

15th November 2023

Daily Market Update | **Private Client Group**

Equity Corner:

- ❖ **Nifty 50 index:** The index opened on a negative note with a gap down of 35 points. Post open; the profit booking continued in opening hour where Nifty slipped further 100 points and take support at 19,400 levels. Then Index traded firmly with a negative bias throughout the day. SBILIFE (-2.1%), BAJFINANCE (-1.2%) & GRASIM (-1.2%) were among the top index negative contributors. Nifty closed on negative note with a loss of 82 (-0.42%) points.
- ❖ **Bank Nifty:** The banking space was in-line with the headline index. ICICIBANK (-0.8%), HDFCBANK (-0.7%) & AXISBANK (-0.5%) were among the negative banking counters. The index closes on a negative note with a loss of 105 (-0.2%) points.
- ❖ **Market breadth:** The market breadth was negative; indicating overall weakness in stock price during the session.
- ❖ **Sectorial performance:** Weak sectoral performance from CONSUMER DURABLE (-0.8%), IT (-0.7%) sector while PSUBANK (+2.6%), PSE (+1.1%), ENERGY (+0.4%) were strong.
- ❖ **Nifty Midcaps:** The midcap index was flat. However; UNIONBANK (7.0%), INDIANB (6.9%) and BHEL (5.6%) witnessed good traction. The index closed on a flattish note with a gain of 27 (0.07%) points.
- ❖ **Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 813/1319 indicating a higher number of declining stocks compared to advances.
- ❖ **FII and DII Activity:** FII's were net sellers in cash segment of around Rs. 1244 crores while DIIs bought around Rs. 830 crores.

Derivative Corner:

- ❖ Nifty OI Put/Call ratio has come down from 1.14 to 1.00 levels.
- ❖ **Options data:** The maximum Call OI is seen at 19,500. Meanwhile maximum Put OI is seen at 19,400. This indicates that the market is expecting a trading range of 19,400 to 19,500 zone.
- ❖ **FII Activity in Derivatives:** Short covering was seen in index futures. Total number of short contracts are at 147,443 vs prev 156,863. On options buying front; there is dominance of put buyers and on option writing front; net call-put writing is indicating addition of more call writers; which is a bearish indicator. FII Long/Short ratio has gone up from 18% to 19%; indicating marginal short covering.

Take on Market: Buy Corrections, stay put on Longs

- ❖ Strong earnings (Q2FY24 so far). Aggregate of 243 companies under study which have reported earnings, net profit has registered a growth of 29.56% YoY.
- ❖ BFSI has been key driver of earnings in Q2. Aggregate of 47 companies which have reported their earnings witnessed ~36.75% jump in net profits on YoY basis and ~7% on WoW basis. This jump in profits and business has been on back drop of improved asset quality, stable NIM's and lower credit cost guidance.
- ❖ Aggregates of Ex-BFSI companies (196 under study) have delivered 24.56% YoY growth in net profits, where operating margins improved by 3.01% YoY and 0.33% sequentially (QoQ).
- ❖ Benign industrial commodity prices, Copper (-4.65%), Aluminium (-3.76%),

Indices	Close	Previous	Chg.%
Sensex	64,933.9	65,259.5	-0.50%
Nifty	19,443.6	19,525.6	-0.42%
Bank Nifty	43,891.3	43,996.7	-0.24%
DJIA (Dow)	34,827.7	34,337.9	1.43%
NASDAQ	14,094.4	13,767.7	2.37%
S&P 500	4,495.7	4,411.6	1.91%
DAX	15,614.4	15,345.0	1.76%
CAC 40	7,185.7	7,087.1	1.39%

Sector Index	Close	Previous	Chg.%
PSU Bank	5,177.9	5,044.7	2.64%
Nifty IT	30,635.9	30,861.0	-0.73%
Nifty FMCG	52,025.6	52,258.5	-0.45%
Nifty Pharma	15,497.2	15,562.7	-0.42%
Nifty Energy	28,066.3	27,957.3	0.39%
Nifty Metal	6,714.1	6,689.6	0.37%
Nifty Commodity	6,547.9	6,538.1	0.15%
Nifty PSE	6,410.0	6,338.4	1.13%

Bond Yields	Percentage
US 10 year	4.44%
US 2 year	4.85%
India 10 year	7.28%

FII Flows (Cash market In Crores)		
Current	MTD	YTD
-1,244.44	10122.21	138099.64

Top 8 Nifty Gainers	Chg.%	Top 8 Nifty Losers	Chg.%
COALINDIA	5.26	SBILIFE	-2.26
EICHERMOT	1.69	BAJFINANCE	-1.25
HINDALCO	1.11	GRASIM	-1.24
M&M	0.75	INFY	-1.04
BPCL	0.62	NESTLEIND	-1.03
BRITANNIA	0.54	APOLLOHOSP	-1.00
NTPC	0.47	TECHM	-0.97
JSWSTEEL	0.46	ICICIBANK	-0.88

