

**SENSEX**

**NIFTY**

**GOLD**

**SILVER**

**CRUDE OIL**

**USD / INR**

**Dear Valued Reader,**

The last trading day of April 21 was uninspiring and most importantly, the key benchmarks — Sensex and Nifty failed to nudge above the psychological 15000 mark as bulls were seen struggling for direction in the first month of FY-22.

Positive sentiments took a backseat on backdrop of:

Rise in coronavirus cases India. At the time of writing, India total case count stands at 195,57,457. India has become the first country in the world to register over 400,000 infections in a single day and its Covid-19 death toll reached 215542.

1. Investors were also seen bit nervous amidst rising bond yields as the 10-year U.S. Treasury yield was seen flirting with its 14-month high at 1.754%.

The positive takeaway however was that the sentiments were buoyed by better-than-expected March quarter earnings from India Inc and then the US Federal Reserve's accommodative stance played a key positive catalyst.

**This brings us to the big question — More decline from the peak on the horizon and run for the hills?**

To start with, all bad Covid news with regards to global growth concerns are getting amplified, making the markets nervous. But the best part is that the markets are not reacting to these terrible news in any negative manner for more than one day.





Honestly speaking, rather than joining the endless debate between the bulls and bears, we should continue to focus on the FIIs action in emerging stock markets.

The record rising COVID cases in the country resulted in an outflow of over Rs 8,500 crore by foreign institutional investors/foreign portfolio investors in April after buying in previous six consecutive months.

Well, if this section is positive on Indian stock markets then it's a no-brainer for the benchmark Nifty to clamber higher. And that is exactly our call of the month which says that stocks still have room to run — provided Nifty again scales above the psychological mark.

We are ready with our May-June-July 2021 forecast.

Now, before we get into detail and start a brand new-innings of trading this May 2021, let's review how the major indices listed at Dalal Street fared in April, March and February 2021 and also their performance in the year 2021.

Yes, we are ready with our May-June-July 2021 forecast but before that, we wish great health and good luck to all our clients and their families during these unprecedented trying times.



## Market recap:

Instruments	Prices as on 30th April 2021	April 2021 % Change	March 2021 % Change	Feb 2021 % Change	2021 % Change
Sensex	49509	-1.47%	+0.83%	+6.08%	+2.21%
Nifty	14631	-0.41%	+1.11%	+6.56%	+4.66%
BSE Auto Index	21668	-2.62%	-2.86%	+3.66%	+4.3%
BSE Bankex Index	37305	-0.65%	-3.68%	+12.46%	+4.62%
BSE Capital Goods Index	20252	-4.00%	-1.97%	+10.46%	+8.37%
BSE Consumer Durables	32826	-1.53%	+3.36%	+5.51%	+6.47%
BSE FMCG	12509	-2.85%	+7.05%	-2.06%	-0.74%
BSE Healthcare	21328	+10.33%	+2.26%	+1.1%	+8.7%
BSE Metal	17822	+24.18%	+4.61%	+24.4%	+47.9%
BSE Mid-Cap	20181	-0.65%	+1.01%	+10.5%	+11.83%
BSE Small-Cap	21670	+4.95%	+2.45%	+12%	+19.05%
BSE Power	2475	+0.25%	+2.33%	+20.7%	+20.28%
BSE Realty	2670	-7.56%	-4.19%	+15.2%	+0.19%
BSE Oil/gas	14996	-3.52%	-4.65%	+12.5%	+1.66 %
BSE IT	26306	-0.86%	+8.68%	-1.6%	+8.6%



## Price Forecast

INSTRUMENT	30th April 2021.	1 Month	2 Month	3 Month	1 year
SENSEX	48782	47201	46160	48701	54001
NIFTY	14631	14100	13596	14001	16001
USD / INR	74.1	74.75	75	73.01	76
GOLD	46798	44001	46901	52001	56191
SILVER	67424	63501	67505	74001	78001
CRUDE OIL	4739	4675	4967	4251	4505



## The Back Story: Dalal Street witnesses' slight turbulence.

The benchmarks Nifty and Sensex mostly struggled in April 2021 as all bad news with regards to India's growth concern on backdrop of rising coronavirus cases in India were seen getting amplified — making the markets nervous.

But the best part was that the markets were not reacting to these terrible news in any negative manner for more than one day.

