

## From Research Desk

23, May 2023

### Equity Corner:

Positive global cues led to a good start for markets. During initial hours strong came in for IT stocks while profit taking was the norm in private banks for the day. Day looked like TechM up +3.01%, TCS +2.35%, Wipro +2.47% and index heavyweight Reliance +0.53% helped index to gain 120 points in first session however profit booking in private banks Axis Bank -0.7%, ICICI Bank -0.41%, HDFC Bank -0.36% along with automobile majors Hero motors -0.77%, Tata motors -0.47% dragged Nifty 50 down to an adjusted close up 111 (0.61%) points

Market breadth was evenly skewed through the session. Advance/Decline ratio for NSE stood at 1038/1044. FII's returned back to buying. They net bought in cash of ~Rs.922.89 crores while DIIs bought around Rs.604 crores.

### Derivative Corner:

FII's added 1616 contracts of net longs in index futures and 25123 contracts of net longs in stock futures. They added 89891 contracts of net longs in call options while on writing side addition of 221842 contracts of call writing was done while 148053 contracts were added on Put writing side, net impact being 73789 contracts of net put option writing. Overall, bullish..!

### Take on market's:

**We expect near term (couple of weeks) consolidation with positive bias for Indian market.** Banking, NBFC's, Cement, Engineering, Capital Goods, Infra, IT and select pharmaceutical stocks are likely to be key drivers. Relative out performance of Indian markets vis-à-vis global peers is shaping up well.

Participant wise Open Interest	22/05/2023	19/05/2023	22/05/2023	19/05/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	-8,276	-9,892	1,68,372	1,43,249
Pro	-3,492	-7,631	99,096	1,12,733

Participant wise Open Interest	22/05/2023	19/05/2023	22/05/2023	19/05/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	-3,957	-93,848	17,856	-55,933
Pro	-1,14,435	-73,048	-1,36,725	-1,63,354

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.6826	0.78%	-5.08%	-2.32%
Aluminium	USD/T	2269	0.42%	-4.06%	-1.82%
Zinc	USD/T	2424	-4.27%	-8.58%	-19.28%
Tin	USD/T	25451	2.48%	-1.97%	1.70%
Rubber	USD Cents/Kg	136.4	-0.73%	1.11%	2.94%
Coal	USD/T	160.35	-2.08%	-16.20%	-59.13%
Steel	CNY/T	3626	-1.20%	-0.52%	-9.63%
Gold	USD/t.0z	-1.20%	-1.39%	-100.00%	-100.00%
Crude Oil	USD/Bbl	72.564	2.45%	-5.96%	-6.17%
<b>Agriculture</b>					
Cotton	USD/Lbs	85.42	2.48%	6.52%	2.82%
Wheat	USD/Bu	603.74	-6.76%	-2.80%	-22.29%
Rice	USD/cwt	16.83	-3.16%	-2.95%	-8.55%
Sugar	USD/Lbs	25.99	-1.14%	-3.88%	31.90%

Indices	Close	Previous	Chg. %
Sensex	61963.68	61,729.7	0.38%
Nifty	18314.4	18,203.4	0.61%
BANK Nifty	43885.1	43,969.4	-0.19%
DJIA (Dow)	33286.58	33,426.6	-0.42%
NASDAQ	12720.78	12,657.9	0.50%
S&P 500	4192.63	4,192.0	0.02%
DAX	16223.99	16,275.4	-0.32%
CAC 40	7478.16	7,492.0	-0.18%

Sector Index	Close	Previous close	Change %
PSU Bank	3991.55	3,971.6	0.50%
Nifty IT	29007.3	28,303.7	2.49%
Nifty FMCG	49052.25	48,874.3	0.36%
Nifty Pharma	12244.2	12,124.3	0.99%
Nifty Energy	23898.2	23,723.4	0.74%
Nifty Metal	5797.5	5,618.1	3.19%
Nifty Commodity	5795.4	5,750.0	0.79%
Nifty PSE	4771	4,742.1	0.61%

Bond Yields	Percentage
US 10 year	3.72%
US 2 year	4.34%
India 10 year	6.99%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
922.89	32100.39	20861.52

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	hg. %
ADANIANT	19.55	HEROMOTOCO	-0.81
ADANI PORTS	6.41	AXISBANK	-0.78
DIVISLAB	5.06	NESTLEIND	-0.71
APOLLOHOSP	3.55	EICHERMOT	-0.70
TECHM	3.25	BHARTIARTL	-0.61
WIPRO	2.54	ICICIBANK	-0.61
HCLTECH	2.20	COALINDIA	-0.54
TCS	2.15	TATAMOTORS	-0.54

