

**SENSEX**

**NIFTY**

**GOLD**

**SILVER**

**CRUDE OIL**

**USD / INR**

Dear Valued Reader,

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

Well, after another boisterous month of gains in May 2021, perma-bulls find themselves back in a similar position — fresh records highs.

### **Fresh record highs!**

That's quite obvious as we just had a bumper May 2021 where Nifty made blockbuster monthly gains of 6.50%.

Yes, Dalal Street was seen jumping with joy as benchmarks scaled fresh record high that took Nifty and Sensex to uncharted territory. Honestly speaking, if the stock market takes a breather then it's most likely that investors are going to put more money to work — Buy-the-dip gyan mantra to prevail.

The idea that future returns at our stock markets should continue to look exciting depends on three catalysts:

1. Flow of liquidity.
2. The present pandemic crisis.
3. Rebound in global economy.

We firmly believe; the markets dream run to continue in 2021, but having said that, there will be definitely frequent shocks and volatility. The battle will be between overbought technical conditions, fundamentals and sentiments.

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

Yes, June-July-August 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 31st May 2021	May 2021 % Change	April 2021 % Change	March 2021 % Change	2021 % Change
Sensex	51937	+6.5%	-1.47%	+0.83%	+8.71%
Nifty	15583	+6.5%	-0.41%	+1.11%	+11.16%
BSE Auto Index	23541	+8.64%	-2.62%	-2.86%	+12.94%
BSE Bankex Index	40345	+8.15%	-0.65%	-3.68%	+12.77%
BSE Capital Goods Index	22498	+11%	-4.00%	-1.97%	+19.37%
BSE Consumer Durables	33389	+1.72%	-1.53%	+3.36%	+8.19%
BSE FMCG	13131	+4.97%	-2.85%	+7.05%	+5.71%
BSE Healthcare	24535	+15.04%	+10.33%	+2.26%	+23.74%
BSE Metal	18877	+5.92%	+24.18%	+4.61%	+53.82%
BSE Mid-Cap	21758	+7.82%	-0.65%	+1.01%	+19.65%
BSE Small-Cap	23596	+8.89%	+4.95%	+2.45%	+27.94%
BSE Power	2475	+13.80%	+0.25%	+2.33%	+34.28%
BSE Realty	2670	+0.37%	-7.56%	-4.19%	+0.56%
BSE Oil/gas	14996	+9.84%	-3.52%	-4.65%	+11.5%
BSE IT	26306	+4.86%	-0.86%	+8.68%	+13.4 6%



## Price Forecast

INSTRUMENT	31st May 2021	1 Month	2 Month	3 Month	1 year
SENSEX	51937	53751	50501	49251	56751
NIFTY	15583	16100	15050	14751	17001
USD / INR	72.61	72.01	73.5	73.01	75
GOLD	49340	49729	51251	52001	56191
SILVER	71875	74501	77949	74001	79501
CRUDE OIL	4876	5101	5251	4795	4505



## The Back Story: Bulls seen excited at Dalal Street as Nifty scales above its all-time highs!

The great news is that the benchmarks Nifty and Sensex have comfortably scaled above their previous all-time-high and now at uncharted territory. The good news in favor of bulls' camp in May 21 was record high GST revenue of Rs 1.41 lakh crore for April 21. The other key positive catalysts which kept bullish momentum intact:

1. Dramatic fall in virus cases acted as the biggest positive catalyst.
2. Federal Reserve is unlikely to be raise interest rates anytime soon.
3. The technical landscape looks robust each passing trading day. Nifty is way above its 200DMA at 13459 mark. The technical landscape is quite enticing and very much in favor of bulls.
4. Easing inflation. Any pick-up in inflation to be temporary.
5. A retreat in Treasury yields.
6. A subdued dollar.
7. Federal Reserve's plans to eventually scale back its easy-money policies re seen taking a back seat.
8. The remarkable strength of the U.S. economic recovery.
9. Vaccine rollouts are also expected to get faster.
10. Hopes of the lockdown being lifted sooner.
11. Good corporate results.
12. The recent crackdown on commodity speculation in China has pared gains for copper and iron ore prices.
13. Short covering backed with fear of missing out (FOMO) ruling traders' mindset.
14. Strong global cues.

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

- The Reserve Bank of India (RBI) 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.