The other key positive catalysts remained the same:

1. Federal Reserve is unlikely to be raise interest rates anytime soon.
2. The technical landscape looks robust each passing trading day. Nifty is way above its 200DMA at 13067 mark.

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

- The biggest outperformers amongst the sectoral indices were Metals & Pharma index, up 21.89% and 9.75% respectively while Auto index, Bank Index, and FMCG index were laggard, down around 2.25%, 1.57% and 3.75% respectively in April 21.
- The Reserve Bank of India's monetary policy committee (MPC), as expected, left the repo rate unchanged at 4% and reverse repo rate at 3.35%. The street was seen cheering MPC's decision to retain its 'Accommodative' policy stance and most importantly, holding the GDP growth rate steady at 10.5% for the new financial year.
- ISM US Manufacturing PMI jumps to 64.7 in March, new 37-year high.
- Helping sentiments were reports that Skymet (a private weather forecasting agency) has said that the southwest monsoon in 2021 that will start from June and is expected to be 'normal' at 103% of the Long Period Average (LPA).
  - INFY's Q4 profits fell 2.6%; QoQ misses estimates; INFY announces Rs 9,200-cr share buyback at a maximum buyback price of Rs 1,750 per share.
  - Fed Chief Powell said that raising rates before 2022 is highly unlikely.



- India's retail inflation climbed up for the month of March to 5.52% from 5.03% in February primarily led by jump in food inflation.
- The more worrying numbers came on the factory output front with IIP contracting 3.6 per cent in February compared to 1.6% shrinkage witnessed in January. Mining output slipped 5.5%, while power generation grew by 0.1% in February.
- India Ratings and Research revised down India's FY22 real GDP growth forecast to 10.1%, from earlier projection of 10.4%, citing the second wave of COVID-19 infections and slower pace of vaccination. The economy is estimated to have contracted by 7.6% in FY21. Earlier this month, the Reserve Bank maintained its 10.5% GDP growth estimate, but Governor Shaktikanta Das flagged the rising cases as the biggest impediment to recovery.
- The wholesale price-based inflation shot up to over 8-year high of 7.39 per cent in March on rising crude oil and metal prices. Also, the low base of March last year, when the data was computed with a low response rate due to the nationwide lockdown, contributed to a spike in inflation in March 2021. The WPI inflation was 4.17 per cent in February and 0.42 per cent in March 2020
- Wipro's March quarter net profit for the financial year 2020-21 (Q4FY21) stood at Rs 2,972.3 crore, up 27.78% year-on-year (YoY), as against Rs 2,326.1 crore posted in the same period last year.
- The central government has said that everyone above 18 years of age will be eligible to get vaccinated against coronavirus from May 1, on Monday.
- On the pandemic situation and vaccination progress, Prime Minister Narendra Modi has said the coronavirus is spreading rapidly this time in tier-2 and tier-3 cities.
- ACC reported a consolidated net profit of Rs 563 crore in the March quarter, up 74% from the same period last year on the back of increased revenues. The top line in the period under review stood at Rs 4,213 crore, up 23% from the same period last year.
  - ICICI Bank reported a 261% year-on-year (YoY) rise in net profit at Rs 4,403 crore compared with a profit of Rs 1,221.40 crore in the corresponding quarter last year. The bank said it held Rs 7,475 crore worth Covid-19-related provisions as of March 31.