Currencies	D/D	MTD	YTD
DXY	0.04%	1.55%	-1.22%
INR	-0.08%	1.37%	0.11%

## What's in the news !

▲ Positive    ■ Neutral    ▼ Negative

- ▲ **Tata Consultancy Services:** Tata Consultancy Services (TCS) announced an expanded partnership with Google Cloud and the launch of its new offering, TCS Generative AI which leverages Google Cloud's generative AI services, to design and deploy custom-tailored business solutions that help clients harness the power of this exciting new technology to accelerate their growth and transformation. Building on its deep domain knowledge across multiple industry verticals and investments in research and innovation, TCS has developed a large portfolio of AI-powered solutions and intellectual property in the areas of AIOps, Algo Retail™, smart manufacturing, digital twins and robotics.
- ▲ **L&T:** The Power Transmission & Distribution (PT&D) Business of Larsen & Toubro (L&T), Construction has recently secured EPC orders in India and overseas. In the Kingdom of Saudi Arabia (KSA), the Business has secured two orders to establish 380kV overhead power transmission lines connecting prominent cities situated on the Red Sea coast. These systems will strengthen projects that involve 400KM of transmission lines to meet the growing demand in these industrial and tourism hubs.
- ▲ **JSW Steel:** JSW Steel, India and JFE Steel, Japan announced signing of a Memorandum of Understanding to conduct a joint feasibility study to establish a Cold Rolled Grain Oriented Electrical Steel ("CRGO") manufacturing joint venture in India. The feasibility study has since been completed and both, JSW Steel and JFE Steel have in-principle reached an agreement to establish a 50:50 Joint Venture Company ("JV"). The JV shall be able to manufacture the entire range of CRGO products at its proposed facilities at Vijayanagar, Karnataka, India. This JV will be the first company to produce CRGO products with its entire chain of manufacturing processes in India.
- ▲ **Persistent Systems:** The firm inaugurated its first office in Poland to expand its nearshore capabilities in Europe. Situated in Kraków, this new office will be the latest addition to the Company's growing global delivery network. This delivery center will play a crucial role in driving digital transformation for clients across industries and provide local IT professionals ample opportunities to advance their careers by building cutting-edge software products and digital solutions.
- **Aditya Birla Fashion & Retail:** It delivered +26% YoY growth in revenue at Rs. 2880 Cr for Q4FY23, while operating margins fell to 7% from 16% in Q4FY22 and 12% in Q3FY23. A net loss of 195 crores for Q4FY23 came against a profit of Rs. 32 crores in Q4FY22. On a full year basis, revenue for merged reached Rs. 12418 Cr for FY23, growing 53% YoY and 41% over pre-COVID. Consolidated operating profit came at Rs.1494 crores while a net loss of Rs.59 crores was reported for FY'23. Business growth continued to be led by aggressive offline expansion. **Neutral.**
- **Shree Cement:** Bangur family-owned Shree Cement announced its Q4FY23 results on May 22, reporting a net profit of Rs. 525 crores, registering a decline of 15.86 per cent, compared to Rs. 645.21 crore in the corresponding period last year. The company's revenue from operations during the January-March quarter came in at Rs. 5100 crores, posting a growth of 16.86 per cent, compared to Rs. 4,364 crores in the year-ago period. Operating margins improved by 120 bps at 18.6% from 17.4% on QoQ basis. Volumes for Q4 was up at 8.83 million tonnes from 8.03 million tonnes previous quarter.

### Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	3%	38%
Maruti Suzuki	8641	10629	6%	16%
Eicher Motors	3161	4375	12%	23%
Ashok Leyland	141	170	9%	11%

\*Price at which call was generated

## From Technical Analyst's Desk

### NIFTY (18,314)

Support - 18,000  
Resistance - 18,500

• Nifty closed positive for the day and is expected to continue its uptrend towards 18,900.

### BANK NIFTY (43,885)

Support - 43,300  
Resistance - 44,500

• BankNifty closed strongly for the day and is expected to continue its uptrend towards 44,500

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 18,350	18,700	18,200

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 44,000	44,700	43,700

### Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
TCS	Buy	Call	3,300	25May, 2023	17.00	30.00	12.00
Maruti Suzuki	Sell	Put	9,100	25May, 2023	30.00	10.00	40.00

### Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Voltas	810	870	780	0%	7%

### Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Ceat	1915	2050	1850	1%	6%
L&T	2220	2340	2160	0%	6%
Tech Mahindra	1070	1150	1030	3%	4%
TVS Motors	1250	1350	1200	-1%	9%
The Indian Hotel Company	363	390	350	2%	5%
ICICI Bank	951	1020	920	0%	7%
M&M	1258	1340	1220	1%	6%

### Futures Calls

Position	Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
LONG	HCL Tech	1110	1170	1080	1%	5%
LONG	DLF	465	490	453	3%	3%
LONG	ICICI Bank	950	980	935	0%	3%
LONG	Wipro	388	405	380	2%	2%

