

From Research Desk

01, September 2023

Equity Corner:

- Nifty 50 index:** The index opened on a positive note as indicated by favourable global cues. Post opening; the selling pressure continued from the higher levels. The index moved towards the downside breaching the support zone of 50DEMA. Selling pressure was witnessed in various counters such as ADANIENT (-3.51%), BAJFINANCE (-1.37%) & HDFCBANK (-0.46%). The index ended the last trading session of august series on a negative note with a loss of of 94 (-0.48%) points.
- Bank Nifty:** The banking space saw major underperformance. Selling in HDFCBANK (-0.71%), SBIN (-1.28%) & ICICIBANK (-0.96%) led the index closed on a negative note with a loss of 263 (-0.59%) points.
- Market breadth:** The market breadth was negative; indicating overall weakness in stock price during the session.
- Sectorial performance:** Majority of the sectors were weak such as PSUBANK (-1.33%), FMCG (-0.82%) & NIFTYBANK (-0.55%), except REALTY (+0.65%) & IT (+0.20%).
- Nifty Midcaps:** The midcaps are continuing to outperform as the index closed at new ATH levels. Buying in GLAND (+9.68%), PRESTIGE (+4.34%) and COFORGE (+2.83%) led the index close +0.11%.
- Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 973/1060 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. 2973 crores while DIIs bought around Rs. 4382 crores.

Derivative corner:

- Nifty OI Put/Call ratio has remained unchanged at 0.91
- Options data:** The maximum Call OI is seen at 19,400 and 19,500 while maximum Put OI is seen at 19,400 and 19,200. This indicates that the market is expecting a trading range of 19,200 to 19,500 zones.
- FII Activity in Derivatives:** Majority of short covering 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 put writing. FII Long/Short ratio in index futures has gone up from 46% to 50% 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	64,831.4	65,087.3	-0.39%
Nifty	19,253.8	19,347.5	-0.48%
BANK Nifty	43,989.2	44,232.6	-0.55%
DJIA (Dow)	34,721.9	34,890.2	-0.48%
NASDAQ	14,035.0	14,019.3	0.11%
S&P 500	4,507.7	4,514.9	-0.16%
DAX	15,947.1	15,891.9	0.35%
CAC 40	7,316.7	7,364.4	-0.65%

Sector Index	Close	Previous close	Change %
PSU Bank	4,467.2	4,527.5	-1.33%
Nifty IT	31,164.9	31,103.9	0.20%
Nifty FMCG	51,092.7	51,513.6	-0.82%
Nifty Pharma	15,095.9	15,125.5	-0.20%
Nifty Energy	25,723.0	25,959.1	-0.91%
Nifty Metal	6,659.4	6,677.8	-0.28%
Nifty Commodity	6,227.5	6,271.0	-0.69%
Nifty PSE	5,456.6	5,511.9	-1.00%

Bond Yields	Percentage
US 10 year	4.10%
US 2 year	4.86%
India 10 year	7.17%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
-2,973.10	18337.82	159663.28

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	Chg. %
JIOFIN	3.78	ADANIENT	-3.51
MARUTI	2.08	BPCL	-3.31
HDFCLIFE	1.41	ADANI PORTS	-3.18
CIPLA	1.40	BRITANNIA	-2.00
TATASTEEL	1.23	EICHERMOT	-1.90
LTIM	1.19	BAJAJ-AUTO	-1.39
TITAN	0.97	BAJFINANCE	-1.37
HINDALCO	0.96	TATA CONSUM	-1.34

Currencies	D/D	MTD	YTD
DXY	0.47%	1.72%	-0.84%
INR	0.12%	0.56%	-0.05%

Participant wise Open Interest	31/08/2023	30/08/2023	31/08/2023	30/08/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	1,694	-24,098	-1,42,038	-74,028
Pro	16,112	-1,354	2,83,019	2,33,518

Participant wise Open Interest	31/08/2023	30/08/2023	31/08/2023	30/08/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	-1,73,701	1,27,785	-11,516	2,60,814
Pro	-90,623	3,99,609	1,10,547	8,45,457