Currencies	D/D	MTD	YTD
DXY	-1.47%	-2.48%	-0.42%
INR	-0.19%	-0.28%	0.34%

Participant wise Open Interest	13/11/2023	10/11/2023	13/11/2023	10/11/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	-1,47,443	-1,56,828	-1,39,561	-1,37,552
Pro	32,200	38,535	2,91,671	2,97,434

Participant wise Open Interest	13/11/2023	10/11/2023	13/11/2023	10/11/2023
Client Type	Net Position Long Call – Put	Net Position Long Call – Put	Net Position Short Call -Put	Net Position Short Call -Put
FII	-2,22,158	-2,36,361	1,041	-22,073
Pro	-20,923	-86,857	53,657	-24,091

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.6849	1.78%	1.34%	-2.26%
Aluminium	USD/T	2228	-1.63%	-1.09%	-3.59%
Zinc	USD/T	2605	1.44%	7.60%	-13.25%
Tin	USD/T	24923	1.05%	-0.36%	-0.41%
Rubber	USD Cents/Kg	148.4	0.41%	3.78%	12.00%
Coal	USD/T	122.5	2.00%	-0.81%	-68.77%
Steel	CNY/T	3935	3.04%	5.21%	-1.93%
Gold	USD/t.0z	1963	0.70%	-0.80%	7.50%
Crude Oil	USD/Bbl	78.493	4.15%	-3.24%	1.50%
Agriculture					
Cotton	USD/Lbs	78.79	3.34%	-2.58%	-5.16%
Wheat	USD/Bu	571.83	-3.45%	2.61%	-26.40%
Rice	USD/cwt	16.735	-0.09%	3.85%	-9.06%
Sugar	USD/Lbs	27.18	-1.49%	0.33%	37.94%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

News Flow

- 🌀 **Retail inflation eases to 4.87 percent in October, lowest in four months:** India's Retail inflation fell to a four-month low of 4.87 percent in October as food prices cooled, prompting expectations that the central bank may again keep policy rates unchanged at its monetary policy review next month. The Consumer Price Index stood at 5.02 percent in September, remaining within the Reserve Bank's comfort zone of 2-6 percent for the second consecutive month. Retail inflation stood at 6.77 percent in October last year.
- 🌀 **WPI inflation at -0.52% for the seventh consecutive month in October:** The continuing deflation in factory gate prices comes on the back of a high base effect and the fall in prices of chemicals and chemical products, electricity, textiles, basic metals, food products, and paper and paper products, among other things, compared to the corresponding month of the previous year.
- 🌀 **Festive sales boost sales at online platforms after muted start of the year:** The festive month of Diwali has boosted online shopping after a muted start to the year in the first half. Ecommerce platforms, retailers and online sellers reported a steady uptick in sales with categories like electronics, food and grocery, and jewelry reporting double digit growth over last year. More than 50 percent of total festive sales to have come through online platforms, compared with against 45 percent in 2022, according to estimates by Grant Thornton Bharat.
- 🌀 **Government considers offloading 5-10 percent stake in banks where it holds over 80 percent:** The central government is considering divesting 5-10 percent stake in state-run banks in which it holds over 80 percent equity. A roadmap is expected to be firmed up soon. State ownership exceeds the threshold in the Bank of India, Indian Overseas Bank, Punjab & Sind Bank, Bank of Maharashtra, Central Bank of India, and Uco Bank.
- 🌀 **Income-tax department investigates Big Tech over possible evasion worth Rs 5,000 crore:** The income-tax department is investigating the Indian arms of Apple, Google, and Amazon over possible non-payment of tax. The authorities have sought detailed explanations from the tech giants on their transfer pricing practices in connection with a probe that began in 2021. Authorities are eyeing a tax demand of over Rs 5,000 crore and has rejected many justifications provided by these companies.
- 🌀 **Biocon:** Subsidiary Biocon Biologics has received approval from the Medicines and Healthcare Products Regulatory Agency (MHRA) in the UK for marketing YESAFILI, a biosimilar of Aflibercept. Yesafili, an ophthalmology product, is used in the treatment of neovascular (wet AMD) and age-related macular degeneration. In September, Yesafili received marketing authorisation approval from the European Commission (EC) for the European Union.
- 🌀 **IDFC FIRST Bank:** The bank said it has received in-principle approval from the Pension Fund Regulatory and Development Authority (PFRDA) for the proposed composite scheme of amalgamation of IDFC and IDFC Financial Holding Company into and with IDFC FIRST Bank. The bank also received an observation letter with 'no objection' from the National Stock Exchange of India and an observation letter with 'no adverse observations' from the BSE.
- 🌀 **Rail Vikas Nigam:** The railway company has received a letter of acceptance for construction work, supply of stone ballast, track linking, and side drain retaining in the Dharakoh Maramjhiri section in connection with the third line from the Central Railway. The project cost is Rs 311.18 crore.
- 🌀 **Asian Paints:** The original installed production capacity of the Khandala plant has been increased to 4 lakh KL per annum in order to meet the medium-term capacity requirements of the company. An amount of Rs 385 crore has been invested by the company for the increase in installed capacity, and the same has been funded through internal accruals.
- 🌀 **The Telecom Regulatory Authority of India** has ordered telecom service providers to rope in banks, financial institutions, business entities, insurance firms, trading and real estate companies into its new authorization system aimed at curbing spam calls and commercial text messages. The sector regulator wants to rein in the exponentially rising cases of spam and excessive tele-calling in the country.

