

From Research Desk

17, May 2023

Equity Corner:

Tentative global cues weighed on our markets. Traders were seen busy taking profits home. Nifty 50 opened flattish, thereafter consistent selling pressure dictated the norm. Notable, being HDFC twins as they went ex-dividend (HDFC -2.22%, HDFC Bank -1.7%) and auto stocks like M&M -1.8%, Tata motors -1.83% accompanied by Reliance -1.42%. Nifty 50 closed with loss -112 (-0.61%) points. Bank Nifty also gave in to profit booking towards the close losing -168(-0.38%) points. Market breadth swung from firmly in favour of advancers during 1st half of trade to being skewed in favour of decliners by close. Advance/Decline ratio for NSE stood at 979/1048. FIIs have been consistent buyers for 14th day in running. They net bought in cash of ~Rs.1,406 crores while DIIs sold around - Rs.886 crores.

Derivative Corner:

FIIs added 3936 contracts of net short in index futures and 289 contracts of net short in stock futures. They added position in Index Call while booked profit in Index Put options; net impact being +1,73,223 contracts of longs in favour of Call options while on writing side addition of 1,02,931 contracts of call writing was done while unwinding of 1,50,616 contracts was observed on Put writing side. Overall, a bullish stance.

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	16/05/2023	15/05/2023	16/05/2023	15/05/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	-4,328	-392	1,55,130	1,55,419
Pro	235	4,664	97,830	89,893

Participant wise Open Interest	16/05/2023	15/05/2023	16/05/2023	15/05/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	-49,977	-2,23,200	-20,391	-2,73,938
Pro	-99,628	-3,48,401	21,712	-6,73,377

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.6627	-4.32%	-5.60%	-2.85%
Aluminium	USD/T	2268	-2.24%	-4.10%	-1.86%
Zinc	USD/T	2496	-6.66%	-5.86%	-16.88%
Tin	USD/T	24994	-3.85%	-3.73%	-0.12%
Rubber	USD Cents/Kg	136.8	-1.08%	1.41%	3.25%
Coal	USD/T	163.8	-3.08%	-14.40%	-58.25%
Steel	CNY/T	3680	0.71%	0.97%	-8.29%
Gold	USD/t.0z	1992.09	-1.87%	0.11%	9.10%
Crude Oil	USD/Bbl	70.645	-2.63%	-8.45%	-8.65%
Agriculture					
Cotton	USD/Lbs	83.09	2.81%	3.61%	0.02%
Wheat	USD/Bu	643.92	0.37%	3.67%	-17.12%
Rice	USD/cwt	17.44	-4.52%	0.57%	-5.23%
Sugar	USD/Lbs	26.07	-0.46%	-3.58%	32.31%

Indices	Close	Previous	Chg. %
Sensex	61932.47	62,345.7	-0.66%
Nifty	18286.5	18,398.9	-0.61%
BANK Nifty	43903.7	44,072.1	-0.38%
DJIA (Dow)	33012.14	33,348.6	-1.01%
NASDAQ	12343.05	12,365.2	-0.18%
S&P 500	4109.9	4,136.3	-0.64%
DAX	15897.93	15,917.2	-0.12%
CAC 40	7406.01	7,418.2	-0.16%

Sector Index	Close	Previous close	Change %
PSU Bank	4049.7	4,020.8	0.72%
Nifty IT	28216	28,165.4	0.18%
Nifty FMCG	49406.1	49,506.6	-0.20%
Nifty Pharma	12454.5	12,487.4	-0.26%
Nifty Energy	24027.8	24,040.2	-0.05%
Nifty Metal	5683.45	5,701.8	-0.32%
Nifty Commodity	5818	5,818.0	0.00%
Nifty PSE	4831.35	4,807.0	0.51%

Bond Yields	Percentage
US 10 year	3.53%
US 2 year	4.07%
India 10 year	6.96%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
1,406.86	24742.62	13503.75

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	Chg. %
BPCL	1.68	KOTAKBANK	-1.67
COALINDIA	1.39	TATAMOTORS	-1.63
ONGC	1.21	M&M	-1.61
BAJFINANCE	0.98	APOLLOHOSP	-1.52
NTPC	0.88	BHARTIARTL	-1.44
SBIN	0.70	MARUTI	-1.44
HINDALCO	0.51	SUNPHARMA	-1.43
INFY	0.38	RELIANCE	-1.39

