

**From Research Desk**
**11, 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 reacted on the RBI monetary policy outcome which led the index on the way down before taking support at 19,500. During the session; a rangebound action was seen as the index was unable to breakout on the upside due to selling pressure in KOTAKBANK (-1.87%), ITC (-1.24%), ICICIBANK (-0.96%). Nifty ended the session on a negative note with a loss of 89 (-0.46%) points.
- Bank Nifty:** The banking index has been underperforming for consecutive sessions as selling pressure in KOTAKBANK (-1.87%), AXISBANK (-1.01%), HDFCBANK (-0.76%) led the index close on a negative note with a loss of 339 (-0.76%) 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 PSUBANK (-0.81%), FMCG (-0.91%) and PHARMA (-0.74%) exception being; MEDIA (+6.63%) and METALS (+0.68%).
- Nifty Midcaps:** The midcaps have been relatively out-performing as buying in ZEEL (+16.18%), MFSL (+7.89%) and JSWENERGY (+7.41%) led the index close flat at -0.08%.
- Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 890/1146 indicating a lower number of advancing stocks compared to declining ones.
- FII and DII Activity:** FII's were net buyers in cash segment of around Rs. 331 crores while DIIs sold around Rs. -703 crores.

**Derivative corner:**

- Nifty OI Put/Call ratio has come down from 1.18 to 0.91 levels.
- Options data:** The maximum Call OI is seen at 19,600 and 19,700 while maximum Put OI is seen at 19,500 and 19,400. This indicates that the market is expecting a trading range of 19,400 to 19,600 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 indicates a greater number of call writers. FII Long/Short ratio in index futures has come down from 45% to 41% indicating short built-up.

**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	65,688.2	65,995.8	-0.47%
Nifty	19,543.1	19,632.6	-0.46%
BANK Nifty	44,541.8	44,880.7	-0.76%
DJIA (Dow)	35,176.2	35,123.4	0.15%
NASDAQ	13,738.0	13,722.0	0.12%
S&P 500	4,468.8	4,467.7	0.03%
DAX	15,996.5	15,852.6	0.91%
CAC 40	7,433.6	7,322.0	1.52%

Sector Index	Close	Previous close	Change %
PSU Bank	4,499.5	4,536.2	-0.81%
Nifty IT	30,867.0	30,940.1	-0.24%
Nifty FMCG	51,728.7	52,206.2	-0.91%
Nifty Pharma	15,580.7	15,696.9	-0.74%
Nifty Energy	26,419.0	26,328.2	0.34%
Nifty Metal	6,723.3	6,677.9	0.68%
Nifty Commodity	6,307.3	6,314.7	-0.12%
Nifty PSE	5,438.1	5,449.6	-0.21%

Bond Yields	Percentage
US 10 year	4.12%
US 2 year	4.85%
India 10 year	7.15%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
331.22	3999.47	145324.93

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	hg. %
ADANIANT	1.67	ASIANPAINT	-3.00
ADANI PORTS	1.63	KOTAKBANK	-1.87
INDUSINDBK	1.53	BRITANNIA	-1.32
TITAN	1.09	ITC	-1.24
ONGC	1.07	NESTLEIND	-1.21
JSWSTEEL	0.80	APOLLOHOSP	-1.11
M&M	0.73	TATACONSUM	-1.10
BPCL	0.68	SBILIFE	-1.09

Currencies	D/D	MTD	YTD
DXY	0.16%	0.75%	-1.79%
INR	-0.28%	0.46%	-0.16%

Participant wise Open Interest	10/08/2023	09/08/2023	10/08/2023	09/08/2023
<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	-33,560	-18,607	-45,963	19,130
Pro	5,312	-10,102	2,62,459	2,30,205

Participant wise Open Interest	10/08/2023	09/08/2023	10/08/2023	09/08/2023
<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	-1,14,009	1,49,041	23,778	2,08,172
Pro	-67,643	7,333	1,55,916	40,788

