

May 18th, 2022

Market Data

Index	Closing	% Chg	% YTD
BSE Sensex	54,318	2.54	-6.76
Nifty 50	16,259	2.63	-6.31
Nifty Midcap 50	7,662	2.59	-8.90
BSE Smallcap	26,318	2.78	-10.66

World Indices	Closing	% Chg	% YTD
Nikkei	26,808	0.55	-6.89
Hang Sang	20,429	-0.84	-12.69
Dow Jones	32,655	1.34	-10.14
Nasdaq	11,985	2.76	-23.40
FTSE 100	7,518	0.72	1.81

Currency	Closing	% Chg	% YTD
USD/INR	77.6	0.34	-4.16
EUR/INR	81.3	-0.23	3.65
EUR/USD	1.1	-0.05	-7.32

Commodity	Closing	% Chg	% YTD
BRENT CRUDE	112.1	0.14	47.80
GOLD/TROY Oz.	1,812.8	-0.47	-0.90
SILVER/TROY Oz.	21.6	-0.76	-7.54

Indian ADRs	Closing	Net Chg	% Chg
Dr. Reddy's Lab	51.20	0.52	1.03
HDFC Bank	54.44	1.44	2.72
ICICI Bank	18.41	0.76	4.29
Infosys	19.61	0.67	3.54
Tata Motors	27.53	1.44	5.52
Wipro	6.280	0.240	3.79

52 Week High

Script	Closing Price	52 Wk High Price
LICI	875	920
-	-	-
-	-	-

FII & DII Activities (INR Cr)

Market Segment	Last Trading Session	Year to Date
Index Futures	1,064	(15,364)
Stock Futures	1,991	7,970
Net Future Position	3,055	(7,394)
Index Options	1,229	1,88,313
Stock Options	(97)	(2,274)
Net Options Position	1,132	1,86,039
FII In cash Segment	(2,192)	(2,07,683)
DII In cash Segment	2,294	1,64,017
Net Cash Position	102	(43,666)

Stock /Industry Specific News

- Indoco Remedies reported Q4FY22 results, wherein revenues increased by 34% YoY/ up by 14% QoQ to INR 409 crores. EBITDA grew by 47% YoY/ up by 10% QoQ to INR 80.5 crores, PAT increased by 62% YoY/ up by 23% QoQ to INR 40.4 crores. The growth was driven by product launches and increasing market penetration.
- Bharti Airtel on posted more than two fold YoY jump in its consolidated net profit for the March quarter to INR 2,008 crore, buoyed by a lift in average revenue per user and an exceptional gain.
- DLF reported a 16% decline in its consolidated net profit to INR 405.33 crore for the quarter ended in March. Its net profit stood at INR 480.94 crore in the year-ago period.
- IOC, the nation's biggest oil firm, reported a 31.4% drop in the fourth quarter net profit as record refining margins were wiped away by a margin squeeze in petrochemicals and losses on auto fuel sales. Standalone net profit of INR 6,021.88 crore, or INR 6.56 a share, in January-March, compared with INR 8,781.30 crore, or INR 9.56 per share.
- IRB Infrastructure Developers Ltd reported a 79.04% jump in its consolidated net profit to INR 175 crore for the fourth quarter ended in March 2022. The company had clocked a net profit of INR 97.45 crore during the year-ago quarter.
- Abbott India said its net profit increased by 39% to INR 211 crore for the fourth quarter ended March 2022. The company had reported a net profit of INR 152 crore in the January-March quarter of FY21.
- Dr Lal Pathlabs said its consolidated net profit declined 27% to INR 62 crore in the fourth quarter ended March 31, 2022. The company had reported a net profit of INR 85 crore for January-March period a year ago.
- Kajaria Ceramics Ltd reported a decline of 25.87% in consolidated net profit at INR 97.23 crore for the fourth quarter ended March. The company had posted a net profit of INR 131.17 crore in the year-ago period.
- BPCL will be in focus as the government plans selling lower stake. Government officials are considering inviting bids for a 20-25% stake in BPCL, instead of an outright sale of its entire 52.98% holding, the two government officials, who declined to be named, told Reuters.
- TVS Motor Company announced that it is selling Intellicar Telematics to Fabric IOT for INR 45 crore.