## 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	1774	1697	2061	2138	2424
ADANIPTS	658	645	706	718	766
APOLLOHSP	4361	4320	4493	4534	4666
ASIANPAINT	3055	3021	3080	3114	3140
AXISBANK	917	909	923	931	936
BAJAJ-AUTO	4447	4435	4507	4519	4579
BAJAJFINSV	1408	1400	1413	1422	1427
BAJFINANCE	6756	6731	6787	6812	6843
BHARTIARTL	804	799	804	808	808
BPCL	358	356	360	362	365
BRITANNIA	4472	4451	4506	4527	4561
CIPLA	908	904	920	924	935
COALINDIA	238	236	240	242	243
DIVISLAB	2988	2910	3130	3208	3350
DRREDDY	4349	4324	4410	4435	4495
EICHERMOT	3546	3512	3561	3596	3611
GRASIM	1705	1694	1716	1727	1738
HCLTECH	1079	1067	1100	1112	1133
HDFC	2697	2681	2709	2725	2737
HDFCBANK	1637	1625	1645	1657	1665
HDFCLIFE	550	545	560	565	574
HEROMOTOCO	2693	2666	2707	2733	2748
HINDALCO	404	400	406	410	413
HINDUNILVR	2625	2608	2640	2658	2673
ICICIBANK	950	944	952	958	960
INDUSINDBK	1239	1226	1245	1257	1263
INFY	1256	1251	1276	1282	1301
ITC	417	414	421	423	428
JSWSTEEL	684	675	696	704	716
KOTAKBANK	1927	1911	1940	1956	1969
LT	2168	2152	2195	2212	2239
M&M	1251	1242	1260	1269	1279
MARUTI	9058	9018	9114	9154	9210
NESTLEIND	21552	21348	21625	21829	21902
NTPC	171	170	174	175	178
ONGC	164	163	165	166	167
POWERGRID	231	228	235	237	241
RELIANCE	2425	2412	2446	2459	2479
SBILIFE	1149	1144	1154	1160	1165
SBIN	572	569	576	579	583
SUNPHARMA	916	909	929	936	949
TATACONSUM	762	757	765	769	773
TATAMOTORS	521	516	524	529	532
TATASTEEL	104	104	105	105	106
TCS	3177	3151	3243	3269	3334
TECHM	1052	1041	1081	1092	1122
TITAN	2685	2677	2710	2718	2743
ULTRACEMCO	7637	7600	7688	7725	7776
UPL	663	657	668	673	678
WIPRO	381	377	389	392	400

**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

Chola Securities Limited (CSL), AMFI registered mutual fund distributor, is a leading southern India based Stock broker. Our focus area of coverage within the Indian market is Mid and Small caps with a focus on companies from southern India.

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

### Disclaimer:

This report is for private circulation and for the personal information of the authorized recipient only, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not provide individually tailor-made investment advice and has been prepared without regard to any specific investment objectives, financial situation, or any particular needs of any of the persons who receive it.

The research analyst(s), Cholamandalam Securities Limited (CSL), AMFI registered mutual fund distributor, who is primarily responsible for this report certifies that: (1) all of the views expressed in this report accurately reflect his or her personal opinions about any and all of the subject securities or issuers; and (2) no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of Cholamandalam Securities Limited makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete.

The views expressed are those of the analyst and the Company may or may not subscribe to all the views expressed therein Cholamandalam Securities Limited reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. Cholamandalam Securities Limited, its affiliates, directors and employees may from time to time, effect or have effect an own account transaction in or deal as agent in or for the securities mentioned in this report. The recipient should take this into account before interpreting the report.

All investors may not find the securities discussed in this report to be suitable. Cholamandalam Securities Limited recommends that investors independently evaluate particular investments and strategies. Investors should seek the advice of a financial advisor with regard to the appropriateness of investing in any securities / investment strategies recommended in this report. The appropriateness of a particular investment or strategy will depend on an investor's individual preference. Past performance is not necessary a guide to future performance. Estimates of future prospects are based on assumptions that may not be realized. Re-publication or redistribution in any form, in whole or in part, is prohibited. No part of this material may be duplicated in any form and/or redistributed without Cholamandalam Securities Limited prior written consent. The news items appearing in this are collected from various media sources and we make no representations that it is complete or accurate.

## **Cholamandalam Securities Limited** **AMFI - REGISTERED MUTUAL FUND DISTRIBUTOR**

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

Dare House Extn., 4th Floor, 2, N.S.C. Bose Road, Parrys, Chennai 600001, India

Tel: 91-44-40047370 Fax: 91-44-40047373

Website: www.cholawealthdirect.com CIN – U65993TN1994PLC028674