

## From Research Desk

10, August 2023

### Equity Corner:

- Nifty 50 index:** The index opened on a flattish note amid weak global cues. Post open; selling pressure was evident in counters such as DIVISLAB (-2.67%), APOLLOHOSP (-0.96%) and MARUTI (-0.78%) which led the index break the support zone of 19,500. However, as the session progressed; buying was seen in metal counters such as HINDALCO (+2.91%), JSWSTEEL (+3.20%) and TATASTEEL (+1.90%) as the index showed signs of recovery and formed a rounding bottom pattern on intra-day scale. The index rallied 140 points on the upside after forming a base. Thus, ending the session on a positive note with a gain of 62 (+0.32%) points.
- Bank Nifty:** The banking index underperformed as selling pressure was seen in public banks such as PNB (-1.05%), FEDERALBNK (-0.63%), BANKBARODA (-0.54%) which led the index close flat with a loss of 84 (-0.19%) points.
- Market breadth:** The market breadth was positive; indicating overall strength in stock price during the session.
- Sectorial performance:** Sectorial activity is indicating majority of sectors participating such as METALS (+2.03%), MEDIA (+2.10%) and AUTO (+0.93%) exception being; BANKS (-0.19%) and REALTY (-1.24%).
- Nifty Midcaps:** The midcaps were in line with the headline index as major participants from counters such as JSWENERGY (+8.82%), BHARATFORG (+7.54%) and ABFRL (+7.08%) led the index close up by +0.33%.
- Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 1149/906 indicating a higher number of advancing stocks compared to declining ones.
- FII and DII Activity:** FII's were net buyers in cash segment of around Rs. 644 crores while DIIs sold around Rs. -597 crores.

### Derivative corner:

- Nifty OI Put/Call ratio has gone up from 0.99 to 1.18 levels.
- Options data:** The maximum Call OI is seen at 19,700 and 19,800 while maximum Put OI is seen at 19,500 and 19,400. This indicates that the market is expecting a trading range of 19,500 to 19,700 zones.
- FII Activity in Derivatives:** Marginal long covering is seen in index futures. On options buying front; there has been heavy addition of call buyers and on option writing front; net call-put writing is indicating addition of call writers. FII Long/Short ratio in index futures has come down from 47% to 45% indicating long covering.

### Take on Market: Buy Corrections, stay put on Longs.

- Earnings:** The market is discounting the Q1FY24 earnings update by corporates which so far has been in line with analyst expectation (near mean). Financials have been an all-round beat.
- Market Outlook:** The current strategy is to buy on corrections and hold onto long positions. However, present volatility may extend to couple of weeks. Probability, of deep cuts on Nifty 50 index is high.
- Relative Outperformance:** The medium-term relative outperformance of Indian markets compared to global peers is likely to continue.

Indices	Close	Previous	Chg. %
Sensex	65,995.8	65,846.5	0.23%
Nifty	19,632.6	19,570.9	0.32%
BANK Nifty	44,880.7	44,964.5	-0.19%
DJIA (Dow)	35,123.4	35,314.5	-0.54%
NASDAQ	13,722.0	13,884.3	-1.17%
S&P 500	4,467.7	4,499.4	-0.70%
DAX	15,852.6	15,774.9	0.49%
CAC 40	7,322.0	7,269.5	0.72%

Sector Index	Close	Previous close	Change %
PSU Bank	4,536.2	4,540.8	-0.10%
Nifty IT	30,940.1	30,825.0	0.37%
Nifty FMCG	52,206.2	51,924.4	0.54%
Nifty Pharma	15,696.9	15,578.5	0.76%
Nifty Energy	26,328.2	26,174.7	0.59%
Nifty Metal	6,677.9	6,544.8	2.03%
Nifty Commodity	6,314.7	6,262.0	0.84%
Nifty PSE	5,449.6	5,399.4	0.93%

Bond Yields	Percentage
US 10 year	4.02%
US 2 year	4.82%
India 10 year	7.18%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
644.11	1858.84	143184.3

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	hg. %
DRREDDY	3.92	DIVISLAB	-2.67
JSWSTEEL	3.20	APOLLOHOSP	-0.96
HINDALCO	2.91	MARUTI	-0.78
TATAMOTORS	2.67	BAJFINANCE	-0.75
M&M	2.41	ASIANPAINT	-0.68
ONGC	2.11	HINDUNILVR	-0.49
COALINDIA	1.93	BHARTIARTL	-0.38
TATASTEEL	1.90	CIPLA	-0.34

Currencies	D/D	MTD	YTD
DXY	-0.02%	0.61%	-1.92%
INR	0.02%	0.76%	0.15%

Participant wise Open Interest	09/08/2023	08/08/2023	09/08/2023	08/08/2023
<b>Client Type</b>	<b>Net Position Index Futures</b>	<b>Net Position Index Futures</b>	<b>Net Position Stock Futures</b>	<b>Net Position Stock Futures</b>
FII	-18,607	-12,550	19,130	45,299
Pro	-10,102	-15,506	2,30,205	2,23,069