- The Reserve Bank of India, in its annual report, has issued caution over the meteoric rise in stock prices at a time when the country's gross domestic product (GDP) has contracted. RBI is of the view that the risks are particularly high as the markets trade ahead of the fundamentals.
- 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 on Friday 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).
- RBI governor Shaktikanta Das announced a Covid-19 healthcare package of Rs 50,000 crore last week for vaccine makers, medical equipment suppliers, hospitals and patients in need of funds. Besides, individual borrowers and small businesses with loan outstanding of up to Rs 25 crore, and who did not avail for moratorium or restructuring relief last year, can ask for restructuring of their loans for up to 2 years.
- The retail inflation (CPI), eased to 4.29% in the month of April. Separately, India's factory output, measured in terms of the Index of Industrial Production (IIP), witnessed a growth of 22.4% in March. The retail inflation during the month of March was at 5.52%.



- DCB Bank reported higher profit at Rs 77.9 crore in Q4FY21 against Rs 68.8 crore in Q4FY20; net interest income fell to Rs 311.2 crore from Rs 323.7 crore YoY.
- Bandhan Bank reported sharply lower profit at Rs 103 crore in Q4FY21 against Rs 517.3 crore in Q4FY20; net interest income climbed to Rs 1,757 crore from Rs 1,680 crore YoY.
- Avenue Supermarts reported sharply higher consolidated profit at Rs 414.2 crore in Q4FY21 against Rs 271.5 crore in Q4FY20, revenue rose to Rs 7,411.7 crore from Rs 6,255.9 crore YoY.
- Rating agency Crisil has said that India's GDP growth rate could drop to single digits or around 8.2 percent in 2021-22 (April-March) if the second wave of the COVID-19 pandemic reaches a peak number of cases by June-end.
- Punjab National Bank (PNB) said its board has approved raising equity capital from qualified institutional investors to enhance its capital base. For the Qualified Institutional Placement (QIP) purposes, the bank has fixed the floor price at Rs 35.51 per equity share.
- Chambal Fertilisers and Chemicals reported sharply higher profit at Rs 447.89 crore in Q4FY21 against Rs 197.55 crore in Q4FY20, revenue fell to Rs 1,640.76 crore from Rs 1,969.09 crore YoY.
- Siemens reported sharply higher consolidated profit at Rs 334.4 crore in Q2FY21 against Rs 175.7 crore in Q2FY20; revenue increased to Rs 3,483.7 crore from Rs 2,640.2 crore YoY. Technically SIEMENS appears to be a screaming buy with inter-month perspective.
- Godrej Consumer Products reported sharply higher consolidated profit at Rs 365.84 crore in Q4FY21 against Rs 229.9 crore in Q4FY20; revenue rose to Rs 2,730.74 crore from Rs 2,153.80 crore YoY.
- UPL reported higher consolidated profit at Rs 1,361 crore in Q4FY21 against Rs 784 crore in Q4FY20, revenue rose to Rs 12,796 crore from Rs 11,141 crore YoY. We have a positive bias on UPL with targets at 800 with medium term perspective.



- Jindal Steel & Power reported consolidated profit at Rs 2,139.28 crore for Q4FY21 against Rs 305.62 crore in Q4FY20, revenue jumped to Rs 11,880.61 crore from Rs 6,795.18 crore YoY.
- Pidilite Industries reported a sharp rise in consolidated profit at Rs 307.44 crore in Q4FY21 against Rs 156.51 crore in Q4FY20, revenue rose to Rs 2,235.52 crore from Rs 1,544.68 crore YoY.
- Apollo Tyres reported higher consolidated profit at Rs 287.3 crore in Q4FY21 against Rs 77.86 crore in Q4FY20, revenue climbed to Rs 5,025.7 crore from Rs 3,615.57 crore YoY.
- Colonial Pipeline, the operator of a major pipeline system that transports fuel across the East Coast, shut down operations because of a ransomware attack.
- Dalal Street was seen taking in its stride the wholesale inflation numbers which soared to 10.49% in April on higher fuel prices.
- Fed minutes show taper talk may arise at 'upcoming meetings': According to FOMC minutes, a number of participants suggested that if the economy continued to make rapid progress toward the Committee's goals, it might be appropriate at some point in upcoming meetings to begin discussing a plan for adjusting the pace of asset purchases.
- News reports suggest relief for Indian IT sector as Biden administration removes H-1B visa curbs. The US Government has taken back a regulation proposed by former President Donald Trump's administration that sought to narrow the definition of "specialty occupation" under the H-1B visa regime. The change will be a relief for Indian information technology firms, the largest users of H-1B visas.
- Bharti Airtel reported consolidated profit at Rs 759.2 crore in Q4FY21 against Rs 853.6 crore in Q3FY21, revenue fell to Rs 25,747.3 crore from Rs 26,517.8 crore QoQ. The results are below streets' estimate.
- Tata Motors posted a consolidated loss at Rs 7,605.4 crore in the quarter ended March 2021 despite a sharp growth in revenue though on a low base. Asset write-downs and restructuring costs with respect to new JLR's strategy Reimagine - Rs 14,994.30 crore impacted the bottomline.