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.7439	-2.12%	-4.42%	-0.69%
Aluminium	USD/T	2203	-1.21%	-1.28%	-4.67%
Zinc	USD/T	2451	-1.37%	-1.92%	-18.38%
Tin	USD/T	27259	-0.58%	-6.04%	8.93%
Rubber	USD Cents/Kg	129.3	0.94%	-1.37%	-2.42%
Coal	USD/T	143	4.49%	6.72%	-63.55%
Steel	CNY/T	3591	-2.26%	-4.57%	-10.51%
Gold	USD/t.0z	1914.31	-1.39%	-2.27%	4.84%
Crude Oil	USD/Bbl	82.735	-0.11%	2.67%	6.99%
<b>Agriculture</b>					
Cotton	USD/Lbs	87.31	2.42%	2.65%	5.10%
Wheat	USD/Bu	636.06	0.48%	-9.68%	-18.13%
Rice	USD/cwt	16.03	0.50%	2.59%	-12.89%
Sugar	USD/Lbs	23.95	-0.29%	0.13%	21.55%

## What's in the news !

▲ Positive    ■ Neutral    ▼ Negative

**Monetary Policy:** RBI keeps Repo Rate (6.5%) and Reverse Repo (3.35%) unchanged while retaining withdrawal of accommodation stance. CPI expectation for FY'24 was revised upwards by 30 basis points to 5.4%, given the supply disruptions due to adverse weather conditions and assuming a normal monsoon. The MPC has also maintained its real GDP growth forecast for current financial year 2023-24 at 6.5 percent expecting better household consumption and private capex. The RBI in an attempt to neutralize the liquidity impact of the Rs 2000/- notes roll back, has hiked incremental CRR (cash reserve ratio) on surplus liquidity (created by deposit of Rs.2000 notes) to 10 percent till September 2023.

**ZEE- Sony Merger Approved:** The National Company Law Tribunal (NCLT) has cleared the merger of satellite TV broadcasters Zee Entertainment Enterprises (ZEEL) and Japanese entertainment major Sony India's television (TV) business, creating the country's largest TV network company with a 26 per cent market share. Shares of ZEEL soared 18 per cent in late-afternoon trade on August 10 after the NCLT approved the merger of the company with Sony Pictures Networks India. The tribunal has also dismissed all objections regarding the merger.

**Dr Reddy's Laboratories:** Dr. Reddy's Laboratories Ltd announced its launch of Saxagliptin and Metformin Hydrochloride Extended-Release Tablets in the U.S. market, a therapeutic equivalent generic version of KOMBIGLYZE® XR (saxagliptin and metformin hydrochloride extended release) tablets, approved by U. S. Food and Drug Administration (USFDA). Dr. Reddy's Saxagliptin and Metformin Hydrochloride Extended-Release Tablets are supplied in a strength of 2.5 mg/1000 mg in bottle count of 60 and strengths of 5 mg/500 mg and 5 mg/1000 mg each in bottle counts of 30.

**Godrej Consumer Products:** Godrej Consumer Products Limited (GCPL), a leading emerging markets FMCG company, has signed a Memorandum of Understanding (MoU) with the State Government of Tamil Nadu. As a part of this MoU, GCPL will establish a state-of-the-art manufacturing facility in the state, making an investment of INR 515 crore over the course of the next five years.

**Route Mobile:** Route Mobile Limited ("Route Mobile"), one of the leading CPaaS (Communication Platform as a Service) provider to enterprises, over-the-top ("OTT") players, and mobile network operators, has announced the launch of its Omnichannel Experience Automation Network (OCEAN), a personalized omnichannel CX Suite. It has also expanded its digital identity security suite – TruSense with launch of three new products – TruScore, TruAuth, TruFa.

**Easy Trip Planners:** EaseMyTrip.com, one of India's largest online travel tech platforms, has announced partnering with BluSmart, India's leading and only all- electric ride-hailing service and EV charging superhub operator, for its cab services. EaseMyTrip will now offer an environment friendly fleet into an existing lineup of cabs with this partnership. This partnership aims at providing sustainable travel solutions for all EaseMyTrip customers, marking a significant milestone in the green mobility sector.