Participant wise Open Interest	09/08/2023	08/08/2023	09/08/2023	08/08/2023
<b>Client Type</b>	<b>Net Position Long Call - Put</b>	<b>Net Position Long Call - Put</b>	<b>Net Position Short Call - Put</b>	<b>Net Position Short Call - Put</b>
FII	1,49,041	-6,493	2,08,172	76,362
Pro	7,333	-29,983	40,788	93,954

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.7728	-2.44%	-3.68%	0.07%
Aluminium	USD/T	2199.5	-0.43%	-1.43%	-4.82%
Zinc	USD/T	2478	-0.18%	-0.84%	-17.48%
Tin	USD/T	27300	-1.53%	-5.89%	9.09%
Rubber	USD Cents/Kg	128.9	0.47%	-1.68%	-2.72%
Coal	USD/T	142.5	6.34%	6.34%	-63.68%
Steel	CNY/T	3614	-1.95%	-3.96%	-9.93%
Gold	USD/t.Oz	1917.95	-0.79%	-2.09%	5.04%
Crude Oil	USD/Bbl	84.34	3.43%	4.67%	9.06%
<b>Agriculture</b>					
Cotton	USD/Lbs	85.43	0.41%	0.43%	2.83%
Wheat	USD/Bu	639.4	2.01%	-9.21%	-17.70%
Rice	USD/cwt	16.02	-0.37%	2.53%	-12.95%
Sugar	USD/Lbs	23.71	-2.02%	-0.88%	20.33%

## What's in the news !

▲ Positive    ■ Neutral    ▼ Negative

**ICICI Lombard Insurance:** According to a regulatory filing, ICICI Lombard, on August 8, received a show cause notice, dated July 26, alleging a tax demand of ₹ 273,44,50,284 under the GST Act along with interest and penalty.

The matter largely relates to an industry-wide issue on applicability of GST on salvage adjusted and ineligible input tax credit, on motor claims settled. The company has deposited ₹ 104,13,18,970 under protest, without accepting any liability in this regard

**Larsen & Toubro:** India's largest engineering and construction company Larsen & Toubro Ltd. plans to invest as much as \$12 billion over the next five years, a third of which will go toward expanding its clean energy business. The company intends to build 2-3 million tonnes of green hydrogen and ammonia capacity with an investment of close to \$4 billion. L&T has approached some coastal states in India to acquire 500-1,000 acres of land for hydrogen facilities. The hydrogen foray begins with the manufacture of electrolyzers in December that will be powered using renewable energy from ReNew Power Private Ltd. to produce green hydrogen at the Indian Oil Corp. refinery in Panipat

**SEBI:** The market regulator has reduced the timeline for listing of securities after the closure of public issue to three days, from the current six working days. With T as the issue-closing date, the securities will now have to be listed on T+3 day versus the current T+6 day. This will be an option for public issues opening after September 1, 2023, and will be a mandatory requirement for issues opening after December 1, 2023. The Sebi circular dated August 9 specified the revised timelines for listing of specified securities and various activities involved in the public issue.

**Mahindra & Mahindra:** Swaraj Tractors, a rapidly growing tractor brand in the country and a part of the Mahindra Group, today launched – 'Swaraj 8200 Wheel Harvester', featuring best-in-class fuel economy and industry-first technologically advanced features. This latest offering from Swaraj carries forward the brand's legacy of Power and Reliability, promising superior harvesting capabilities while ensuring minimal grain loss and higher grain quality and providing remarkable acreage per hour.

**Delhivery:** Delhivery Ltd., India's largest fully integrated logistics services provider, has won the contract to design, build, and operate the factory-to-customer supply chain for Havells India Limited in western India. Covering Havells' product portfolio of electrical and consumer goods, Delhivery will deploy its technology-led integrated warehousing and transportation solutions to deliver speed, precision, and faster complete end-to-end visibility.

### Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	25%	14%
Maruti Suzuki	8641	10629	10%	12%
Eicher Motors	3161	4375	8%	28%

\*Price at which call was generated

## From Technical Analyst's Desk

**NIFTY (19,633)**

Support - 19,300  
Resistance - 19,800

• Nifty closed positive and is expected to consolidate between 19,300 - 19,800.

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 19,700	20,200	19,550

**BANK NIFTY (44,881)**

Support - 44,000  
Resistance - 45,500

• BankNifty closed negative for the day and is expected to consolidate between 44,000 - 45,800.

