ET Markets: Beating Volatility

Currency Forward Curbs Temporary: RBI Guv
SMART INVESTING ▸▸ 10

Market Trends

STOCK INDICES		% CHANGE
Nifty 50	23997	3.78
BSE Sensex	77563	3.95
Japan[Nikkei]	56308	5.39
Hong Kong[HSI]	25893	3.09
S.Korea[Kospi]	5872	6.87
Singapore[STI]	4996	0.77

OIL ($/BRL) DUBAI CRUDE 82.78 / 17.78 Absolute Change

GOLD RATE PREMIUM/DISCOUNT $(64.37)

	Comex US ($/Oz)	MCX India (₹/10Gm)
OPEN	4747.20	153550.00
LAST*	4804.30	153514.00
Prev(%) chg	2.55	2.15

FOREX RATE (₹-$ Exchange Rate)

OPEN	LAST*
92.65	92.58

*At 6 pm IST. Source: Bloomberg, MCX, ETIG

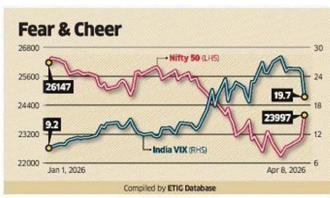
Market on Twitter@ETMarkets

STOP WAR LOSS

NAVIGATING PEACE Equities could rise for now, but linear recovery 'unlikely' • Street to take direction from Q4 earnings, oil prices • Also, watch out for any reversal of FII bearish bets

Investors Not Quite Sure Markets Have Passed the Strait of Hormuz

Kairavi Lukka



Mumbai: A fragile calm following the US-Iran ceasefire has lifted sentiment, but investors are grappling with a trickier question: is the worst over for markets, or is this merely a relief rally?

Momentum could carry equities higher in the near term, but its endurance will hinge on fourth-quarter earnings, the trajectory of crude prices and whether foreign institutional investors reverse their bearish bets, according to research heads and strategists.

While the immediate overhang from the conflict is fading and energy flows should normalise over the coming weeks, the stock market recovery is unlikely to be linear, said Sanjay Mookim, head of India Equity Research, JP Morgan.

"The key variable is how oil prices settle, as India had been benefiting from imports at $60–65 per barrel, and now, every $10 move higher translates into roughly $15 billion of incremental outflows."

Brent crude June futures have dropped more than 16% to $91.3 a barrel on Wednesday evening from a recent high of $119.5 at the start of the conflict. Notwithstanding the initial cheer around the oil price decline, uncertainty over the temporary truce is keeping the investors on the edge.

"Recent volatility in oil, gas, and related macro variables may be somewhat manageable for now, but optimism remains tempered with caution among investors," said Gautam Chhaochharia, head of Global Markets, at UBS India.

After the 4% gains on Wednesday, the Sensex and Nifty are down 4.7% from February 27 — the start of the war. If talks between the US and Iran progress well over the next two weeks, the indices could recoup these losses but some pre-existing concerns could resurface.

Impact of of higher prices and likely lower-than normal monsoon on short-to-medium-term demand will also be watched closely

"Even prior to the conflict, concerns around domestic valuations, growth recovery, and AI were weighing on Indian markets," said Chhaochharia, who remains underweight on India among emerging markets. "Assuming no further escalation, these factors are likely to re-emerge as market drivers."

Investors will watch companies' fourth quarter earnings to gauge the impact of rising raw material costs on profitability.

"Higher energy costs, combined with a weaker rupee, are likely to keep pressure on corporate profitability in the near term," said Mookim. "While the sharp day-to-day volatility should ease, the macro effects, particularly on consumption, are another key concern."

The impact of higher prices and likely lower-than normal monsoon on short-to-medium-term demand will also be watched closely, said Unmesh Sharma, head of Institutional Equities, HDFC Securities.