- Information technology major HCL Technologies reported a 25.6% quarter-on-quarter (QoQ) fall in its consolidated net profit to Rs 2,962 crore for the quarter ended March. The company's consolidated revenues, however, rose 1.8% on-quarter to Rs 19,642 crore.
- The Reserve Bank of India (RBI) last week warned that the resurgence of the Covid-19 pandemic could bring back inflationary pressures in the country. "The resurgence in Covid-19, if not contained in time, risks protracted restrictions and disruptions in supply chains with consequent inflationary pressures," RBI said in its state of the economy report, a part of the bulletin for April. "Pandemic protocols, speedier vaccination, ramping up hospital and ancillary capacity, and remaining resolutely focused on a post pandemic future of strong and sustainable growth with macroeconomic and financial stability is the way forward," the report said.
- Axis Bank reported a return to profit at Rs 2,677 crore in the quarter ended March 2021 due to a sharp fall in provisions. The lender had reported standalone net loss of Rs 1,388 crore in the year-ago period.
- Bajaj Finance (BFL) reported a 42% jump in consolidated net profit at Rs 1,347 crore for the fourth quarter of the fiscal ended March 2021. The company's net profit stood at Rs 948 crore in the January-March period of the preceding fiscal year 2019-20.
- India's largest passenger carmaker Maruti Suzuki India reported a near 10% year-on-year fall in net profit to Rs 1,166 crore for the quarter ended March. The company's sales, however, soared 33.6% on-year to Rs 22,958.6 crore.
- Billionaire Mukesh Ambani's Reliance Industries is reported to have held talks with Saudi Aramco on a cash and share deal for sale of a 20% stake in its oil refining and petrochemical arm. Reliance Industries Ltd reported a 129% year-on-year rise in its consolidated net profit for the quarter ended March to Rs 14,995 crore, which was above analysts' estimates.
- RIL Q4 profit spurts 108% YoY to Rs 13,227 cr. On a consolidated basis, Reliance Industries (RIL) reported 108.36% surge in net profit to Rs 13,227 crore on 9.59% increase in net sales to Rs 149,575 crore in Q4 March 2021 (Q4FY21) over Q4 March 2020 (Q4FY20).



- WTI Crude Oil Prices ended the month on a positive note, up 7.30% at \$ 63.48 a barrel.
- Comex Gold was up 3.20% for the month ended at \$1768.60 an ounce.
- Indian Rupee weakened by 1.26% against US Dollar last month at Rs. 74.055.



## Gainers over 1-Month

Stocks	LTP (30th April 2021)	Change %	52 Week H/L
TATASTEEL	1033.95	29.3%	1053/263
BAJAJ FINSERV	11039.5	16.2%	11300/3986
SUNPHARMA	654.70	9.6%	667/434
BAJAJFINANCE	5453.80	5.0%	5922/1783
ONGC	108.55	4.6%	122/64

## Stocks at 52 Week High

Stocks	LTP (30th April 2021)	52 Week High
AARTIIND	1602.85	1643.85
AJANTAPHARM	1841.70	1932.45
DCMSHRIRAM	703.00	759.30
JSWSTEEL	717.55	740.00
NATIONALUM	64.70	66.55
TATASTEEL	1033.95	1052.50

## Losers over 1-Month

Stocks	LTP (30th April 2021)	Change %	52 Week H/L
HCLTECH	899.5	-9.7%	1074/502
HDFCBANK	1412.20	-9.1%	1650/826
ULTRATECH	6271.60	-7.6%	7050/3235
HDFC	2420.15	-7.1%	2895/1486
L&T	1340.20	-5.8%	1593/792

## Stocks at 52 Week Low

Stocks	LTP (30th April 2021)	52 Week Low
KALYANKJKIL	59.95	59.80
KAPASHI	46.20	46.20
SUVIDHAA	34.15	34.15
-	-	-

## FII / DII - monthly break up and compare to May 2020.

FII (April) Rs. In Cr.	FII (March) Rs. In Cr.	DII (April) Rs. in Cr.	DII (March) Rs. In Cr.
-12039.43	+1245.22	+11359.88	+5204.42



## Looking Ahead: It is only the momentum which is critical for further attraction on the upside!

**Sensex: 48,782.**

**Nifty: 14,631.**

The good news as we start trading a brand new May 21 is reports which suggest record high GST revenue of Rs 1.41 lakh crore for April 21.

The other key positive catalysts remain the same:

- The sentiments are likely to be buoyed by better-than-expected March quarter earnings from India Inc.
- Normal monsoon on cards.
- Federal Reserve is unlikely to be raise interest rates anytime soon.
- The technical landscape looks robust each passing trading day — that said, confirmation of strength only above psychological 15000 mark. Nifty is also way above its 200DMA at 13067 mark.

**That brings us to the next big question for the month:** Will the benchmarks take in its stride the backdrop of rising COVID-19 cases and a stronger U.S Dollar index?

Honestly speaking, for the month of May, the only strange eyebrow-raising prediction is: Volatility, volatility and volatility!

Yes, volatility to be the hallmark for the rest of 2021 — just like a pendulum between extreme wildfires — from joy, rediscovery and optimism to exhaustion, anxiety and great sadness.



**Well, volatility will continue to be the hallmark as long as the pandemic clouds the situation in stock markets.** Investors' will prefer to stay on the sidelines as long as the theme revolves around the reopening and recovery optimism on backdrop of a global economy that is still not out of the pandemic woods.