- Kick-starting disinvestment in FY22, the Centre raised around Rs 4,000 crore in last week by selling 1.95% from the Specified Undertaking of the Unit Trust of India or SUUTI's holding in Axis Bank. Prior to the OFS, SUUTI held 3.45% in Axis Bank.
- Endurance Technologies reported higher consolidated profit at Rs 187.4 crore in Q4FY21 against Rs 106.8 crore in Q4FY20, revenue rose to Rs 2,132.9 crore from Rs 1,596.75 crore YoY.
- Government announced "a historic pro-farmer decision" by hiking fertilizer subsidy to Rs 1,200 per bag of diammonium phosphate (DAP). With the increase in subsidy in DAP, Government of India will spend an additional Rs 14,775 crore as subsidy in Kharif season.
- Havells India reported sharply higher standalone profit at Rs 302.3 crore for Q4FY21 against Rs 177 crore in Q4FY20, revenue jumped to Rs 3,331 crore from Rs 2,216 crore YoY.
- Zee Entertainment reported consolidated profit at Rs 275.8 crore for Q4FY21 against loss of Rs 766.7 crore in Q4FY20, revenue rose to Rs 1,965.8 crore from Rs 1,951.1 crore YoY.
- Bitcoin has plunged to its lowest level since February on Wednesday, hitting a low of \$30,200, down by more than half from an all-time high of \$64,829 it reached just last month. Ether, the second most valuable cryptocurrency, was down 21% as well on Wednesday.
- Moderna may launch single dose vaccine in India in 2022.
- BPCL posted a net profit of Rs 11,940 cr in Q4 and will pay a final dividend of Rs 58 per equity share. Revenue from operations rose 21% to Rs 98,756 cr. The government, which is selling its entire 52.98% stake in BPCL, will get Rs 6,665.76 crore plus dividend distribution tax.
- The Reserve Bank of India, in its annual report, has issued caution over the meteoric rise in stock prices at a time when the country's gross domestic product (GDP) has contracted. RBI is of the view that the risks are particularly high as the markets trade ahead of the fundamentals.



- Lockdown in Maharashtra will be extended beyond June 1 and subsequently relaxed in phases, chief minister Uddhav Thackeray said on Thursday.
- India's largest pharma firm, Sun Pharmaceuticals, posted a 124% year-on-year rise in net profit in the fourth quarter of the 2020-21 fiscal to Rs 894.1 crore. When compared to Rs 636 crore net profit in Q4FY19, the rise is around 40%.
- Eicher Motors posted a consolidated net profit of Rs 526.14 crore for the March quarter (Q4FY21). This is an increase of 73% from Rs 304 crore logged in the corresponding quarter last year.
- WTI Crude Oil Prices ended the month on a positive note, up 5.94% at \$ 67.25 a barrel.
- Comex Gold was up 7.63% for the month ended at \$1908.50 an ounce.
- Indian Rupee strengthened by 2.07% against US Dollar last month at Rs. 72.519.



## Gainers over 1-Month

Stocks	LTP (31st May 2021)	Change %	52 Week H/L
SBIN	424.90	20.4%	434/155
BAJAJ FINSERV	11829.9	17.3%	12021/4209
ASIANPAINTS	2980.50	15.8%	2970/1575
BAJAJFINANCE	5635.60	15.6%	5922/1891
TATASTEEL	1126.80	15.3%	1247/288

## Stocks at 52 Week High

Stocks	LTP (31st May 2021)	52 Week High
DIVISLABS	4193.60	4284.05
GRASIM	1470.75	1494.70
INDIGO	1758.40	1830
MINDTREE	2393.10	2404.10
PNBHOUSING	525.20	525.20
VGUARD	278.90	285.00

## Losers over 1-Month

Stocks	LTP (31st May 2021)	Change %	52 Week H/L
HUL	2343.65	-1.6%	2504/1991
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

## Stocks at 52 Week Low

Stocks	LTP (31st May 2021)	52 Week Low
MINDSPACE	275.80	275.16
SURYODAY	220.60	220.20
TULIVE	188.20	188.20
-	-	-

## FII / DII - monthly break up and compared to April 2021.

FII (May) Rs. In Cr.	FII (April) Rs. In Cr.	DII (May) Rs. in Cr.	DII (April) Rs. In Cr.
-6015.34	-12039.43	+2067.23	+11359.88



## Looking Ahead: Dalal Street in rallying mood...

**Sensex: 51,937.**

**Nifty: 15,583.**

Honestly speaking, it is only the momentum which is critical for further attraction on the upside. Interestingly, the benchmarks have more than doubled from the lows of March 2020. The remarkable strength has seen India's stock markets outperforming global peers in said rally from the March 2020 lows amidst the outbreak of the pandemic.