NOT ALL SUCH NAMES MAY SEE EQUAL INTEREST

Beaten-down Stocks a Bargain for Some, but Experts Divided

Sectors, scarred by war, such as aviation, travel, OMCs, textiles and chemicals draw fresh appetite

Himadri Buch

Big Bounce

Nifty Index	Day's Chg (%)	% Chg 27 Feb 2026
Realty	6.75	-4.46
Auto	6.69	-7.66
Transportation & Logistics	6.33	-6.62
Capital Markets	5.73	4.12
India Tourism	5.72	-6.79

Compiled by: ETIG Database

Mumbai: As the US-Iran ceasefire takes hold, bargain hunters are cautiously stepping into stocks that bore the maximum brunt of the West Asia-led sell-off. The renewed appetite triggered a sharp rebound on Wednesday in sectors such as aviation, travel, oil marketing companies, textiles and chemicals, though money managers and analysts are split on whether the recovery is here to stay, or they are mere value traps.

"Getting into beaten names in the hope that they will rebound the most is not the right way of investing in this upturn," said Dinshaw Irani, MD & CEO, Helios India.

The market sell-off in past five weeks was largely broad-based, but shares in sectors that would be most affected by a shortage in energy supplies, travel and transport disruptions took the heaviest hit. With the two-week ceasefire giving markets a breather, investors are piling on some of these stocks, hoping to ride the momentum, even if it is temporary.

Among oil and gas stocks, Hindustan Petroleum Corporation rose 10.12%, followed by Bharat Petroleum Corporation at 7.6%, Indian Oil Corporation at 7%, and GAIL at 5.4%. UPL rose 6% and Navin Fluorine International added 4.2%, among chemicals. In aviation, InterGlobe Aviation advanced 8.09%, while SpiceJet rose 5%.

Not all beaten-down stocks could, however, see equal interest in the foreseeable future.

"During the West Asia conflict, the most battered sectors were aviation, oil marketing companies, paints, chemicals and auto ancillaries due to surging crude prices and rupee weakness," said Aamar Deo Singh, senior VP Research, Angel One. "But what we are seeing is that the stronger bargain-hunting is in quality largecaps within banks, pharmaceuticals, and FMCG, which were not directly impacted."

Tech Picks

RAJESH PALVIYA, Head of Research | Axis Securities

TITAN
All-time high at 4,505. Multiple resistance breakouts at 4,355, along with huge rising volumes.
CMP ₹4,499 STOP LOSS ₹4,355
BUY TARGET ₹4,870

ABB
Above 20, 50,100 and 200-day SMAs. Daily and weekly RSI are in positive territory. Rise in volume.
CMP ₹6,569 STOP LOSS ₹6,400
BUY TARGET ₹7,080

KARNATAKA BANK
Multiple resistance breakout at 233 level, with huge volumes. Daily and weekly RSI are in positive territory
CMP ₹243 STOP LOSS ₹235
BUY TARGET ₹267

F&O Strategy

DIXON FUTURE (28 APR EXPIRY)
Since the start of the current expiry, the stock has seen a steady long build-up, with price rising ~9.5%
CMP ₹10,730 STOP LOSS ₹10,450
BUY TARGET ₹11,350

MAZDOCK FUTURE (28 APR EXPIRY)
Stock has witnessed strong short covering with heavy OTM Put writing, indicating a robust support base
CMP ₹2,402 STOP LOSS ₹2,338
BUY TARGET ₹2,652

AS OIL DECLINES

Dow Soars Over 1,300 Pts Amid Global Bounce

AP

New York: Stock markets surged worldwide and oil prices plunged back toward $90 per barrel after President Donald Trump pulled back from his threat to force a "whole civilization" to die in the war with Iran.

The S&P 500 leaped 2.6% after Trump, Iran and Israel agreed to a two-week ceasefire, just hours before a deadline Trump had set for Iran to open the Strait of Hormuz and allow oil to flow freely again from the Persian Gulf to customers worldwide.

The Dow Jones Industrial Average was up 1,383 points, or 3%, as of 8:36 pm IST, and the Nasdaq Composite was 3.3% higher following even bigger gains in European and Asian stock markets.

To be sure, stock prices are still below where they were before the war. And oil prices are still higher because the threat remains that the war could continue and keep oil produced in the Persian Gulf area blocked in West Asia.

Adani Gets to Schedule a Hearing in SEC Case, Group Stocks Surge

Our Bureau

Mumbai: Adani Group stocks, including Adani Enterprises, Adani Green Energy and Adani Ports, rose in the range of 3-12% Wednesday after Gautam Adani approached a US court to seek dismissal of a civil fraud case filed by the Securities and Exchange Commission (SEC).

