

**From Research Desk**
**18, August 2023**
**Equity Corner:**

- Nifty 50 index:** The index opened on a negative note as indicated by weak global cues. During the opening hours; the index slipped further as selling pressure in RELIANCE (-1.60%), ITC (-2.07%) and LT (1.56%) led the index form a lower low structure and eventually end the session on a negative note with a loss of 100 (-0.51%) points.
- Bank Nifty:** The banking index struggled as selling pressure in heavyweights such as HDFCBANK (-0.70%), KOTAKBANK (-1.07%) & ICICIBANK (-0.68%) led the index close on a negative note with a loss of 55 (-0.13%) points.
- Market breadth:** The market breadth was negative; indicating overall weakness in stock price during the session.
- Sectorial performance:** Majority of sectors were weak such as FMCG (-0.89%), IT (-0.49%) & PHARMA (-0.26%), exception being; PSUBANK (+1.43%).
- Nifty Midcaps:** The midcaps have been outperforming since consecutive sessions as buying in INDIANB (+6.44%), RECLTD (+5.62%) and ESCORTS (+3.59%) led the index close positive +0.25%.
- Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 987/1062 indicating a lower number of advancing stocks compared to declining ones.
- FII and DII Activity:** FII's were net sellers in cash segment of around Rs. 1510 crores while DIIs sold around Rs. 313 crores.

**Derivative corner:**

- Nifty OI Put/Call ratio has come down from 1.12 to 0.88 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 19,400. This indicates that the market is expecting a trading range of 19,300 to 19,500 zones.
- FII Activity in Derivatives:** Short built-up 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 more call writers. FII Long/Short ratio in index futures has remained unchanged at 39%.

**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	65,151.0	65,539.4	-0.59%
Nifty	19,365.3	19,465.0	-0.51%
BANK Nifty	43,891.4	43,946.4	-0.13%
DJIA (Dow)	34,474.8	34,765.7	-0.84%
NASDAQ	13,316.9	13,474.6	-1.17%
S&P 500	4,370.4	4,404.3	-0.77%
DAX	15,676.9	15,789.5	-0.71%
CAC 40	7,191.7	7,260.3	-0.94%

Sector Index	Close	Previous close	Change %
PSU Bank	4,593.5	4,528.7	1.43%
Nifty IT	31,060.2	31,212.1	-0.49%
Nifty FMCG	51,353.8	51,815.4	-0.89%
Nifty Pharma	15,358.5	15,398.8	-0.26%
Nifty Energy	26,267.0	26,541.8	-1.04%
Nifty Metal	6,480.5	6,484.1	-0.06%
Nifty Commodity	6,193.4	6,225.1	-0.51%
Nifty PSE	5,427.4	5,444.2	-0.31%

Bond Yields	Percentage
US 10 year	4.26%
US 2 year	4.93%
India 10 year	7.25%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
-1,510.86	14120.79	155446.25

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	hg. %
ADANI PORTS	4.43	ITC	-2.07
TITAN	2.01	LTIM	-2.06
ADANI ENT	1.33	POWERGRID	-1.83
SBIN	1.13	RELIANCE	-1.60
BAJAJ-AUTO	1.12	LT	-1.56
DRREDDY	0.55	NESTLEIND	-1.40
TATA CONSUM	0.50	DIVISLAB	-1.36
AXISBANK	0.45	APOLLOHOSP	-1.25

Currencies	D/D	MTD	YTD
DXY	0.00%	1.51%	-1.04%
INR	-0.09%	1.08%	0.47%

Participant wise Open Interest	17/08/2023	16/08/2023	17/08/2023	16/08/2023
<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	-41,783	-41,248	-1,47,050	-1,00,095
Pro	349	-989	3,02,611	2,83,908

Participant wise Open Interest	17/08/2023	16/08/2023	17/08/2023	16/08/2023
<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	-1,24,073	-1,07,326	52,347	8,999
Pro	-36,419	-14,740	1,08,633	22,906

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.6975	-0.46%	-5.60%	-1.92%
Aluminium	USD/T	2146	-2.63%	-3.83%	-7.14%
Zinc	USD/T	2300	-6.39%	-7.96%	-23.41%
Tin	USD/T	25066	-8.05%	-13.60%	0.16%
Rubber	USD Cents/Kg	127.9	-1.16%	-2.44%	-3.47%
Coal	USD/T	147	2.80%	9.70%	-62.53%
Steel	CNY/T	3724	3.68%	-1.04%	-7.19%
Gold	USD/t.0z	1893.83	-1.03%	-3.32%	3.71%
Crude Oil	USD/Bbl	80.517	-3.21%	-0.08%	4.12%
<b>Agriculture</b>					
Cotton	USD/Lbs	84.95	-2.68%	-0.13%	2.25%
Wheat	USD/Bu	601.77	-3.94%	-14.55%	-22.54%
Rice	USD/cwt	15.54	-2.81%	-0.54%	-15.56%
Sugar	USD/Lbs	24	0.21%	0.33%	21.80%