We hope, perma-bulls ears are fully perked. This prediction had to do with real future flow of money and the biggest catalyst on work is likely to be the disruption of the entire global economy on backdrop active caseload of Covid-19 which continues to rise over past few days sparking fears of a fresh wave of the pandemic in the country and across globe.

It appears that the road to recovery for the Indian and global economy is likely to be a long and uneven one. The potential pitfall that commands attention is if the government begins to open the valve of economic activity then that would result in a significant uptick in new coronavirus cases, the expectations of a quick return to normality from here may prove to be too optimistic. The market will not appreciate that a bit.

**Long story short:** Dalal Street could win only if coronavirus loses.

As we write, the second biggest negative catalyst from here on could be election results from the 5 states namely Assam, Kerala, Pondicherry, Tamil Nadu & West Bengal which has just trickled in.

We will spy with one big eye on how negatively the street reacts to Mamata Banerjee's TMC win which is set to retain power

Higher bond yields could spoil the party at global stock markets though Federal Reserve Chairman Jerome Powell has downplayed the risks of increasing price pressures. Powell has said that it might take more than three years for inflation to hit the Fed's target of 2%, indicating that rates won't be lifted any time before 2023.

Technically speaking, confirmation of strength only above Nifty's only above its psychological 15000 mark. Please note, Nifty's 200 DMA at 13067 mark. The price action for Nifty is suggesting that we are likely to see a 13,501- 15500 range in near term with sell on strength as the preferred strategy.

The most probable positive scenario could be that the benchmarks take a breather. This also sounds obvious as Nifty & Sensex are up around 95% from the March 2020 lows.

#### The other key catalysts on the horizon are:

- 1. The consensus view in the perma-bulls camp of investing world right now is the fact that central banks across the globe will use all their available policy options to limit the economic fallout on**



**backdrop of COVID-19 pandemic.** It appears that the Federal Reserve's has its foot so firmly on the economic gas pedal that stocks across globe cannot fall. Honestly speaking, the unprecedented stimulus from the Federal Reserve is driving a tremendous amount of money into equities, even as the economy was reeling.

2. The December quarter GDP data indicates that India is out of recession with 0.4% Quarterly Growth: The Indian economy has exited recession after two consecutive quarters of de-growth as the gross domestic product (GDP) expanded by 0.4% in the three months ended December 2020 as against a contraction of 7.3% in the September quarter. India is among the few major economies to post growth in the last quarter of 2020.
3. Western world too is seeing a strong second wave of coronavirus infections.
4. Goods and services tax (GST) collections on the rise since October 2020. GST collections hit a record monthly high of Rs 1.41 lakh crore in April, pointing to a recovering economy before the Covid pandemic exploded. April GST collections, for transactions in the previous month, are 14% higher than the Rs 1.24 lakh crore collected in March.

**Bottom-line:** Conventional wisdom suggests that dismal economic period is still far from over.

Bullish looking stocks	Bearish looking stocks
<p>AARTI INDUSTRIES, ACC, ADITYA BIRLA FASHION &amp; RETAIL, BAJAJ FINSERV, CAMS, DABUR, ITC, INFY, RAMCO CEMENTS, TATA STEEL, COROMANDEL INTERNATIONAL, CDSL, JB CHEM, ALEMBIC PHARMA, TATA ELXSI, BALAJI AMINE, BIRLA CORPORATION, SAIL, SUN PHARMA, LUPIN, AUROBINDO PHARMA, AMBUJA CEMENTS, ICICI BANK.</p>	<p>APOLLO TYRES, PAGE INDUSTRIES, INDIGO, ZEE ENTERTAINMENT, COAL INDIA, ASHOK LEYLAND, RBL BANK, PVR.</p>





## Daily chart of Nifty:



Our **call of the month** says investors will continue to wrestle with the implications of rising coronavirus cases and higher bond yields while on positive side are better-than-expected March quarter earnings from India Inc, Normal monsoon on cards and most importantly record high GST revenue of Rs 1.41 lakh crore for April 21.

The ice likely to crack on this bull market on any move below 14214 mark with downside risk on Nifty at 13596 mark.

Alternatively, Nifty poised for uncharted territory and ready to shoot the moon only on any move above psychological 15000 mark.

