

## From Research Desk

24, August 2023

### Equity Corner:

- Nifty 50 index:** The index opened on a positive note as indicated by global cues. Post opening; the volatility was high. Market breadth remained positive amid the volatility. As the session progressed; the index moved towards the resistance zone of 19,450 supported by AXISBANK (+2.32%), HINDALCO (+2.42%) & ICICIBANK (+1.56%). The index ended the session on a positive note with a gain of 48 (+0.25%) points.
- Bank Nifty:** The banking space was an out-performer as buying in FEDERALBNK (+4.15%), BANDHANBNK (+2.13%) & AXISBANK (+2.11%) led the index close on a positive note with a gain of 486 (+1.10%) points.
- Market breadth:** The market breadth was positive; indicating overall strength in stock price during the session.
- Sectorial performance:** Mixed sectorial performance as NIFTYBANK (+1.10%), PSUBANK (+1.72%) & MEDIA (+0.68%) were strong, whereas; FMCG (-0.49%), METAL (-0.13%) & PHARMA (-0.13%) were weak.
- Nifty Midcaps:** The Midcap index ended the session at new ATH levels as buying in PAYTM (+6.48%), SUNTV (+4.89%) and FEDERALBNK (+4.15%) led the index close up +0.39%.
- Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 1228/789 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. 614 crores while DIIs bought around Rs. 125 crores.

### Derivative corner:

- Nifty OI Put/Call ratio has gone up from 0.93 to 1.06 levels.
- Options data:** The maximum Call OI is seen at 19,500 and 19,600 while maximum Put OI is seen at 19,400 and 19,300. This indicates that the market is expecting a trading range of 19,300 to 19,500 zones.
- FII Activity in Derivatives:** Marginal unwinding of short contracts in index futures. On options buying front; there has been addition of put buyers and on option writing front; net call-put writing is indicating addition of put writers. FII Long/Short ratio in index futures has gone up from 43% to 45% indicating short covering.

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

- Earnings:** Q1FY24 earnings update by corporates have largely been in line with expectation. Pharmaceuticals, FMEG, FMCG, Cement, Automobiles, Auto-ancillary all delivered good set of numbers. Management commentary across sectors were largely bullish, having an expectation of high teen growth in FY'24; the only sore point being IT. Financials have been an all-round beat. Fundamentally, from long term perspective economy is building on strong demand traction.
- 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	65,433.3	65,220.0	0.33%
Nifty	19,444.0	19,396.5	0.25%
BANK Nifty	44,479.1	43,993.3	1.10%
DJIA (Dow)	34,473.0	34,288.8	0.54%
NASDAQ	13,721.0	13,505.9	1.59%
S&P 500	4,436.0	4,387.6	1.10%
DAX	15,728.4	15,705.6	0.15%
CAC 40	7,246.6	7,240.9	0.08%

Sector Index	Close	Previous close	Change %
PSU Bank	4,630.5	4,552.3	1.72%
Nifty IT	30,924.1	30,902.4	0.07%
Nifty FMCG	51,888.3	52,141.7	-0.49%
Nifty Pharma	15,282.5	15,302.6	-0.13%
Nifty Energy	26,370.2	26,522.1	-0.57%
Nifty Metal	6,625.6	6,634.4	-0.13%
Nifty Commodity	6,243.4	6,251.2	-0.12%
Nifty PSE	5,504.8	5,490.8	0.25%

Bond Yields	Percentage
US 10 year	4.19%
US 2 year	4.98%
India 10 year	7.19%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
614.32	13703.2	155028.66

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	hg. %
HINDALCO	2.34	ADANIENT	-5.89
AXISBANK	2.11	JIOFIN	-4.99
ICICIBANK	1.58	ADANI PORTS	-2.86
DIVISLAB	1.55	SUNPHARMA	-1.37
LT	1.47	TECHM	-1.15
SBIN	1.37	BHARTIARTL	-1.12
TATASTEEL	1.11	TATAMOTORS	-0.92
MARUTI	1.09	ITC	-0.80

Currencies	D/D	MTD	YTD
DXY	0.09%	1.47%	-1.08%
INR	-0.64%	0.33%	-0.29%

Participant wise Open Interest	23/08/2023	22/08/2023	23/08/2023	22/08/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	-18,465	-28,078	-1,35,495	-1,53,747
Pro	-21,514	-8,455	2,80,909	2,87,143