## What's in the news !

▲ Positive    ■ Neutral    ▼ Negative

**RBI Bulletin:** Inflation is set to average far higher than 6 percent in the current quarter, as per an article in the Reserve Bank of India's (RBI) monthly bulletin. The incidence of supply shocks is not over - elevation in vegetable prices has extended into the first half of August. Accordingly, headline inflation is expected to average well above 6 percent in the second quarter.

The total cost of projects sanctioned by banks and financial institutions (FIs) jumped by 85% to Rs 2.66 lakh crore in the fiscal year (FY) 2022-23 from Rs 1.43 lakh crore in FY 2021-22. The envisaged capital investments increased for the second consecutive year after remaining subdued during 2019-20 and 2020-21. The infrastructure sector continued to attract maximum capex projects, led by 'road & bridges and 'power' sectors, reflecting the government's push towards infrastructure development. Of the total cost of projects, around 35% is likely to be spent during 2023-24 and about 25 percent in the subsequent period.

**SJVN:** State-owned SJVN Ltd has inked two pacts with Punjab State Power Corporation Ltd (PSPCL) to supply 1,200 MW of solar power from its projects. SJVN Green Energy Limited (SGEL), SJVN's arm, proposed the rate of Rs 2.53 per unit for the supply of 1,000 MW and Rs 2.75 per unit for another 200 MW. The rates have been fixed for 25 years and PSPCL will not pay any transmission charges and for transmission losses. SJVN is already executing a 100-MW solar project at the cost of about Rs 545 crore in Punjab.

**JSW Steel:** India's JSW Steel Ltd is considering picking up a 75% interest in Teck Resources' steelmaking coal business Elk Valley Resources. Bloomberg had reported in July that the Mumbai-based company was interested in up to 20% of Teck's coal business. The potential deal could value the business at \$8 billion.

**JSW Energy:** JSW Energy shares were down 3 percent in the morning trade on August 17 after its promoter JSW investments offloaded its 1.28-percent stake for Rs 717.57 crore in open market transactions. As per the bulk trade numbers published by the Bombay Stock Exchange, JSW Investments has sold 2.1 crore equity shares, at a price of Rs 341.7 per share.

**Glenmark Pharmaceuticals:** Glenmark Pharmaceuticals Ltd. (Glenmark), a research-led, integrated, global pharmaceutical company has received final approval by the United States Food & Drug Administration (U.S. FDA) Tacrolimus Ointment, 0.03%, the generic version of Protopic1 Ointment, 0.03%, of Leo Pharma AS. Glenmark's Tacrolimus Ointment, 0.03%, will be distributed in the U.S. by Glenmark Pharmaceuticals Inc., USA.

**Ramkrishna Forgings:** Ramkrishna Forgings Limited ("the Company"), one of the leading suppliers of rolled, forged, and machined products is pleased to announce the recent award of a significant business contract valued at 16 Million Euros (approx. Rs. 1,450 Million). The contract, secured under a long-term agreement, spans a duration of 4 (four) years, and solidifies the Company's position in the European Original Equipment Manufacturer (OEM) sector.

**LTIM:** LTIMindtree, a global technology consulting and digital solutions company, has been selected by Aflac Incorporated (NYSE: AFL), a Fortune 500 company and the largest provider of supplemental insurance in the United States, to digitally transform the organization by leveraging the cloud-native services of Amazon Web Services (AWS).

### Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	15%	24%
Maruti Suzuki	8641	10629	8%	13%
Eicher Motors	3161	4375	4%	33%

\*Price at which call was generated

## From Technical Analyst's Desk

### NIFTY (19,365)

Support - 19,250  
Resistance - 19,650

• Nifty closed negative and is expected to consolidate between 19,250 - 19,650.

