

From Research Desk

29, August 2023

Equity Corner:

- Nifty 50 index:** The index opened on a positive note on the back of favourable global cues. Post opening; major participation from HDFCBANK (+1.04%), KOTAKBANK (+0.65%) & CIPLA (+1.61%) led the index sustain above 19,300 for majority of the session. However; there was selling towards the closing bell in RELIANCE (-1.00%) which wiped most of the gains. Thus, the index closed above 40 (+0.21%) points forming a doji candlestick on daily scale.
- Bank Nifty:** The banking space was in-line with the headline index as buying in HDFCBANK (+1.04%), SBIN (+0.55%) & KOTAKBANK (+0.65%) led the index close on a positive note with a gain of 263 (+0.60%) points.
- Market breadth:** The market breadth was positive; indicating overall strength in stock price during the session.
- Sectorial performance:** Strong sectorial performance as majority closed on a positive note such as PHARMA (+0.91%), REALTY (+0.94%) & AUTO (+0.73%) exception being; FMCG (-0.23%) & IT (-0.46%).
- Nifty Midcaps:** The midcaps are continuing to outperform as buying in TTML (+7.82%), PEL (+4.77%) and BHEL (+3.80%) led the index close +0.50%.
- Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 1147/934 indicating a higher number of advancing stocks compared to declining ones.
- FII and DII Activity:** FII's were net sellers in cash segment of around Rs. 1393 crores while DIIs bought around Rs. 1264 crores.

Derivative corner:

- Nifty OI Put/Call ratio has gone up from 0.84 to 1.00 levels.
- Options data:** The maximum Call OI is seen at 19,400 and 19,500 while maximum Put OI is seen at 19,300 and 19,000. This indicates that the market is expecting a trading range of 19,200 to 19,500 zones.
- FII Activity in Derivatives:** Marginal addition of longs is seen in index futures. On options buying front; there are more put buyers and on option writing front; net call-put writing is indicating dominance of put writers. FII Long/Short ratio in index futures has gone up from 40% to 43% indicating addition of longs.

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	64,996.6	64,886.5	0.17%
Nifty	19,306.1	19,265.8	0.21%
BANK Nifty	44,494.7	44,231.5	0.60%
DJIA (Dow)	34,560.0	34,346.9	0.62%
NASDAQ	13,705.1	13,590.7	0.84%
S&P 500	4,433.3	4,405.7	0.63%
DAX	15,792.6	15,631.8	1.03%
CAC 40	7,324.7	7,229.6	1.32%

Sector Index	Close	Previous close	Change %
PSU Bank	4,564.9	4,530.9	0.75%
Nifty IT	30,773.6	30,914.6	-0.46%
Nifty FMCG	51,390.8	51,506.8	-0.23%
Nifty Pharma	15,161.8	15,025.2	0.91%
Nifty Energy	26,015.8	25,981.6	0.13%
Nifty Metal	6,533.3	6,519.4	0.21%
Nifty Commodity	6,190.3	6,172.4	0.29%
Nifty PSE	5,501.2	5,443.7	1.06%

Bond Yields	Percentage
US 10 year	4.19%
US 2 year	4.99%
India 10 year	7.18%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
-1,393.25	13080.01	154405.47

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	Chg. %
POWERGRID	2.77	JIOFIN	-2.05
LT	2.11	RELIANCE	-1.27
CIPLA	1.95	ADANIANT	-0.87
M&M	1.83	HINDALCO	-0.87
BPCL	1.53	NESTLEIND	-0.82
HEROMOTOCO	1.17	TITAN	-0.65
HDFCBANK	1.06	ITC	-0.53
MARUTI	0.99	HINDUNILVR	-0.45

Currencies	D/D	MTD	YTD
DXY	0.04%	2.09%	-0.48%
INR	-0.08%	0.44%	-0.18%

Participant wise Open Interest	28/08/2023	25/08/2023	28/08/2023	25/08/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
Fill	-30,958	-39,055	-1,28,694	-1,35,257
Pro	-12,172	-411	2,58,666	2,69,927

Participant wise Open Interest	28/08/2023	25/08/2023	28/08/2023	25/08/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
Fill	-2,76,171	-2,32,120	-1,19,633	47,207
Pro	-1,34,079	-1,951	-1,87,618	2,82,318

