

From Research Desk
05, September 2023
Equity Corner:

- Nifty 50 index:** The index opened on a positive note with a gap-up of 90 points as indicated by favourable global cues. Post opening, weakness was seen as the index moved on the downside to fill the gap. Nifty took support at 19,430 as buying in TATASTEEL (+3.82%), HINDALCO (+3.09%) & WIPRO (+4.35%) led the index move upwards making a higher high pattern. The index ended the session at day high levels with a gain of 94 (+0.48%) points.
- Bank Nifty:** The banking space was in-line with the headline index. PNB (+3.13%), SBIN (+1.06%) & HDFCBANK (+0.62%) were the leaders who led the index close on a positive note with a gain of 142 (+0.32%) points.
- Market breadth:** The market breadth was positive; indicating overall strength in stock price during the session.
- Sectorial performance:** All the sectors closed on a positive note namely; PSUBANK (+2.43%), METALS (+2.28%) & IT (+2.06%), except; FMCG (-0.13%).
- Nifty Midcaps:** The midcaps outperformed as the index closed at new ATH levels. IRFC (+20.00%), DALBHARAT (+6.61%) and TORNTPOWER (+5.98%) were the gainers who led the index close +0.98%.
- Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 1314/771 indicating a higher number of advancing stocks compared to declining ones.
- FII and DII Activity:** FIIs were net sellers in cash segment of around Rs. 3367 crores while DIIs bought around Rs. 2563 crores.

Derivative corner:

- Nifty OI Put/Call ratio has gone up to 1.36 indicating bullish sentiment.
- Options data:** The maximum Call OI is seen at 19,600 and 19,700 while maximum Put OI is seen at 19,400 and 19,300. This indicates that the market is expecting a trading range of 19,400 to 19,600 zones.
- FII Activity in Derivatives** Short covering is seen in index futures as the net positions is indicating more longs. On options buying front; there are more put buyers and on option writing front; net call-put writing is indicating more put writing. FII Long/Short ratio in index futures has moved up from 51% to 52%; 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	65,628.1	65,387.2	0.37%
Nifty	19,528.8	19,435.3	0.48%
BANK Nifty	44,578.3	44,436.1	0.32%
DJIA (Dow)	34,837.7	34,721.9	0.33%
NASDAQ	14,031.8	14,035.0	-0.02%
S&P 500	4,515.8	4,507.7	0.18%
DAX	15,824.9	15,840.3	-0.10%
CAC 40	7,279.5	7,296.8	-0.24%

Sector Index	Close	Previous close	Change %
PSU Bank	4,648.8	4,538.7	2.43%
Nifty IT	32,164.0	31,514.4	2.06%
Nifty FMCG	51,171.8	51,240.5	-0.13%
Nifty Pharma	15,052.6	15,011.8	0.27%
Nifty Energy	26,633.1	26,332.9	1.14%
Nifty Metal	7,007.1	6,851.0	2.28%
Nifty Commodity	6,475.7	6,353.4	1.93%
Nifty PSE	5,725.9	5,621.4	1.86%

Bond Yields	Percentage
US 10 year	4.21%
US 2 year	4.90%
India 10 year	7.20%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
-3367.67	3902.52	163565.8

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	Chg. %
COALINDIA	4.64	M&M	-1.00
WIPRO	4.35	NESTLEIND	-0.98
ULTRACEMCO	3.96	ITC	-0.80
HCLTECH	3.90	AXISBANK	-0.78
JIOFIN	3.88	BAJFINANCE	-0.58
TATASTEEL	3.82	BAJAJ-AUTO	-0.52
HINDALCO	3.09	BHARTIARTL	-0.44
NTPC	2.41	ASIANPAINT	-0.43

Currencies	D/D	MTD	YTD
DXY	-0.07%	0.50%	-0.25%
INR	0.02%	0.06%	0.36%

Participant wise Open Interest	04/09/2023	01/09/2023	04/09/2023	01/09/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	5603	3209	-110336	-121439
Pro	-853	3209	254942	258525

