the big increase, the Bureau of Labor Statistics said, as did a nascent surge in gas prices that will become more pronounced in the March inflation report.
- # On the positive side, shares of steel companies were in limelight in an otherwise on reports that India's top steelmakers have hiked prices of rebar and HRC (Hot Rolled Coil) by Rs 1,500-Rs 2,000 a tonne due to inflated raw material cost
- # Gold Prices remained above \$1936 mark last month as investors preferred to resort to safe havens in times of geopolitical uncertainties.
- # FIIs were net sellers last month at Rs. 43,281.31 crores. DIIs were net buyers at Rs. 39,677.03 crores.
- # The Indian rupee weakened by 0.57% at 75.92 for the month ended.
- # After touching highs at \$130 a barrel in the month of March, crude oil prices remained buoyant, up only 5.49% at \$100 a barrel for the month ended March. Oil prices slipped after the U.S President authorized the release of 180 million barrels from the SPR, spread over six months, in order to bring down global crude prices and ease the supply hit from Russia's war on Ukraine.



## Gainers over 1-Month

Stocks	LTP (31st Mar. 2022)	Change %	52 Week H/L
ZEEL	288.35	25.78%	378.60/166.80
JSWSTEEL	732.65	16.77%	776.50/461.30
ITC	250.65	16.12%	265.30/199.10
UPL	768.05	15.65%	864.70/581.30
RELIANCE	2634.75	11.66%	2751.35/1876.70

## Losers over 1-Month

Stocks	LTP (31st Mar. 2022)	Change %	52 Week H/L
HEROMOTOCO	2294.15	-9.52%	3090/2416.85
MARUTI	7561.30	-9.06%	9050.00/6400
YES BANK	12.30	-7.17%	16.25/10.50
BRITANNIA	3206.40	-6.45%	4153/3050
HUL	2048.65	-5.68%	2859.10/2120.00

## Stocks at 52 Week High

Stocks	LTP (31st Mar. 2022)	52 Week High
ADANIENT	2015.7	2042.20
ADANIPOWER	185.05	187.6
DELTACORP	330.25	335.95
RATNAMANI	2597.00	2609.00
TATAELXSI	8840.25	9420.00

## Stocks at 52 Week Low

Stocks	LTP (31st Mar. 2022)	52 Week Low
ALEMBICLTD	72.35	72.00
AVANTI	412.6	410.3
SNOWMAN	30.55	30.35
HDFCLIFE	523.15	520.30
WOCKPHARMA	263.80	253.20

## FII / DII - monthly break up and compared to February 2022.

FII (March) Rs. In Cr.	FII (February) Rs. In Cr.	DII (March) Rs. in Cr.	DII (February) Rs. In Cr.
-43281.31	-45720.07	+39677.03	+42084.07



## Looking Ahead:

**Sensex: 59,276.**

**Nifty: 17,670.**

Honestly speaking, if March 2022 spectacular close is any indication then Nifty bulls are likely to have their feet firmly planted and most importantly, there is a bright chance that the benchmark Nifty could simply roar like a lion and reclaim 18000 mark.

Having said that, the trading theme could well move from caution, to panic, to skepticism and most importantly, investors will also have to brace for flash crashes.

April 2022 is likely to be challenging for equities as the spotlight will remain on three big catalysts:

1. Will the war halt?
2. Will the Federal Reserve raise rates?

Well, as long as the two questions are on the front pages, equity risk-aversion will be the preferred theme at Dalal Street and that reminds that the bears are still out there and lurking. So, the street will spy with one big eye on any;

1. Rise in EU/Russia tensions.
2. Russia-Ukraine peace talks.
3. Scorching inflation across globe.

Also, blame some part of pessimism to anxiety of stagflation in near future —slower growth with rising prices

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.

For the month of April 2022, with regards to benchmark Nifty — the only strange eyebrow-raising prediction is: Volatility, volatility and volatility.

The Indian economy is likely to be gyrate between recovery and relapse, dictated by multiple mutations of the virus. That said, the equity market could head in just one direction – skywards – only if FIIs return to buying desk.

The message is very clear — investors should not try to pick stocks with short term view or time the market.

The most probable bullish scenario could be that the benchmarks hold their ground.

The gyan mantra for perma-bulls camp is: 'Be Flexible & Focus on very long term' will be the winning theme for 2025.

