



Lighting a path forward
in Equities & Commodities...

SENSEX

NIFTY

GOLD

SILVER

CRUDE OIL

USD / INR

Price Forecast

INSTRUMENT	29th Apr. 2022.	1 Month	2 Month	3 Month	1 year
SENSEX	57061	55341	61475	62245	67501
NIFTY	17103	16457	17701	18605	20001
USD \$ / INR	76.51	77	76	75.35	75.5
GOLD	51760	53001	49751	50500	51000
SILVER	64351	61300	66544	62001	63000
CRUDE OIL	8097	8501	8201	7350	6751



Dear Valued Reader,

The first trading month of FY23 was not what the bulls at Dalal Street wanted as after a robust start, the benchmarks Sensex and Nifty witnessed intense drubbing which finally led to over a 2% crash for the month of April.

On a monthly basis in April, even the three indexes at Wall Street, Dow Jones Industrial Average, the Nasdaq and the S&P 500 Index cracked 4.9%, 13.26% and 8.79% respectively. Nasdaq marking its worst month since October 2008 and the S&P notching its worst month since March 2020 at the onset of the Covid pandemic as recession fears have grown stronger.

Already the street was disappointed when Fed Chair Jerome Powell presented half-a-point rate hike on the table for the month of May. As a result, the 10-year US Treasury yields shot up to new 3-year highs. Already, there were headwinds like on-going Russia-Ukraine war, inflation scare, COVID outbreak in China.

This brings us to the big question — Is the bullish story over?

Honestly speaking, the warning bells have grown louder especially with April month's dismal performance. The risk factor is increasing day by day.

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

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

Happy Investing!!



Market recap:

Instruments	Prices as on 29th Apr. 2022	April 2022 % Change	March 2022 % Change	Feb. 2022 % Change	2022 % Change
Sensex	57061	-2.56%	+4.11%	-3.45%	-1.77%
Nifty	17103	-2.07%	+3.99%	-3.23%	-1.39%
BSE Auto Index	25210	+4.82%	-2.30%	-6.77%	-2.16%
BSE Bankex Index	41534	-0.53%	+0.28%	-4.44%	+3.13%
BSE Capital Goods Index	27371	-0.49%	-0.55%	-5.14%	-4.76%
BSE Consumer Durables	42667	+0.94%	-1.92%	+2.81%	-4.53%
BSE FMCG	14082	+5.60%	+2.51%	-3.37%	+2.39%
BSE Healthcare	24341	+0.15%	+4.06%	-10.88%	-14.69%
BSE Metal	21655	-3.19%	+17.82%	+9.48%	+22.75%
BSE Mid-Cap	24418	+1.29%	+3.22%	-5.11%	-2.03%
BSE Small-Cap	28612	+1.40%	+5.83%	-9.49%	-3.04%
BSE Power	4776	+18.09%	+4.93%	-2.11%	+33.98%
BSE Realty	3529	-4.16%	+6.23%	-9.08%	-7.76%
BSE Oil/gas	19498	+4.04%	+8.24%	+7.27%	+26.23%
BSE IT	36403	-12.12%	+8.66%	-11.47%	-23.14%



The Back Story: The market mood dampened considerably!

Dalal Street got off to a good start in April as the benchmark Nifty reclaimed the 18100 mark for a brief period. But soon after, volatility and choppiness spoiled the mood, leading to a 2.07% crash at 17103 for the month ended.

Blame the full-blown panic 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. 40,652.71 crores worth of shares in April month on top of more than Rs. 43281.31 crores, Rs. 45720 crores and Rs. 41,346 crores of offloading in March, 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. 29869.52 crores.

Long story short: Return of huge risk!

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

The Reserve Bank of India deviated further away from the central banks of the Western world as it retained status quo on interest rates and kept the monetary stance accommodative to beat a possible slowdown in economic activity due to geopolitical tensions while promising to keep a tab on inflation. The Monetary Policy Committee raised the inflation forecast for the fiscal year to 5.7% percent, from 5.5 percent citing rising commodity prices. Economic growth forecast has been cut to 7.2 percent, from 7.8 percent as supply disruptions lessen output and high prices destroy demand. The reverse repo rate, the rate at which the RBI borrows money from the banks in the short term, has been unchanged at 3.3%. The repo rate or the short-term lending rate was last cut on May 22, 2020. Since then, the rate remains at a historic low of 4%.