Participant wise Open Interest	04/09/2023	01/09/2023	04/09/2023	01/09/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	-121077	-264326	-44858	-133785
Pro	-317129	-141848	-513683	-310887

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.7887	-0.07%	-0.81%	0.50%
Aluminium	USD/T	2205	1.68%	-0.09%	-4.59%
Zinc	USD/T	2476	1.48%	1.68%	-17.55%
Tin	USD/T	25806	1.21%	1.30%	3.12%
Rubber	USD Cents/Kg	141.4	4.90%	4.74%	6.72%
Coal	USD/T	156.55	-1.23%	0.35%	-60.10%
Steel	CNY/T	3773	2.64%	0.27%	-5.97%
Gold	USD/t.Oz	1937.61	0.05%	-0.24%	6.11%
Crude Oil	USD/Bbl	85.796	5.87%	2.38%	10.95%
Agriculture					
Cotton	USD/Lbs	88.29	0.89%	-0.12%	6.27%
Wheat	USD/Bu	571.76	0.49%	-1.00%	-26.41%
Rice	USD/cwt	16.61	0.48%	-1.07%	-9.74%
Sugar	USD/Lbs	25.81	3.95%	2.99%	30.99%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

Coal India: The company posted a 13 percent on-year growth in production at 52.3 million tonnes in August. The supplies reached 59 MT in August 2023 from 51.2 MT a year back, posting a rise of 15.3 percent. In FY23-24 so far, the state-run miner produced 281.5 MT of fuel, posting an 11 percent YoY growth. Despite heavy rainfall affecting some mines, coal production increased 10 percent YoY to reach 176 million tonnes, and sales also saw a 5 percent YoY growth, reaching 187 MT in the first quarter of fiscal 2024.

RVNL: The company, announced that it has bagged orders worth Rs 604.19 crore from the Madhya Gujarat Vij Company. It has received a LOA for development of distribution infrastructure work for loss reduction in Vadodara and Dahod districts under the revamped reforms-based and results-linked distribution sector scheme. The project cost for the work in Vadodara district is Rs 322.08 crore, while the cost for work in Dahod district is Rs 282.11 crore. The company is expected to complete the projects in a span of 31 months.

IRCTC, IRFC, RVNL to Ircon: Railway stocks are rising after the new plan of the Ministry of Railways to seek Cabinet approval for a ₹5.25 lakh crore investment program during fiscal years 2024-31 to improve rail connectivity to mining areas, cement plants, and consumption points, based on the PM Gati Shakti National Master Plan. This is a positive development and it will have medium to long term impact on railway stocks like IRFC, RBNL, Railtel, IRCTC, etc.

ONGC: The government has cut the windfall profit tax on crude oil produced in the country while the levy on exports of diesel and ATF has been hiked, an official notification said. The tax, levied in the form of special additional excise duty or SAED, on domestically produced crude oil was reduced to Rs 6,700 per tonne from Rs 7,100 a tonne. SAED on the export of diesel was increased to ₹6 per litre from Rs 5.50 a litre and on jet fuel or ATF to Rs 4 per litre from Rs 2, the notification said.

Shilpa Medicare: The pharma company got market authorisation from UK's Medicines and Healthcare Products Regulatory Agency (MHRA) for Betahistine Dihydrochloride Orodispersible films 24 mg, used for the treatment of symptoms of Meniere's disease, including vertigo.

Steel ministry seeks release of unused Rs 4,000 crore for production-linked incentives: The steel ministry is seeking the release of around Rs 4,000 crore of unused funds from the existing production linked incentive for specialty steel to help it launch an expanded version for steel grades used in making defense equipment and automobiles. The existing scheme has been closed after receiving applications for only Rs 2,300 crore of the budgeted Rs 6,322 crore.

Government confident on meeting fiscal deficit: The central government is confident of meeting its fiscal deficit target of 5.9 percent of GDP and the nominal GDP target of 10.5 percent despite pressure in the initial months of 202324, economic affairs secretary Ajay Seth has said. Normally, the initial months of any financial year see proportionally a higher fiscal deficit because the expenditure is evenly paced while revenue picks up in the later months, he said.

Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	17%	22%
Maruti Suzuki	8641	10629	20%	2%
Eicher Motors	3161	4375	9%	28%

From Technical Analyst's Desk

NIFTY (19,528)
Support - 19,200
Resistance - 19,650

• Nifty closed positive and expected to trend towards 19650.

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 19,630	19,900	19,500

BANK NIFTY (44,578)
Support - 43,500
Resistance - 45,000

• Bank Nifty closed positive for the day and expected to trend towards 45000.

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 44,800	45400	44,500

Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
INFY	Buy	Call	1460	28 Sep, 2023	31.00	45.00	24.00
SBIN	Sell	Put	575	28 Sep, 2023	9.15	5.00	11.00

Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Tata Power	250	266	242	4%	3%

Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Coforge	5440	5600	5360	0%	2%
Tata Communications	1807	1862	1780	2%	2%
Muthoot Finance	1290	1390	1240	-2%	10%
TVS Motor	1355	1470	1298	7%	2%
Shriram Finance	1890	2030	1820	2%	5%
ICICI Prudential Life Insurance Company	554	594	534	2%	5%
Axis Bank	995	1065	960	-1%	8%
Granules India	300	326	287	1%	9%
United Spirits	1022	1120	975	-1%	11%
Godrej Properties	1640	1720	1600	0%	5%
Bajaj Finserv	1490	1590	1440	1%	6%
Berger Paints	720	770	695	0%	7%

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	2435	2428	2458	2465	2487
ADANIPTS	791	785	802	808	818
APOLLOHOSP	4814	4790	4842	4867	4894
ASIANPAINT	3234	3200	3250	3285	3301
AXISBANK	984	975	989	998	1004
BAJAJ-AUTO	4635	4595	4662	4702	4729
BAJAJFINSV	1505	1495	1515	1524	1535
BAJFINANCE	7265	7206	7317	7376	7429
BHARTIARTL	861	856	865	871	875
BPCL	341	339	345	347	351
BRITANNIA	4454	4421	4482	4515	4544
CIPLA	1234	1222	1245	1257	1268
COALINDIA	232	229	240	242	251
DIVISLAB	3564	3550	3601	3615	3652
DRREDDY	5534	5512	5601	5623	5689
EICHERMOT	3375	3367	3418	3426	3469
GRASIM	1794	1786	1822	1829	1858
HCLTECH	1161	1148	1198	1211	1248
HDFCBANK	1566	1562	1579	1583	1595
HDFCLIFE	635	629	641	647	652
HEROMOTOCO	2906	2893	2936	2949	2978
HINDALCO	465	461	478	482	496
HINDUNILVR	2494	2482	2504	2516	2526
ICICIBANK	964	958	967	973	975
INDUSINDBK	1410	1406	1419	1423	1431
INFY	1426	1413	1448	1462	1483
ITC	438	434	441	444	447
JIOFIN	236	234	252	254	270
JSWSTEEL	797	794	812	815	830
KOTAKBANK	1755	1740	1772	1787	1804
LT	2684	2676	2713	2721	2750
LTIM	5250	5208	5315	5357	5422
M&M	1571	1547	1589	1613	1630
MARUTI	10240	10173	10354	10422	10536
NESTLEIND	21742	21513	21861	22089	22208
NTPC	228	226	232	234	238
ONGC	180	180	182	183	185
POWERGRID	249	247	253	255	259
RELIANCE	2403	2395	2414	2422	2432
SBILIFE	1305	1288	1319	1336	1350
SBIN	566	563	571	574	579
SUNPHARMA	1103	1097	1109	1115	1121
TATACONSUM	838	832	844	850	856
TATAMOTORS	606	601	611	616	621
TATASTEEL	125	125	129	129	133
TCS	3348	3328	3390	3411	3453
TECHM	1208	1196	1237	1248	1277
TITAN	3097	3073	3111	3136	3150
ULTRACEMCO	8107	8039	8350	8418	8662
UPL	598	594	604	608	613
WIPRO	406	401	421	427	442

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