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 45,100	46,000	44,800

### Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
INFY	Buy	Call	1,400	31Aug, 2023	20.50	34.00	15.00
RELIANCE	Sell	Put	2,500	31Aug, 2023	28.00	5.00	40.00

### Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
HDFC AMC	2510	2640	2445	0%	5%

### Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Piramal Enterprises	1035	1150	980	0%	11%
Divi's laboratories	3800	4000	3700	-2%	7%
SBI Life Insurance Company	1300	1400	1249	4%	4%
Bharat Forge	912	996	870	6%	3%
Cipla	1262	1395	1195	0%	10%
Berger Paints	700	750	675	0%	7%
Exide Industries	259	287	245	2%	9%
Hindustan Unilever	2566	2640	2530	-1%	3%
Muthoot Finance	1330	1450	1270	2%	6%
Mahindra & Mahindra	1515	1650	1450	1%	8%
Apollo Tyre	427.5	453	415	3%	3%
TCS	3471	3600	3407	0%	4%
Mazdock	1855	1950	1800	-2%	7%
India Cements	219	237	210	5%	3%
Shriram Finance	1870	2030	1790	-1%	10%

## Pivot Table - NIFTY 50

### Trading Guideline

- ❖ This model is based on the premise that the PIVOT is the most important price level that decides the intraday trend. Much like how the door or a window hangs by a hinge and sways in the wind, the intraday trend also hangs by this PIVOT LEVEL and swings because of the Demand supply, volatility and market sentiments prevailing in the market. Hence its importance in intraday trading.
- ❖ Wait for the market price to stabilize after opening the first 30 minutes of trading.
- ❖ Opening Price is considered around the close of the Previousday. Avoid BUYING if prices open abnormally high and avoid selling if prices open too low.
- ❖ If the market price is stable above the pivot level after 20-30 minutes of opening, then GO LONG and book profit near the resistant level (R1 & R2).
- ❖ If the market price is stable below the pivot level after 20-30 minutes of opening, then GO SHORT and book profit near the support level (S1 & S2)

### Stop Loss

Since you are aware of the 'potential returns at the time of initiating an intraday trade (difference between the entry price and profit targets), you should set up an appropriate STOP LOSS around 1% above / below of the trade price or a level comfortable to you, to protect yourself if the market turns and goes against you.

### Alternate Strategy

If you have already initiated a trade with clear-cut profit targets and a stop loss level, and find during the course of the trading day that the market turns and goes the other way and crosses the TREND LEVEL, then trade again: For instance, if your first trade was a LONG trade and the market price drops through the TREND LEVEL to lower price levels, then GO SHORT and if your first trade was a SHORT trade and the market price rises through the TREND LEVEL to higher price levels, then GO LONG.

S1, S2 are the immediate support levels.

R1, R2 are the immediate resistance levels.

	S1	S2	PIVOT	R1	R2
ADANIENT	2452	2440	2485	2497	2529
ADANIPTS	773	767	790	796	813
APOLLOHOSP	4989	4940	5008	5057	5076
ASIANPAINT	3321	3285	3339	3375	3393
AXISBANK	948	942	951	957	960
BAJAJ-AUTO	4613	4578	4652	4687	4725
BAJAJFINSV	1503	1492	1517	1528	1541
BAJFINANCE	7112	7039	7163	7236	7287
BHARTIARTL	876	868	887	895	905
BPCL	356	355	359	360	363
BRITANNIA	4576	4546	4605	4635	4663
CIPLA	1257	1245	1264	1276	1284
COALINDIA	228	227	232	233	237
DIVISLAB	3774	3672	3817	3919	3962
DRREDDY	5552	5505	5718	5764	5930
EICHERMOT	3331	3290	3373	3414	3456
GRASIM	1833	1819	1842	1856	1864
HCLTECH	1131	1117	1138	1152	1159
HDFC	1638	1623	1646	1662	1670
HDFCBANK	641	638	647	650	655
HDFCLIFE	3028	2978	3055	3106	3132
HEROMOTOCO	445	439	458	464	476
HINDALCO	2552	2532	2560	2580	2588
HINDUNILVR	974	963	975	986	986
ICICIBANK	1395	1384	1403	1413	1421
INDUSINDBK	1383	1376	1390	1397	1403
INFY	446	440	453	459	466
ITC	788	781	808	815	836
JSWSTEEL	1819	1809	1827	1837	1844
KOTAKBANK	2612	2594	2634	2652	2673
LT	5043	4998	5078	5122	5157
M&M	1477	1462	1507	1522	1553
MARUTI	9481	9388	9511	9604	9633
NESTLEIND	22132	22051	22244	22326	22438
NTPC	216	215	218	219	221
ONGC	171	170	174	175	178
POWERGRID	240	238	242	243	245
RELIANCE	2485	2459	2507	2533	2555
SBILIFE	1334	1323	1354	1365	1385
SBIN	570	566	572	576	579
SUNPHARMA	1139	1130	1149	1158	1168
TATACONSUM	840	836	851	855	866
TATAMOTORS	598	592	611	617	630
TATASTEEL	116	115	118	120	122
TCS	3450	3416	3458	3492	3500
TECHM	1187	1176	1212	1224	1248
TITAN	2899	2887	2931	2943	2975
ULTRACEMCO	8113	8055	8143	8201	8231
UPL	597	593	607	611	621
WIPRO	413	410	416	419	422

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