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.7634	0.17%	-3.92%	-0.18%
Aluminium	USD/T	2150.5	0.63%	-3.63%	-6.95%
Zinc	USD/T	2382.5	3.59%	-4.66%	-20.66%
Tin	USD/T	25497	0.94%	-12.11%	1.89%
Rubber	USD Cents/Kg	134.6	4.57%	2.67%	1.58%
Coal	USD/T	158.5	6.20%	18.28%	-59.60%
Steel	CNY/T	3663	-0.65%	-2.66%	-8.71%
Gold	USD/t.Oz	1921.96	1.29%	-1.88%	5.26%
Crude Oil	USD/Bbl	80.042	0.56%	-0.67%	3.50%
Agriculture					
Cotton	USD/Lbs	86.4	0.97%	1.58%	4.00%
Wheat	USD/Bu	587.18	-2.42%	-16.62%	-24.42%
Rice	USD/cwt	15.97	3.10%	2.21%	-13.22%
Sugar	USD/Lbs	25.57	9.27%	6.90%	29.77%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

Larsen & Toubro: After playing a crucial role in the Chandrayaan-3 mission, Larsen & Toubro is looking to make a mark in the commercial satellite launch business and bid for the transfer of technology of the small satellite launch vehicle developed by the Indian Space Research Organization, company executives said. These rockets are capable of carrying a payload of up to 500 kg to low Earth orbit.

Bharat Forge: Kalyani Rafael Advanced Systems announced an order win worth Rs 287.51 crore. Kalyani Rafael Advanced Systems is a joint venture between the former's subsidiary Kalyani Strategic Systems and Israel's Rafael Advanced Systems. The said order win is for supplying missile systems to the Ministry of Defence. The order win by Kalyani Rafael comes on the back of the Defence Acquisition Council having cleared proposals worth Rs 7,800 crore last week. The defence ministry said that this was done to strengthen the operational capacities of the Indian armed forces.

Reliance: Jio is set to unveil its new fixed wireless broadband service, Jio AirFiber, on Ganesh Chaturthi (19 September), the service aims to facilitate up to approximately 150,000 connections every day, a tenfold increase over existing rates. Designed to tackle the last-mile connectivity issues often associated with fibre optic cables, Jio AirFiber will serve as a personal Wi-Fi hotspot in homes, powered by Jio's high-speed 5G internet.

GR Infraprojects: The company received a letter of acceptance (LoA) for the construction of civil works for the Dibang multi-purpose project in Arunachal Pradesh, worth Rs 3,637 crore. The Dibang Power consortium, a joint venture between GR Infraprojects and Patel Engineering, emerged as the lowest bidder for the construction of civil works in the northeast region. The company, which constructs and maintains roads, highways, bridges, flyovers and airport runways.

Schaeffler India: Schaeffler India Limited announced that the Board of Directors has approved the acquisition of 100 percent of the shares of KRSV Innovative Auto Solutions Private Limited (in the following "Koovers"), a Bengaluru-based private limited company offering spare parts solutions to Indian aftermarket workshops via a B-to-B e-commerce platform. Founded in 2015, Koovers has established a B-to-B e-commerce platform offering spare parts solutions to aftermarket workshops in India. With revenues of INR 777 million in the financial year 2022-23, the company has a compelling growth story and is one of the fast-growing players in the Indian B-to-B e-commerce market. Koovers supplies to over 7,000 plus workshops and has a portfolio of around 1.8 million parts from various manufacturers. The platform will continue to operate under Koovers brand name.

Kotak Mahindra: Bank said it hopes to get regulatory approval for its acquisition of Lucknow-based microlender Sonata Finance in this financial year. The country's fourth-largest private sector bank bought the microfinance company on February 10 in a Rs 531 crore all-cash deal. Regulatory approval will likely take a year, after which the bank plans to leverage Sonata Finance's network to provide a wider suite of products to its customers. Sonata managed Rs 363 crore of assets in June. The company had 450 branches with 2,879 employees. Its gross non-performing assets (GNPA) and net NPAs stood at 2.27 percent and 0.68 percent, respectively.

Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	18%	20%
Maruti Suzuki	8641	10629	11%	11%
Eicher Motors	3161	4375	6%	31%

*Price at which call was generated

From Technical Analyst's Desk

NIFTY (19,306)

Support - 19,200
Resistance - 19,650

• Nifty closed positive and is expected to consolidate between 19,200 - 19,650.

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 19,360	20,000	19,200

BANK NIFTY (44,495)

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	45,300	44,300

Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
AXISBANK	Buy	Call	980	31Aug, 2023	9.65	16.00	7.00
M&M	Sell	Put	1,540	31Aug, 2023	9.00	2.00	12.00

Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Muthoot Finance	1290	1390	1240	0%	8%

Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Granules India	300	326	287	0%	9%
Hindustan Copper	150	162	144	-1%	10%
ICICI Prudential Life Insurance Company	554	594	534	-1%	8%
Bajaj Finserv	1490	1590	1440	1%	6%
National Aluminium Company	89.5	97	86	1%	7%
TVS Motor	1355	1470	1298	0%	9%
Indian Bank	400	440	380	-1%	11%
Shriram Finance	1890	2030	1820	-1%	9%
Titan Company	3020	3180	2940	1%	4%
Canara Bank	330.65	346	323	-1%	6%
Tata Motors	613	658	590	-2%	9%
United Spirits	1022	1120	975	-2%	12%
Dixon Technologies	4840	5085	4720	2%	3%
Lupin	1100	1200	1050	1%	8%
L&T Technology Services	4325	4520	4230	1%	4%
KPIT Technologies	1155	1250	1108	0%	9%

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
ADANIEMT	2433	2381	2507	2559	2634
ADANIPTS	794	783	809	819	834
APOLLOHOSP	4831	4801	4871	4900	4941
ASIANPAINT	3239	3214	3255	3280	3296
AXISBANK	977	972	985	989	997
BAJAJ-AUTO	4567	4560	4594	4601	4628
BAJAJFINSV	1490	1475	1502	1517	1529
BAJFINANCE	7150	7083	7206	7273	7328
BHARTIARTL	869	862	872	878	882
BPCL	347	347	353	353	358
BRITANNIA	4506	4476	4516	4546	4556
CIPLA	1196	1191	1217	1222	1243
COALINDIA	226	226	228	229	231
DIVISLAB	3619	3602	3638	3654	3674
DRREDDY	5728	5677	5779	5830	5880
EICHERMOT	3326	3314	3345	3357	3376
GRASIM	1765	1756	1778	1787	1799
HCLTECH	1144	1131	1152	1164	1172
HDFCBANK	1551	1546	1567	1572	1588
HDFCLIFE	625	621	628	632	636
HEROMOTOCO	2891	2882	2921	2931	2961
HINDALCO	446	442	450	454	457
HINDUNILVR	2549	2530	2559	2578	2588
ICICIBANK	965	960	970	975	980
INDUSINDBK	1392	1384	1402	1410	1419
INFY	1413	1406	1419	1427	1433
ITC	440	438	444	446	449
JIOFIN	207	200	215	222	229
JSWSTEEL	768	765	775	778	785
KOTAKBANK	1768	1760	1782	1790	1804
LT	2613	2607	2657	2663	2707
LTIM	5097	5065	5127	5158	5188
M&M	1506	1500	1529	1535	1558
MARUTI	9426	9388	9548	9586	9708
NESTLEIND	22081	21933	22148	22296	22362
NTPC	217	216	218	219	220
ONGC	174	174	175	175	176
POWERGRID	239	237	244	245	250
RELIANCE	2442	2410	2463	2495	2516
SBILIFE	1288	1280	1297	1305	1315
SBIN	567	565	571	573	577
SUNPHARMA	1097	1091	1110	1116	1129
TATACONSUM	825	819	834	840	849
TATAMOTORS	602	598	605	609	612
TATASTEEL	116	116	117	118	119
TCS	3364	3345	3379	3398	3413
TECHM	1183	1175	1189	1197	1203
TITAN	3048	3025	3064	3087	3103
ULTRACEMCO	8020	7983	8085	8122	8187
UPL	580	578	584	586	590
WIPRO	407	405	410	412	415

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