Among Adani group stocks, Adani Green Energy led the gains with a 12% jump, followed by Adani Energy Solutions at 9%, Adani Enterprises at 8.6%, Adani Total Gas at 7.3%, Adani Ports and Special Economic Zone at 5%, and Adani Power at 3.66%.

Meanwhile, Adani Green Energy and Adani Ports got additional push from improving global cues, including easing geopolitical tensions.

On Tuesday, a district court in the US allowed Gautam Adani to schedule a hearing, where he is appealing to dismiss a civil fraud case by the US Securities and Exchange Commission.

In November 2024, the US SEC alleged Adani and his nephew Sagar Adani of violation of US securities laws citing that they promised to bribe Indian officials for the benefit of Adani Green Energy, a group company.

"The court has received Defendants' letter requesting a pre-motion conference on their anticipated motion to dismiss the Complaint," judge Nicholas G Garaufis said in an order on Tuesday. "The court GRANTS that request and DIRECTS the parties to confer and to...schedule the pre-motion conference."

In their plea to the United States District Court for the Eastern District of New York, the counsel for Gautam Adani said that the claim against them should be dismissed given the lack of personal jurisdiction and as the complaint fails to state a claim, among other things.

NET PROFIT MAY RISE 2.7% IT firm's top line could grow 4% qoq while operating margin may be near flat due to spends on sales, marketing and AI capabilities

TCS Likely to Log Highest Revenue Growth in 9 Quarters on Weaker Re

Ranjit Shinde

Sector Outlook
TOP IT MARCH '26 QUARTER ESTIMATES

	Revenue				Net Profit	
	$ Million	QoQ % Chg	₹crore	QoQ % Chg	₹crore	QoQ % Chg
TCS	7,620	1.5	69,894	4.2	13,802	2.7
Infosys	5,093	-0.1	46,723	2.7	7,501	12.7*
HCL Technologies	3,761	-0.8	34,495	1.8	4,695	-2.1
Wipro	2,666	1.2	24,578	4.3	3,445	10.4*
Tech Mahindra	1,618	0.5	14,838	3.1	1,432	27.7*
Top Five Total	20,759	0.5	1,90,527	3.3	30,874	6.0

*Low base in the previous quarter. Source: Average estimates by ETIG and seven brokerages

ET Intelligence Group: Tata Consultancy Services (TCS) is expected to report 4% sequential growth in revenue to ₹69,912 crore for the March quarter. It would be the highest growth in nine quarters, buoyed by a 4.6% average quarterly depreciation in the rupee against the dollar, sharpest since the June 2020 quarter when the domestic currency had shown weakness of similar magnitude.

Net profit may grow 2.7% to ₹13,801.4 crore. In dollar terms, revenue is likely to grow by a five-quarter high of 1.5% to $7,619.9 million. The forecast is based on the average of the estimates by ETIG and seven brokerages. The country's largest software exporter will declare results on Thursday after market hours.

Earnings Preview

Investor sentiment towards the IT sector is negative currently, impacted by expected disruption due to the improving capabilities of artificial intelligence (AI) platforms and geopolitical tensions in West Asia, which may affect the spending pattern of clients. "While Generative AI represents a structural concern for investors], the West Asia crisis has raised questions on near-term risks," mentioned JM Financial Services in a preview report. The broking firm added that rupee depreciation will offer some relief for investors by supporting margins in the near term.

Anand Rathi Share and Stock Brokers noted in a preview report that there was no major change in the demand environment for the sector in the March quarter compared with the previous quarter.

"We expect median sequential constant currency (cc) revenue growth of 0.2-1.5% for the top six and mid cap IT names," the broker said. It expects 1% sequential cc dollar revenue growth for TCS in the fourth quarter.

TCS is likely to report flat-to-20 bps improvement in the operating margin (EBIT margin) as weaker currency supports realisations. "We expect the EBIT margin to be flat sequentially, as the company is likely to invest benefits from rupee depreciation into sales, marketing and AI capability building," ICICI Securities mentioned in a report.

The management commentary on client IT budgets, evolving demand scenario around the AI capabilities, and traction in new deal wins will be crucial. At the sector level, FY27 guidance will be an important factor to watch out for. "We expect Infosys' FY27 guidance to be 2-4% while HCL Technologies IT Services could guide for 4-6% growth," said JM Financial Services in its report.