Tata Steel India achieved highest-ever annual crude steel production of 19.06 million tons, with a growth of 13% YoY. Tata Steel India deliveries increased by 6% YoY in FY22, surpassing the previous best recorded in FY21. Tata Steel Europe steel production in FY22 grew by 6% YoY and total deliveries increased by 2% YoY, driven by broad-based improvement in most steel consuming sectors.



IDFC and a consortium comprising Bandhan Financial Holdings, GIC and ChrysCapital entered into a definitive agreement to acquire IDFC Asset Management Company and IDFC AMC Trustee Company, from IDFC, for Rs 4,500 crore.

Titan Company said jewellery business in Q4FY22 declined by 4% YoY, with addition of 16 stores during the quarter, but watches & wearables business registered 12% growth YoY with addition of 34 stores. Its Eyecare segment reported 5% growth YoY with addition of 51 stores during the quarter.

The country's retail inflation, which is measured by the Consumer Price Index (CPI), rose to 6.95% in the month of March. Separately, India's factory output, measured in terms of Index of Industrial Production (IIP), witnessed a growth of 1.7% in February, two separate data released by the Ministry of Statistics & Programme Implementation (MoSPI) showed on Tuesday. The retail inflation for the month of February was 6.07%.

TCS results came largely in line with streets' expectations. That said, TCS continued to build on strong momentum as the firm closed 2021-22 on a strong note with an all-time-high order book with revenue as well as profit growth in double digits. TCS reported a 7% rise in consolidated net profit to Rs 9,926 crore for the March 2022 quarter.

India's second-largest IT firm Infosys on Wednesday 13th April reported a 12% year-on-year (YoY) rise in net profit at Rs 5,686 crore compared with Rs 5,076 crore in the same quarter last year.

Fed Chairman Jerome Powell said that a half-point interest rate increase will be "on the table" when the Fed meets in May, adding it would be appropriate to "be moving a little more quickly." Well, when asked about the topic of inflation at an IMF panel, Jerome Powell noted that the Fed is no longer counting on inflation coming back down. Powell reiterated plans to get interest rates "expeditiously" to neutral.

Reliance Industries was a star outperformer as the stock price touched an all-time high of ₹ 2,802 per share last month.

Private sector lender ICICI Bank reported a 59% jump in net profit in January-March quarter of FY22, aided by robust increase in net interest income (NII) and lower provisions. Net profit totaled to Rs 7,019 crore in Q4FY22 compared to Rs 4,403 crore in the year ago period, beating street estimates.



HCL Technologies Ltd. reported 226% growth in its consolidated profit after tax (PAT) at Rs 3,593 crore, compared to Rs 1,102 crore reported in the corresponding quarter a year ago. Due to the impact of deferred tax credit and the one-time milestone bonus paid during Q4FY21, the adjusted net profit during the same period last year stood at Rs 2,962 crore.

L&T Technology Services reported an increase of 34.7% in consolidated net profit to Rs 262 crore for the quarter ended March 2022.

ICICI Lombard General Insurance has reported a 9.53% year-on-year (YoY) drop in net profit in the January-March quarter of FY22, linking the decline to the third wave of Covid-19 and accounting principles that required the company to take the cost upfront.

Tata Elxsi clocked 39% year-on-year growth in Q4FY22 profit at Rs 160 crore on healthy growth in revenue that increased 31.5 percent YoY to Rs 682 crore backed by strong double-digit growth in transportation, media and communications, and healthcare segments. EBITDA grew by 32 percent YoY to Rs 221.2 crore in the March quarter.

Larsen & Toubro Infotech registered a 4 percent sequential growth in profit at Rs 637.5 crore led by higher other income and revenue also grew by 4 percent QoQ to Rs 4,301.6 crore in Q4FY22. The company won 4 large deals with net new TCV (total contract value) of over \$80 million. The dividend for financial year 2021-22 was Rs 30 per share.

Hindustan Unilever reported q4 earnings which were above streets' estimate with profit rising 8.6% year-on-year to Rs 2,327 crore on double-digit growth in topline and operating income, though margin contracted by 30 bps YoY. Revenue during the quarter increased by 11% to Rs 13,462 crore compared to the same period last year with flat underlying volume growth.

As per officials, Life Insurance Corporation of India's board approved reducing the issue size of the state-owned firm's initial public offering (IPO). The government will dilute 3.5% of its shares in LIC for Rs 21,000 crore, subject to regulatory approval.

FIIs were net sellers last month at Rs. 40,652.71 crores. This marked the fourth straight month where FIIs posted a sell figure of over 40,000 crore mark. But DIIs continued to be net buyers at Rs. 29,869.52 crores.