Key Events Today/ Corporate Actions

- Manappuram Finance Q4FY22E: NII INR 814 Cr, -26% YoY; PPOP INR 493 Cr, -32% YoY; PAT INR 302 Cr, +30% YoY.**
- Route Mobile Q4FY22E: Revenue INR 5,890 Mn, +63% YoY; EBIT INR 540 Mn, +27% YoY; PAT INR 460 Mn, +57% YoY.**

Inside Arihant's Morning Daily

- WPI inflation hits 30-year high, clocks 15.08% in April.**

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Wholesale price inflation hit 15.08% in April, the highest since September 1991, official data showed on Tuesday. The wholesale price index (WPI) grew at double digit rates for the 13th month in a row. The latest WPI print strengthens the notion that retail inflation trajectory may not be on a downward slope yet. Data released last Thursday showed inflation based on consumer price index scaling an 8-year high of 7.79% in April, on a broad-based rise in price pressures across food, fuel and core segments.

Analysts have been attributing the sustained high WPI inflation partly to an unfavourable base, but the upward movement for more than a year signal inherent, sticking price pressures. Gloomier demand outlook in Covid-hit China and a moderation in the pace of global commodity price rise could, however, offset the risks to the WPI inflation emanating from a weakening rupee in May, analysts said. Nevertheless, any substantial moderation of WPI in May is unlikely, although it is set to drop below 15%, they added.

Given the sustained rise in costs of raw materials and intermediate goods (these products dominate the WPI), producers in a larger number of sectors may be forced to pass on the increase in prices to consumers, despite relative slackness in aggregate private demand.

Having refrained from an out-of-cycle revision of its inflation forecast earlier this month even as it hiked the repo rate by 40 basis points to 4.4%, the Reserve Bank of India will now have to sharply raise its projection for the June quarter and for the full year (FY23) from the April projections of 6.3% and 5.7%, respectively.

Food inflation might come in at even higher levels in the next few months given the rising costs of farm inputs like fertilisers, surging international crop prices and extreme weather-related disruptions. Weakening of the rupee will add to the imported cost of crude and commodities. Besides, the government is set to announce higher minimum support prices of kharif crops in early June, in keeping with the formula that farm gate price must be paid-up costs plus at least 50% profits.

The latest data showed 'core' WPI inflation hit a four-month high of 11.1% in April, against 10.9% in March, indicating that some amount of pass-through is already taking place. This would partially offset any potential gain from supply-side interventions (such as wheat export ban) and a favourable WPI base, and will likely spill over to the retail level as well, albeit with a time lag.

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Still, the sharp rise in both the inflation indicators in April has only raised chances of the central bank going for aggressive repo rate hikes in the upcoming meetings after an off-cycle increase of 40 basis points in May to 4.4%. ICRA chief economist Aditi Nayar expected a hike of 40 basis points in June and another 35 basis points in August.

WPI inflation in April exacerbated across segments such as manufactured products, fuels and power and primary articles, including food. Unsurprisingly, inflation in crude petroleum and natural gas eased only a tad and remained high at 69.07% in April and price pressure in the fuel and power segment — comprising petrol, diesel and LPG — jumped to 38.66% from 34.52% in the previous month.

WPI food inflation inched up to 8.35% in April from 8.06% in the previous month. Interestingly, inflation in wheat, exports of which were banned on Saturday, moderated to 10.7% in April from 14.04% in March when the heat wave first hit the crop yield.

Within the manufactured products segment, edible oils, which are mostly imported, inflation remained high at 15.05%, despite having eased from 16.06% in March in the wake of the Ukraine crisis. Basic metals, semi-finished steel, chemicals and textiles witnessed double-digit inflation, reflecting the rise in input prices.

ICRA's Nayar expected the repo rate to be hiked to 5.5% by mid-2023. "With the source of inflation being global supply issues and not exuberant domestic demand, we maintain our view that over-tightening will douse the fledgling recovery without having a commensurate impact on the origins of inflationary pressures," she added.

Madan Sabnavis, chief economist at Bank of Baroda, said of the 22 commodity indices, 12 rose at a faster pace in April than the previous month, led by paper products, fabricated metal products, other manufacturing items, electrical equipment and other non-metallic mineral products. Importantly, the pace of increase in international commodity prices slowed significantly to 1% month-on-month in April, against 4% increase in March; it has moderated further so far in May by 1.3%.

Source: Financial Express

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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