From Technical Analyst's Desk

NIFTY (19,444) Support - 19,300 Resistance - 19,850	• Nifty closed negative and is expected to trend towards 19,800 levels.	⇒	Recommendation	Trigger level	Target	Stoploss
			Nifty Futures	Buy above 19,550	20,000	19,400
BANK NIFTY (43,891) Support - 43,500 Resistance - 44,800	• Bank Nifty closed negative for the day and is expected to trend towards 44,800.	⇒	Recommendation	Trigger level	Target	Stoploss
			Bank Nifty Futures	Buy above 44,100	45,000	43,800

Top Pick for the Day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Hindalco	491	515	479	-1%	6%

Options Recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
TATAMOTORS	Buy	Call	640	30 Nov, 2023	22.00	35.00	17.00
ITC	Sell	Put	440	30 Nov, 2023	6.00	1.00	9.00

Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Titan Company	3286	3460	3200	-1%	6%
DLF	603.5	634	588	1%	4%
HDFC AMC	2775	2970	2680	0%	7%
Bajaj Auto	5368	5700	5200	1%	5%
IndusInd Bank	1501	1565	1470	1%	4%
Canara Bank	388	416	374	4%	3%
Axis Bank	984	1050	950	4%	2%
Tata Consumer	910	970	880	1%	6%
Lupin	1175	1290	1120	0%	10%
ONGC	193	201	189	1%	3%
SBI Life	1339	1390	1315	-1%	5%
NTPC	245.5	270	234	0%	10%

*Price at which call was generated

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 This 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.

Pivot Table - NIFTY 50

	S1	S2	PIVOT	R1	R2
ADANIENT	2188	2169	2215	2235	2261
ADANIPTS	802	795	815	823	836
APOLLOHOSP	5236	5179	5258	5315	5336
ASIANPAINT	3082	3057	3090	3115	3123
AXISBANK	1026	1020	1029	1034	1037
BAJAJ-AUTO	5420	5386	5430	5465	5474
BAJAJFINSV	1580	1560	1589	1609	1618
BAJFINANCE	7391	7290	7421	7522	7552
BHARTIARTL	935	931	938	941	944
BPCL	382	380	385	387	390
BRITANNIA	4647	4616	4675	4706	4734
CIPLA	1238	1228	1240	1250	1253
COALINDIA	322	316	336	342	356
DIVISLAB	3479	3445	3521	3555	3597
DRREDDY	5400	5341	5441	5500	5541
EICHERMOT	3535	3516	3605	3624	3694
GRASIM	1934	1916	1940	1958	1964
HCLTECH	1255	1249	1259	1265	1270
HDFCBANK	1495	1485	1495	1505	1506
HDFCLIFE	621	614	625	633	636
HEROMOTOCO	3098	3083	3117	3133	3152
HINDALCO	477	473	485	488	496
HINDUNILVR	2483	2469	2485	2500	2502
ICICIBANK	938	931	939	947	948
INDUSINDBK	1492	1484	1504	1512	1524
INFY	1382	1371	1382	1394	1394
ITC	437	434	438	440	441
JSWSTEEL	751	747	757	762	768
KOTAKBANK	1743	1729	1748	1762	1766
LT	3041	3025	3048	3063	3070
LTIM	5237	5200	5254	5291	5307
M&M	1511	1497	1527	1541	1557
MARUTI	10399	10349	10414	10464	10479
NESTLEIND	24150	23958	24224	24416	24490
NTPC	241	238	246	248	253
ONGC	195	193	196	198	199
POWERGRID	210	208	212	214	217
RELIANCE	2324	2312	2324	2337	2337
SBILIFE	1342	1316	1351	1376	1385
SBIN	578	573	580	585	587
SUNPHARMA	1174	1167	1181	1188	1194
TATACONSUM	909	901	915	922	928
TATAMOTORS	651	648	653	656	657
TATASTEEL	120	119	121	122	122
TCS	3343	3320	3349	3372	3378
TECHM	1135	1124	1139	1149	1153
TITAN	3267	3245	3273	3294	3300
ULTRACEMCO	8679	8638	8702	8743	8765
UPL	553	548	555	559	561
WIPRO	381	379	382	384	385

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