### 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	9%	13%
Eicher Motors	3161	4375	8%	28%

## From Technical Analyst's Desk

### NIFTY (19,543)

Support - 19,300  
Resistance - 19,700

• Nifty closed negative and is expected to consolidate between 19,300 - 19,700.

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 19,650	20,000	19,500

### BANK NIFTY (44,542)

Support - 44,000  
Resistance - 45,200

• BankNifty closed negative for the day and is expected to consolidate between 44,000 - 45,200.

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 44,900	45,500	44,600

### Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
JSWSTEEL	Buy	Call	830	31Aug, 2023	21.30	32.00	16.00
RELIANCE	Buy	Put	2,480	31Aug, 2023	16.25	5.00	21.00

### Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Reliance	2545	2675	2480	0%	5%

### Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
JSW Steel	830	895	798	0%	8%
Escorts	2600	2740	2530	-1%	6%
Bajaj Auto	4695	4850	4619	-1%	5%
Bharat Forge	912	996	870	4%	5%
Cipla	1262	1395	1195	0%	11%
Berger Paints	700	750	675	-1%	8%
Exide Industries	259	287	245	2%	9%
Piramal Enterprises	1035	1150	980	0%	11%
Muthoot Finance	1330	1450	1270	3%	6%
Mahindra & Mahindra	1515	1650	1450	2%	7%
Apollo Tyre	427.5	453	415	1%	5%
TCS	3471	3600	3407	-1%	5%
HDFC AMC	2510	2640	2445	3%	2%
Divi's laboratories	3800	4000	3700	-1%	7%
Shriram Finance	1870	2030	1790	-1%	10%
SBI Life Insurance Company	1300	1400	1249	3%	5%

## 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	2473	2458	2525	2541	2593
ADANIPTS	777	771	799	805	826
APOLLOHOSP	4942	4884	4962	5020	5040
ASIANPAINT	3286	3213	3303	3376	3393
AXISBANK	943	933	947	957	962
BAJAJ-AUTO	4627	4588	4668	4706	4747
BAJAJFINSV	1504	1492	1517	1529	1542
BAJFINANCE	7084	7047	7129	7166	7211
BHARTIARTL	876	864	880	892	896
BPCL	358	356	361	363	367
BRITANNIA	4557	4501	4588	4645	4675
CIPLA	1251	1235	1265	1281	1294
COALINDIA	234	233	235	236	238
DIVISLAB	3713	3694	3744	3763	3794
DRREDDY	5816	5756	5866	5926	5977
EICHERMOT	3385	3355	3410	3440	3465
GRASIM	1830	1812	1843	1861	1874
HCLTECH	1136	1124	1140	1152	1157
HDFC	1639	1623	1647	1662	1670
HDFCBANK	639	632	645	653	659
HDFCLIFE	3035	2999	3049	3085	3099
HEROMOTOCO	465	460	468	473	476
HINDALCO	2540	2522	2546	2564	2570
HINDUNILVR	966	955	970	980	984
ICICIBANK	1392	1379	1413	1425	1447
INDUSINDBK	1389	1382	1393	1400	1403
INFY	454	446	456	464	467
ITC	816	810	825	831	841
JSWSTEEL	1813	1786	1823	1850	1859
KOTAKBANK	2632	2607	2647	2672	2687
LT	5068	5033	5106	5141	5180
M&M	1523	1515	1539	1547	1564
MARUTI	9384	9284	9442	9542	9600
NESTLEIND	22044	21795	22144	22393	22494
NTPC	217	214	219	221	223
ONGC	175	175	178	178	180
POWERGRID	239	238	241	242	243
RELIANCE	2504	2486	2527	2546	2569
SBILIFE	1335	1318	1347	1364	1376
SBIN	570	566	574	578	581
SUNPHARMA	1146	1137	1152	1160	1166
TATACONSUM	853	843	858	868	873
TATAMOTORS	607	588	618	638	648
TATASTEEL	120	119	120	121	121
TCS	3445	3420	3455	3480	3490
TECHM	1216	1204	1228	1240	1251
TITAN	2917	2878	2956	2995	3035
ULTRACEMCO	8047	7997	8126	8176	8255
UPL	609	601	614	622	627
WIPRO	415	413	418	420	423

**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