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.8196	1.53%	-2.49%	1.32%
Aluminium	USD/T	2207	2.29%	-1.10%	-4.50%
Zinc	USD/T	2435	1.71%	-2.56%	-18.91%
Tin	USD/T	25475	-2.49%	-12.19%	1.80%
Rubber	USD Cents/Kg	135	2.97%	2.97%	1.89%
Coal	USD/T	156	4.70%	16.42%	-60.24%
Steel	CNY/T	3763	1.18%	0.00%	-6.22%
Gold	USD/t.Oz	1942.21	1.44%	-0.85%	6.36%
Crude Oil	USD/Bbl	83.798	4.98%	3.99%	8.36%
Agriculture					
Cotton	USD/Lbs	88.4	1.02%	3.93%	6.41%
Wheat	USD/Bu	577.53	-2.53%	-17.99%	-25.66%
Rice	USD/cwt	16.79	7.08%	7.46%	-8.76%
Sugar	USD/Lbs	25.06	3.17%	4.77%	27.18%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

Indian real GDP grew 7.8% in April-June quarter: Indian gross domestic product (GDP) grew by 7.8 per cent in the quarter that ended on June 30. In the April-June quarter last year, the GDP growth rate was 13.1 per cent. In the previous quarter, that ended on March 31, Indian GDP had recorded a growth rate of 6.1 per cent. Real GDP growth for 2023-24 is projected at 6.5 per cent with Q1 at 8 per cent; Q2 at 6.5 per cent; Q3 at 6.0 per cent; and Q4 at 5.7 per cent.

India's core sector growth cools slightly to 8.0% in July: India's eight core sectors posted a growth of 8.0 percent in July. The growth in India's eight key infrastructure industries - coal, crude oil, steel, cement, electricity, fertilisers, refinery products, and natural gas - in July is slightly lower than the 8.2 percent recorded in June. The figure for June has now been revised to 8.3 percent. For April-July, core sector output has posted a growth of 6.4 percent, down from 11.5 percent in the first four months of 2022-23. Coal output rose by 14.9 percent year-on-year in July, while natural gas production grew at 8.9 percent and growth in steel production was also in double-digit territory, coming in at 13.5 percent.

India's fiscal deficit rises to Rs 6.06 lakh crore in April-July, 34% of FY24 target: The Indian government's fiscal deficit widened to Rs 6.06 lakh crore in April-July from Rs 4.51 lakh crore in April-June. At Rs 6.06 lakh crore, the fiscal deficit for the first four months of the current financial year accounts for 33.9 percent of the full-year target of Rs 17.87 lakh crore. In July, the Centre's finances weakened after it posted a monthly fiscal deficit of Rs 1.54 lakh crore.

JSW to invest Rs 18K crore to expand cement business: The MD of JSW Cement and JSW Paints reveals plans to invest Rs 18,000 crore to treble cement capacity to 60 million tonnes per annum (mtpa), while the paint company is targeting Rs 10,000 crore in sales, despite increased competition from incumbent Asian Paints and soon-to-enter Aditya Birla Group. We have charted a road map to scale up our capacity threefold to 60 mtpa over the next five years. During this period, we will be investing Rs 18,000 crore.

Fortis Healthcare on Wednesday said it will acquire Medeor Hospital Manesar. This acquisition will cost Fortis Rs 225 crore and it involves the procurement of both the Medeor Hospital Manesar asset and all moveable assets housed within the facility, Fortis Healthcare said in a regulatory filing.

Jio Financial Services (JFS), the demerged financial business of Reliance Industries, will be removed from the BSE Indices, including the benchmark 30-pack Sensex, on September 1. Initially scheduled for removal by August 23, the stock's exclusion plan was delayed by exchanges as it continued to be locked in the lower circuit.

LT Foods/KRBL/Chamanlal Setia Exports: The government on Wednesday said it has permitted exports of 1.43 lakh tonnes of non-basmati white rice to Bhutan, Mauritius, and Singapore. The export is permitted through National Cooperative Exports Limited (NCEL), the Directorate General of Foreign Trade (DGFT) said in a notification. Though exports of non-basmati white rice were banned on 20 July to boost domestic supply, exports are allowed on the basis of permission granted by the government to other countries to meet their food security needs and on request.

Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	16%	23%
Maruti Suzuki	8641	10629	16%	6%
Eicher Motors	3161	4375	6%	31%

From Technical Analyst's Desk

NIFTY (19,254)

Support - 19,200
Resistance - 19,500

• Nifty closed negative and is expected to consolidate between 19,200 - 19,500.

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 19,450	19,900	19,300

BANK NIFTY (43,989)

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 44,500	45,300	44,200

Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
HDFCLIFE	Buy	Call	650	28 Sep, 2023	16.80	28.00	12.00
TITAN	Sell	Put	3,100	28 Sep, 2023	56.00	25.00	70.00

Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Mahindra & Mahindra	1588	1725	1520	-1%	9%

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	-1%	4%
NMDC	124	134	119	-1%	9%
Cochin Shipyard	866.5	930	835	5%	3%
Muthoot Finance	1290	1390	1240	-2%	10%
TVS Motor	1355	1470	1298	5%	4%
National Aluminium Company	89.5	97	86	5%	3%
Shriram Finance	1890	2030	1820	2%	5%
ICICI Prudential Life Insurance Company	554	594	534	2%	5%
Axis Bank	995	1065	960	-2%	9%
Granules India	300	326	287	-1%	10%
United Spirits	1022	1120	975	-1%	11%
Dixon Technologies	4840	5085	4720	3%	2%
Godrej Properties	1640	1720	1600	0%	5%
L&T Technology Services	4325	4520	4230	2%	3%
Bajaj Finserv	1490	1590	1440	0%	7%
Berger Paints	720	770	695	0%	7%

*Price at which call was generated

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	2460	2369	2475	2566	2581
ADANIPTS	807	786	809	830	832
APOLLOHOSP	4822	4761	4867	4928	4973
ASIANPAINT	3254	3196	3278	3336	3360
AXISBANK	970	956	983	996	1009
BAJAJ-AUTO	4625	4563	4664	4725	4765
BAJAJFINSV	1488	1470	1498	1515	1525
BAJFINANCE	7193	7089	7239	7343	7389
BHARTIARTL	852	843	856	864	868
BPCL	346	336	349	358	362
BRITANNIA	4484	4397	4530	4617	4663
CIPLA	1215	1198	1240	1258	1283
COALINDIA	228	227	229	230	231
DIVISLAB	3590	3542	3623	3671	3704
DRREDDY	5597	5541	5646	5702	5751
EICHERMOT	3362	3298	3386	3450	3474
GRASIM	1788	1766	1804	1825	1841
HCLTECH	1159	1152	1174	1182	1196
HDFCBANK	1569	1556	1576	1589	1596
HDFCLIFE	629	622	638	645	655
HEROMOTOCO	2914	2865	2940	2989	3015
HINDALCO	453	451	459	461	467
HINDUNILVR	2508	2475	2524	2556	2572
ICICIBANK	953	947	960	965	972
INDUSINDBK	1373	1349	1388	1412	1426
INFY	1427	1420	1436	1443	1452
ITC	438	433	442	447	450
JIOFIN	225	222	234	237	246
JSWSTEEL	780	771	786	795	801
KOTAKBANK	1760	1742	1772	1790	1801
LT	2686	2659	2705	2732	2751
LTIM	5126	5094	5190	5221	5285
M&M	1572	1558	1581	1595	1604
MARUTI	9649	9562	9857	9944	10152
NESTLEIND	21889	21470	22089	22508	22708
NTPC	219	217	220	222	223
ONGC	174	172	175	177	178
POWERGRID	244	241	247	250	253
RELIANCE	2406	2390	2415	2431	2440
SBILIFE	1290	1277	1299	1312	1321
SBIN	562	555	566	573	577
SUNPHARMA	1106	1095	1113	1123	1130
TATACONSUM	837	822	844	860	867
TATAMOTORS	600	594	605	611	616
TATASTEEL	121	121	122	123	124
TCS	3354	3312	3386	3428	3459
TECHM	1189	1185	1202	1205	1218
TITAN	3064	3055	3091	3101	3128
ULTRACEMCO	8199	8145	8279	8333	8413
UPL	594	586	598	606	610
WIPRO	405	404	408	409	411

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