The Indian rupee weakened by 0.82% against the US Dollar at 76.52 for the month ended. Blame the negativity to rising US Dollar Index which at last check was trading at 103.23, which was near its 20-year high.

After touching highs at \$130 a barrel in the month of March, crude oil prices remained buoyant, up only 3.82% at \$104 a barrel for the month ended April.



Gainers over 1-Month

Stocks	LTP (29th Apr. 2022)	Change %	52 Week H/L
M&M	922.00	19.76%	978.9/671.0
NTPC	153.60	13.95%	166.30/101.0
HUL	2237.10	13.35%	2859.10/1901.80
NESTLE	18308.95	8.57%	20599.95/16267.05
POWERGRID	227.60	7.23%	239.8/160.13

Losers over 1-Month

Stocks	LTP (29th Apr. 2022)	Change %	52 Week H/L
TECHM	1256.55	-17.56%	1837.75/941.45
INFOSYS	1567.90	-16.31%	1953.70/1311.80
WIPRO	509.0	-15.18%	739.80/477.80
BAJAJ FINSERV	14908.45	-9.75%	19319.95/10535.05
HCLTECH	1078.95	-7.28%	1377/891.25

Stocks at 52 Week High

Stocks	LTP (29th Apr. 2022)	52 Week High
CHENNPETRO	279.05	279.20
CRISIL	3685.30	3781.60
MRPL	73.75	75.80
SCHAEFFLER	2311.60	2437.05
SUNPHARMA	928.70	966.90

Stocks at 52 Week Low

Stocks	LTP (29th Apr. 2022)	52 Week Low
CAMLINFINE	121.70	112.5
ZOMATO	71.70	71.15
-	-	-
-	-	-

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

FII (Apr) Rs. In Cr.	FII (Mar) Rs. In Cr.	DII (Mar) Rs. in Cr.	DII (Mar) Rs. In Cr.
-40652.71	-43281.31	+29869.52	+39677.03



Looking Ahead:

Sensex: 57,061.

Nifty: 17,103.

Honestly speaking, if April 2022 precarious close is any indication then there is a bright chance that the Nifty bulls might have turned as bears..

May 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 May 2022, with regards to benchmark Nifty — the only strange eyebrow-raising prediction is: Sell in May and go away.



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.

Bullish looking stocks	Bearish looking stocks
<p>BALKRISHNA INDUSTRIES, BATA INDIA, BHARAT FORGE, COROMANDEL INTERNATIONAL, SRF</p>	<p>APOLLO HOSPITAL, ASHOK LEYLAND, ATUL, AUROBINDO PHARMA, BAJAJ FINSERV, BAJAJ FINANCE, BHEL, DLF, FEDERAL BANK, GNFC, GRANNULES, HCL TECH, IEX, IRCTC, JINDAL STEEL; POWER, MANAPPURAM, RBL BANK, TITAN.</p>



Daily chart of Nifty:



Our **call of the month** suspects that the benchmarks at Dalal Street to trade deep in red and probably collapse heavily in this month's trade. To start with, Nifty bears will aim to take over the negative baton from a lasy Wall Street in Friday's trade where the Dow had tanked 2.8%.

Preferred Trade on Nifty:

CMP
17103

Technically speaking, from a chartist standpoint, confirmation of strength in Nifty only above 18100 mark. Till then we suspect benchmarks likely to feel the recession this entire month of May.

Sell on strength should be the preferred strategy between 17400-17475 zone. Targets at 16801 mark and then at 16597-16601 and then at 15871 zone with strict stop at 18201.



The single-most conviction idea for May 2022.

SELL IRCTC (CMP 746). Targets at 635)

Daily chart of IRCTC



Indian Railway Catering and Tourism Corporation (IRCTC) is under the ownership of Indian Railways, Ministry of Railways, Government of India that provides ticketing, catering, and tourism services for the Indian Railways. It has been listed on the National Stock Exchange since 2019, with the Government continuing to hold majority ownership.

A potential entrance exists at CMP, and on strength between 759-764 zone, targeting 675/639 mark and then aggressive targets at 575 mark. Holding Period: 2-3 Months+. Stop at 831.





Mehta Equities Ltd

903, 9th Floor, Lodha Supremus, Dr. E. Moses Road,
Adjacent to Konark Empress Building,
Worli Naka, Worli, Mumbai - 400018

info@mehtagroup.in

For Grievances

grievance@mehtagroup.in

T : +91 22 61507101

F : +91 22 61507102

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