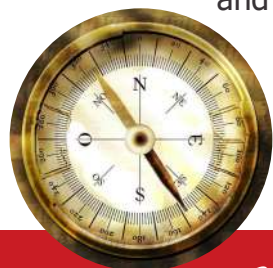
Bottom-line: Dalal Street won as coronavirus was seen losing.

The key positive catalysts remain the same:

- The sentiments are likely to be buoyed by better-than-expected Q4 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 — as the sequence of higher high intact on all time frames. Nifty is also way above its 200DMA at 13459 mark.

### The big question: Nifty 16000 possible?

Well, the benchmarks are likely to carry the positive baton from last month's trade. We expect, the benchmark Nifty to aim 15750 mark and then all aggressive bullish eyes on the psychological 16000 mark.



The most probable worst scenario could be that the benchmarks take a breather. This also sounds understandable as Nifty & Sensex are up around 108% from the March 2020 lows.

**The key positive catalysts on the horizon are:**

- **India FY21 GDP contracts 7.3%:** The 2020-21 GDP contraction is much better than the forecasts of the Reserve Bank of India and the Ministry of Statistics and Programme Implementation, both of which had expected GDP for the full year to contract by 8 percent.
- 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.

<b>Bullish looking stocks</b>	<b>Bearish looking stocks</b>
ADITYA BIRLA FASHION AND RETAIL (ABFRL), AARTI INDUSTRIES, ACC, BAJAJ FINSERV, CAMS, ESCORTS, JINDAL STEEL & POWER, HINDALCO, VEDANTA, MINDTREE, ITC, INFY, RAMCO CEMENTS, TATA STEEL, COROMANDEL INTERNATIONAL, CDSL, TATA ELXSI, BALAJI AMINE, BIRLA CORPORATION, SAIL, AMBUJA CEMENTS, ICICI BANK.	APOLLO TYRES, INDIGO, COAL INDIA, ASHOK LEYLAND, RBL BANK, PVR.



## Daily chart of Nifty:



Our **call of the month** says investors will continue to wrestle with the implications of expected 3rd wave of coronavirus while on positive side are better-than-expected March quarter earnings from India Inc, a economy which is most likely to open as coronavirus cases subside, 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 Nifty 14911 mark with downside risk on Nifty at 14251 mark. Alternatively, Nifty poised for fresh uncharted territory and ready to shoot the moon as long as 14911 support is held.

**Preferred Trade on Nifty:**

**CMP 15583**

Technically speaking, from a chartist standpoint, 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 16000 mark. The near term price action for Nifty is suggesting that we are likely to see a 15001- 16200 range in near term with positive bias. Please note, Nifty's 200DMA at 13459 mark.

**Buy on dips between 15000-15250 zone. Targets at 15751 mark and then at 16000 mark with strict stop at 14901.**



## The single-most conviction idea for June 2021. Theme: Reopening Stocks to Watch...

### Buy ADITYA BIRLA FASHION AND RETAIL (CMP 195. Targets at 250):



Incorporated in the year 2007, Aditya Birla Fashion and Retail (ABFRL) commands a market cap of Rs 16,542 Crore) operating in retail sector and is India's largest pure-play fashion and retail entity. ABFRL is one of the largest players in the branded apparel and retail space.

Formerly known as Pantaloons Fashion & Retail Limited, the firm now has elegant bouquet of leading fashion brands and retail formats supported by a pan-India distribution network with a combined retail footprint of 8 million square feet across 750 cities, which includes 2,662 brand stores and 342 Pantaloons stores.

The company comprises of two segments, Madura Fashion and Lifestyle (MFL) and Pantaloons. MFL includes lifestyle brands (Louis Philippe, Van Heusen, Allen Solly and Peter England), fast fashion brands (Forever 21) and other businesses such as the innerwear business.

Strong portfolio of brands and expanded reach are the biggest positive catalyst for ABRFL.

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 163 zone.

A potential entrance exists at CMP, and on dips between 163-170 zone, targeting 231 and then aggressive targets at psychological 250 mark. Stop 137. Holding period 1-2 months.



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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.