Participant wise Open Interest	23/08/2023	22/08/2023	23/08/2023	22/08/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	-57,216	1,54,345	68,816	3,39,429
Pro	-3,79,568	-5,468	-6,81,503	1,61,473

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.7934	2.93%	-3.16%	0.62%
Aluminium	USD/T	2179	1.68%	-2.35%	-5.71%
Zinc	USD/T	2377	4.09%	-4.88%	-20.85%
Tin	USD/T	26112	3.68%	-9.99%	4.34%
Rubber	USD Cents/Kg	130.1	2.12%	-0.76%	-1.81%
Coal	USD/T	150	1.69%	11.94%	-61.76%
Steel	CNY/T	3744	1.05%	-0.50%	-6.69%
Gold	USD/t.Oz	1919.31	1.61%	-2.02%	5.11%
Crude Oil	USD/Bbl	78.597	-1.56%	-2.46%	1.64%
<b>Agriculture</b>					
Cotton	USD/Lbs	86.21	1.04%	1.35%	3.77%
Wheat	USD/Bu	614.2	4.10%	-12.79%	-20.94%
Rice	USD/cwt	15.41	-0.80%	-1.38%	-16.26%
Sugar	USD/Lbs	23.85	-1.41%	-0.29%	21.04%

## What's in the news !

▲ Positive    ■ Neutral    ▼ Negative

**Torrent Pharma** has joined the race to buy out the Hamied family's stake in Cipla. Sixth-ranked Torrent is aiming to take control of the fourth-ranked Indian drugmaker. The competition includes Blackstone, the biggest buyout fund, and Baring PE Asia-EQT. Torrent, advised by JP Morgan, is looking to form a consortium with private equity funds and has held preliminary discussions with a few. The Hamied family's stake in Cipla currently stands at 33.47 percent. Since the news of the potential sale surfaced, shares of Cipla have surged over 16 percent in a month. Calculations suggest that the promoter's stake in the company could be valued at \$3.97 billion. However, with the takeover rules and open offer dynamics in play, the new potential owner may have to invest as much as \$7.06 billion for a 59.47 percent stake.

**BHEL:** The company bagged a Rs 4,000 crore order from Mahan Energen Limited, erstwhile Essar Power MP, a wholly owned subsidiary of Adani Power Limited. BHEL would be supplying equipment such as boiler, turbine and generator and offer supervision of erection & commissioning for 2x800 MW power project based on supercritical technology at Bandhaura, Madhya Pradesh. As of June 30, 2023, the company's outstanding order book currently stands over Rs 1.50 lakh crore (excluding taxes) with the finalisation of the prestigious Vande Bharat trainset order in April 2023.

**India's electricity demand rose to an all-time high** last week due to sultry weather and an increase in the requirement for irrigation, as some regions saw lower-than-expected rainfall. The maximum demand met on August 17 was 234 GW, the highest on record. Demand was higher than 229 GW predicted by the planning cell of the power ministry for the summer.

**Larsen & Toubro:** The Power Transmission & Distribution Business of Larsen & Toubro has secured new orders in the Middle East. In the United Arab Emirates, the Business has received an order to establish a 220kV Gas Insulated Substation and associated Transmission Lines from a well-established service provider to the energy industry. Further, orders to establish 2 New 132kV Substations have been received from a public services infrastructure company in Dubai and another order to build a 220kV overhead Transmission Line has been secured in the region.

**Shriram Properties:** Shriram Properties Limited ("Shriram") and ASK Property Fund ("ASK") have announced a joint investment of Rs. 206 crores towards 100% of development rights in an ongoing project in Chennai, through SPL's wholly owned subsidiary, Shrivision Elevations Private Limited. The Project acquisition formalities were completed and is being launched as "Shriram 122 West" shortly.

### Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	16%	23%
Maruti Suzuki	8641	10629	11%	11%
Eicher Motors	3161	4375	6%	30%

\*Price at which call was generated

## From Technical Analyst's Desk

### NIFTY (19,444)

Support - 19,250  
Resistance - 19,500

• Nifty closed positive and is expected to consolidate between 19,250 - 19,500.