### Preferred Trade on Nifty:

**CMP**  
14631

Technically speaking, from a chartist standpoint, extremely overbought technical conditions still prevail despite the long term landscape remaining in a super-bullish mode with all investors' eye now at Nifty's next hurdles at 16000 mark. The near term price action for Nifty is suggesting that we are likely to see a 13,501- 15500 range in near term with negative bias. Please note, Nifty's 200DMA at 13067 mark. Confirmation of strength only above Nifty's all-time-high at 15432 mark.

It's most likely that Dalal Street will take a pause on the buy side and the gyan mantra for aggressive traders is to sell on any strength.

Sell between 15000-15251 zone. Targets at 14221-14271 zone and then aggressive targets at 13597 mark with stop at 15771



## The single-most conviction idea for May 2021.

### Buy SUN PHARMA (CMP 654. Targets at 751):



**Sun Pharma** is among the largest players in the domestic formulations market and is the fifth largest speciality generic pharmaceutical company in the world. It makes Specialty products, branded generics, complex generics, pure generics & APIs for chronic therapy areas such as cardiology, psychiatry, neurology, etc. The firm has capabilities across dosage forms like injectables, sprays, ointments, creams, liquids, tablets and capsules R&D and Manufacturing. Sun has forayed into regulated markets by acquiring majority stake in CaracoPharma and has strengthened its presence in US by recent acquisition of Taro.

The positive catalyst in favor of the stock price is the improving traction in the specialty portfolio, India formulations and US specialty products business, industry-level growth in domestic formulation (DF) and increasing pace of approvals in the US generics segment. Positive traction also seen in Ilumya (plaque psoriasis), Yonsa (prostate cancer) and Cequa (to treat dry eye). The stock price could also be in limelight as COVID-19 related rise in demand for chronic therapies to benefit Sun Pharma.

Technically, brace yourselves for an impulse uptrend on the weekly time scale with positive SAR series and most importantly, a "higher consolidation Pattern" on daily charts. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 545 zone.

A potential entrance exists at CMP, and on dips between 590-600 zone, targeting 701 and then aggressive targets at psychological 750 mark. Stop 587. Holding period 1-2 months.



Contact:

## Khandwala Securities Limited

### Head Office:

Vikas Building, Ground Floor, Green Street,  
Fort, Mumbai - 400 023. India  
Call : 022-40767373

**DISCLAIMER:** This is solely for information of clients of Khandwala Securities Limited and does not construe to be an investment advice. It is also not intended as an offer or solicitation for the purchase and sale of any financial instruments. Any action taken by you on the basis of the information contained herein is your responsibility alone and Khandwala Securities Limited, its subsidiaries or its employees or associates will not be liable in any manner for the consequences of such action taken by you. We have exercised due diligence in checking the correctness and authenticity of the information contained in this recommendation, but Khandwala Securities Limited or any of its subsidiaries or associates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this recommendation or any action taken on basis of this information.

Technical analysis studies market psychology, price patterns and volume levels. It is used to forecast future price and market movements. Technical analysis is complementary to fundamental analysis and news sources. The recommendations issued herewith might be contrary to recommendations issued by Khandwala Securities Limited in the company research undertaken as the recommendations stated in this report is derived purely from technical analysis. Khandwala Securities Limited has based this document on information obtained from sources it believes to be reliable but which it has not independently verified; Khandwala Securities Limited makes no guarantee, representation or warranty and accepts no responsibility or liability as to its accuracy or completeness. The opinions contained within the report are based upon publicly available information at the time of publication and are subject to change without notice. The information and any disclosures provided herein are in summary form and have been prepared for informational purposes. The recommendations and suggested price levels are intended purely for trading purposes. The recommendations are valid for the day of the report however trading trends and volumes might vary substantially on an intraday basis and the recommendations may be subject to change. The information and any disclosures provided herein may be considered confidential. Any use, distribution, modification, copying, forwarding or disclosure by any person is strictly prohibited. The information and any disclosures provided herein do not constitute a solicitation or offer to purchase or sell any security or other financial product or instrument. The current performance may be unaudited. Past performance does not guarantee future returns. There can be no assurance that investments will achieve any targeted rates of return, and there is no guarantee against the loss of your entire investment.

POTENTIAL CONFLICT OF INTEREST DISCLOSURE (as on date of report)

Disclosure of interest statement – • Analyst interest of the stock / Instrument(s) : - No. • Firm interest of the stock / Instrument (s) : - No.