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

### BANK NIFTY (43,891)

Support - 43,500  
Resistance - 45,000

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

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 44,150	45,000	43,900

### Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
SBI	Buy	Call	570	31Aug, 2023	10.70	17.00	8.00
Titan	Sell	Put	3,000	31Aug, 2023	18.20	6.00	23.00

### Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Indian Bank	400	440	380	2%	8%

### Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
LIC Housing Finance	425.5	443	417	0%	4%
KPIT Technologies	1155	1250	1108	0%	8%
Larsen & Toubro	2673	2760	2630	-1%	4%
NTPC	213.5	220	210.3	1%	2%
Cipla	1262	1395	1195	-2%	12%
LTIMindtree	5180	5440	5050	-2%	7%
Hindustan Aeronautics	3852	3970	3795	0%	3%
Piramal Enterprises	1035	1150	980	3%	8%
Titan	3020	3180	2940	2%	4%
Mahindra & Mahindra	1515	1650	1450	4%	5%
Tata Motors	613	658	590	0%	7%
TCS	3471	3600	3407	-1%	5%
HDFC AMC	2510	2640	2445	1%	4%
SBI Life Insurance Company	1300	1400	1249	-1%	9%
Polycab	4743	4970	4630	2%	3%
Reliance	2545	2675	2480	0%	5%
Laurus Labs	391	409	382	-1%	6%
Lupin	1100	1200	1050	-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
ADANIEN	2423	2410	2455	2468	2500
ADANIPTS	758	749	786	794	822
APOLLOHSP	4898	4842	4929	4986	5017
ASIANPAINT	3163	3132	3194	3225	3256
AXISBANK	927	924	935	939	947
BAJAJ-AUTO	4554	4519	4611	4647	4704
BAJAJFINSV	1463	1457	1471	1477	1486
BAJFINANCE	6923	6855	6972	7040	7089
BHARTIARTL	852	846	856	862	866
BPCL	355	352	358	361	364
BRITANNIA	4472	4446	4499	4525	4551
CIPLA	1234	1220	1240	1253	1260
COALINDIA	232	230	233	234	236
DIVISLAB	3673	3616	3694	3751	3772
DRREDDY	5832	5819	5870	5883	5921
EICHERMOT	3312	3286	3317	3343	3349
GRASIM	1808	1791	1810	1826	1829
HCLTECH	1169	1158	1175	1186	1192
HDFC	1598	1588	1604	1614	1620
HDFCBANK	621	617	626	630	635
HDFCLIFE	2963	2944	2980	3000	3017
HEROMOTOCO	441	436	445	450	454
HINDALCO	2539	2522	2550	2566	2577
HINDUNILVR	951	943	954	962	966
ICICIBANK	1370	1359	1381	1391	1402
INDUSINDBK	1412	1402	1416	1426	1430
INFY	445	438	448	455	458
ITC	789	780	793	802	806
JSWSTEEL	1774	1756	1781	1798	1805
KOTAKBANK	2667	2630	2679	2716	2728
LT	5145	5061	5167	5251	5272
M&M	1561	1551	1570	1580	1589
MARUTI	9357	9291	9416	9482	9541
NESTLEIND	21735	21456	21882	22161	22308
NTPC	215	213	217	220	222
ONGC	178	177	179	180	181
POWERGRID	245	240	247	251	253
RELIANCE	2553	2520	2565	2598	2611
SBILIFE	1284	1274	1287	1298	1301
SBIN	561	558	567	570	576
SUNPHARMA	1138	1132	1143	1149	1155
TATACONSUM	835	830	841	846	852
TATAMOTORS	613	607	618	624	629
TATASTEEL	115	114	116	117	118
TCS	3435	3400	3448	3482	3495
TECHM	1218	1207	1226	1238	1245
TITAN	2977	2961	3028	3045	3096
ULTRACEMCO	8210	8139	8222	8293	8305
UPL	586	581	589	593	596
WIPRO	416	412	418	422	424

**Cholamandalam Securities Limited Member: BSE, NSE, MSE, NSDL, CDSL**  
**Regd. Office:** Dare House, 2 (Old) # 234) N.S.C Bose Road, Chennai – 600001.  
**Website:** www.cholawealthdirect.com  
**Email id –** customercarewm@chola.murugappa.com CIN  
 U65993TN1994PLC028674

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RESEARCH			
Dharmesh Kant	Head of Equity Research	+91-44-4004 7360	dharmeshkt@chola.murugappa.com
Mugilan K	Technical Analyst	+91-44 - 4004 7353	mugilank@chola.murugappa.com
Balaji H	Compliance Officer	044-30007226	balajih@chola.murugappa.com
Lakshmi Sundaram	Customer service	1800 425 4477	lakshmis@chola.murugappa.com

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### **Cholamandalam Securities Limited**

(A subsidiary of Cholamandalam Investment and Finance Company Ltd.)

Dare House, 2, N.S.C. Bose Road, Parrys, Chennai 600001, India

Tel: 91.44.40907172 / 91.44.40047370 Fax: 91.44.40047373

Website: www.cholawealthdirect.com

CIN – U65993TN1994PLC028674