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 19,450	20,000	19,300

### BANK NIFTY (43,479)

Support - 43,500  
Resistance - 45,000

• BankNifty closed positive for the day and is expected to consolidate between 43,500 - 45,000.

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 44,600	45,500	44,200

### Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
SBIN	Buy	Call	580	31Aug, 2023	5.00	12.00	2.00
HINDALCO	Sell	Put	460	31Aug, 2023	6.00	2.00	8.00

### Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Canara Bank	330.65	346	323	1%	4%

### Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Exide Industries	271.5	281	267	-1%	5%
Godrej Properties	1580	1640	1550	1%	3%
ICICI Prudential Life Insurance Company	554	594	534	-1%	8%
Bajaj Finserv	1490	1590	1440	-1%	8%
ITC	451.75	470	443	0%	4%
TVS Motor	1355	1470	1298	0%	8%
Indian Bank	400	440	380	2%	8%
Piramal Enterprises	1035	1150	980	4%	7%
Titan Company	3020	3180	2940	2%	4%
Bharat Forge	980	1060	940	6%	2%
Tata Motors	613	658	590	0%	7%
Reliance	2545	2675	2480	-1%	6%
HDFC AMC	2510	2640	2445	1%	4%
SBI Life Insurance Company	1300	1400	1249	0%	8%
L&T Technology Services	4325	4520	4230	1%	3%
KPIT Technologies	1155	1250	1108	2%	6%
Dixon Technologies	4840	5085	4720	3%	2%
Lupin	1100	1200	1050	-1%	10%
National Aluminium Company	89.5	97	86	1%	8%
United Spirits	1022	1120	975	-1%	10%

\*Price at which call was generated

## 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
ADANIEN	2581	2418	2652	2815	2885
ADANIPTS	833	806	848	876	890
APOLLOHOSP	4882	4858	4934	4958	5010
ASIANPAINT	3164	3149	3180	3195	3211
AXISBANK	946	941	963	968	985
BAJAJ-AUTO	4605	4588	4636	4652	4683
BAJAJFINSV	1460	1451	1467	1476	1483
BAJFINANCE	6997	6927	7073	7143	7219
BHARTIARTL	873	865	875	883	885
BPCL	344	342	347	350	352
BRITANNIA	4477	4445	4516	4547	4586
CIPLA	1204	1197	1232	1238	1267
COALINDIA	230	230	231	231	232
DIVISLAB	3619	3605	3674	3688	3743
DRREDDY	5894	5872	5935	5957	5997
EICHERMOT	3319	3300	3349	3368	3399
GRASIM	1795	1783	1805	1817	1827
HCLTECH	1171	1167	1183	1188	1200
HDFC	1574	1565	1582	1591	1600
HDFCBANK	632	627	635	640	643
HDFCLIFE	2937	2916	2956	2977	2996
HEROMOTOCO	444	442	455	457	467
HINDALCO	2555	2548	2569	2576	2590
HINDUNILVR	943	937	955	961	974
ICICIBANK	1393	1385	1401	1409	1416
INDUSINDBK	1398	1396	1407	1409	1418
INFY	451	446	453	458	460
ITC	236	231	231	236	231
JSWSTEEL	790	787	797	800	806
KOTAKBANK	1749	1738	1766	1777	1793
LT	2657	2648	2692	2701	2735
M&M	5094	5079	5170	5185	5261
MARUTI	1541	1529	1548	1560	1567
NESTLEIND	9395	9323	9517	9589	9711
NTPC	21866	21748	22068	22186	22388
ONGC	221	220	222	223	224
POWERGRID	175	174	176	177	178
RELIANCE	246	245	248	249	251
SBILIFE	2506	2499	2525	2532	2551
SBIN	1278	1273	1291	1296	1309
SUNPHARMA	563	558	570	574	582
TATACONSUM	1128	1109	1129	1147	1149
TATAMOTORS	845	839	846	853	854
TATASTEEL	615	609	619	625	629
TCS	117	116	118	118	120
TECHM	3369	3360	3386	3395	3412
TITAN	1203	1191	1211	1223	1231
ULTRACEMCO	3061	3044	3073	3090	3102
UPL	8160	8109	8197	8247	8285
WIPRO	582	580	585	586	589

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