<b>Bullish looking stocks</b>	<b>Bearish looking stocks</b>
<p>CONCOR, BALRAMPUR CHINNI, POLYPLEX CORPORATION, SUPREME PETRO, VEDANTA, JINDAL STEEL &amp; POWER, NATIONAL ALUMINUM, TATA STEEL, SRF, SBI, EASY TRIP PLANNERS, BANK OF BARODA, CANARA BANK, TATA MOTORS, RATNAMNANI METALS.</p>	<p>INDIGO, HEROMOTO CORP, KOTAK BANK, DR REDDYS LAB, CADILA, GLENMARK, APOLLO TYRES, M&amp;M FINANCIAL.</p>



## Daily chart of Nifty:



Our **call of the month** says investors will continue to wrestle with the implications of spiking inflation while on the positive side are hopes of a rebound in the economy as coronavirus cases has subsided significantly back by record high GST revenue. The upward trend in GST collections (GST collection for March 2022 at a record Rs 1.42 trillion) augurs' optimism for the Indian economy. The buoyant tax collections only indicate that the Indian economy may well be on trajectory for double digit growth.

The ice likely to crack on this bull market only on any move below Nifty 16821 mark with aggressive downside targets at 15671 and then finally at 14251 mark. Alternatively, Nifty poised for fresh uncharted territory and ready to shoot the moon as long as 15901 support is held.

### Preferred Trade on Nifty:

**CMP**  
17670

Technically speaking, from a chartist standpoint, still extremely overbought technical conditions prevail. That said, the long term landscape remaining in a super-bullish mode with all investors' eye now at Nifty's next hurdles at 19000 mark. The near term price action for Nifty is however suggesting that we are likely to see a 16900- 18100 range in near term with slight positive bias. Please note, Nifty's 200DMA at 17079 mark.

**Buy on corrective declines should be the preferred strategy between 17000-17100 zone. Targets at 17807 mark and then at 18100-18607 zone with strict stop at 16421.**



## The single-most conviction idea for April 2022.

**Buy BANK OF BARODA (CMP 116). Targets at 151):**

### Daily chart of Bank Of Baroda



Incorporated in 1911, Bank of Baroda (BOB) is India's leading PSU banks serving 131 million customers (Pan-India presence with over 8182 branches) and has a meaningful presence in international operations with its JVs and subsidiaries (351 branches) with 12% of total business deriving from overseas. The global loan book stands at Rs. 7.3 lakh crores. BOB has better operating metrics among PSBs and we suspect earnings to gain traction as loan growth should revive sharply.

# BOB is our preferred bet in the PSU banks amidst its size and should benefit immensely from the pick-up in economic activity in the Indian economy, with a sturdy PCR, healthy capitalization, a strong liability franchise, and an improved asset quality outlook.

# Also, lower repo rates may help with quick recovery in credit growth.

# BOB reported a strong earnings performance with an over two-fold jump in

its net profit at Rs 2,197 crore in the quarter ended December 2021 on higher net interest income (NII) and lower provisions. The bank's net profit was at Rs 1,061 crore in the year-ago period.

# In the quarter ended December 2021, the bank's operating profit also rose, albeit by a modest 8 per cent, to Rs 5,483 crore against Rs 5,084 crore. A 64 per cent fall in treasury income at Rs 499 crore dented the rise in operating profit.



# Net interest margin – a key profitability measure – was at 3.13 per cent for the December quarter against 2.77 per cent over the same period last year. Net interest income (NII) -- the difference between interest earned and interest expended -- rose 14.4 per cent to Rs 8,552 crore.

# Provisions and contingencies fell 27 per cent year-on-year to Rs 2,507 crore against Rs 3450 crore.

The lender's asset quality improved with gross non-performing assets (NPAs) falling to 7.25 per cent at the end of December against 8.48 percent a year prior to that. Net NPA was at 2.25 per cent against 2.39 per cent.

# The bank saw fresh slippages of Rs 2,830 crore in the December quarter while it recovered Rs 2,032 crore and upgraded Rs 1,272 crore from NPA accounts. It wrote off loans amounting to Rs 3,694 crore.

# Its gross advances rose 3.56 per cent year-on-year to Rs 7.72 lakh crore.

# The management expects the growth momentum to continue, led by the Retail segment, while the Corporate book continues to see a gradual recovery.

# CASA Deposits increased by 12.7% YoY with the domestic CASA ratio increasing to 43.21% from 39.49% last year, an increase of 372 bps YoY.

**A potential entrance exists at CMP, and on dips between 91-93 zone, targeting 123/137.50 mark and then aggressive targets at 171 mark. Holding Period: 5-8 Months+. Stop at 73.**





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