Currencies	D/D	MTD	YTD
DXY	0.18%	0.93%	-1.83%
INR	0.07%	0.70%	-0.54%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

- ▲ **Bharti Airtel** - Bharti Airtel posts quarterly revenues of Rs 36,009 crores up 14.3% YoY, backed by strong and consistent performance delivery across the portfolio. India business posts quarterly revenues of Rs 25,250 crore up 12.2% YoY. Mobile services India revenues up 11.5% YoY, led by continued 4G customer additions and increase in ARPU (Increased to Rs.193 vis-à-vis Rs. 178 in Q4FY22). Operating margins improved to 52.2% from 52% in Q3FY23 and 50.8% in Q4FY22. It added 23.3 million customers on a yearly basis and 7.4 million sequentially. Overall, decent set of numbers in light of duopoly like situational market.
- ▲ **Bank of Baroda:** Bank of Baroda posted fiscal fourth quarter profit at Rs 5,315 crore, up 158% from Rs 2,053 crores in the same quarter last year. NII was up +34% at Rs. 11,525 crores from Rs. 8,612 crores in Q4FY22. NIM's improved to 3.31% (FY'23) from 3.03% last year. For Q4FY23 NIM stood at 3.53%. Total deposits grew to Rs.12.03 lakh crores from Rs. 10.45 Lakh crores (up +15% YoY). Asset quality continues to improve sequentially. GNPA stood at 3.79% down from 6.61% (YoY) and NNPA declined to 0.89% from 1.72% (YoY). Total advances for Fy'23 grew by 18% (YoY). ROA for Q4FY23 came at 1.34% (annualized) while for full year FY'23 it was 1.03% an improvement of 43 bps. Overall, strong set of numbers.
- ▲ **Granules India:** Revenue from Operations of Q4FY23 stood at Rs.1196 crores, a growth of 16% YoY, primarily driven by higher sales in key geographies including US and Europe. Revenue share from the USA increased to 54% in Q4 FY23 (YoY). Active Pharmaceuticals Ingredients (API), Pharmaceutical Formulation Intermediates (PFI), and Finished dosages contribute 31%, 18%, and 51% of revenue from operations respectively for Q4FY23. ROCE increased to 21.1% as compared to 19.3% YoY. Operating margins were stable at 19% (YoY) while net profit increased by 8% at Rs. 120 crores for Q4FY23. Overall, stable set of numbers.
- ▲ **Hero MotoCorp** - In keeping with its firm commitment to bring cleaner and technologically-advanced mobility solutions, Hero MotoCorp, the world's largest manufacturer of motorcycles and scooters, today launched the all-new OBD-II and E20 compliant adventure motorcycle - XPulse 200 4 Valve. The XPulse 200 4V comes with an E20 compliant engine that can run on ethanol-blended gasoline mixture of up to 20%. The motorcycle brings the On-Board Diagnostics (OBD), a self-diagnostics system, that helps in detecting any errors or malfunctions in the vehicle, and brings it to the user's attention, via a malfunction indicator light (MIL).
- ▲ **Sona BLW Precision Forgings:** Sona BLW Precision Forgings Ltd ("Sona Comstar"), a leading global automotive technology company, has signed a technology licensing agreement with Equipmake, a UK-based technology company that has developed high-performance electric powertrains. Equipmake's patented technology offers high power density and efficiency with high performance, making it ideal for electric cars, buses, and commercial vehicles. Under the agreement, Equipmake will license certain patented spoke motor and inverter technology in the power range of 100kW to 440 kW to Sona Comstar to manufacture and sell EV Powertrains, subsystems, and components for electric cars, buses, commercial vehicles and off-road vehicles.
- ▲ **Indian Oil Corporation:** Indian Oil Corporation Ltd (IOCL) reported a jump of 52 per cent in its consolidated net profit to Rs 10,841.23 crore year-on-year (YoY) in Q4FY23. In the same quarter last year, IOCL's net profit stood at Rs 7,089.18 crore. This was the oil refiner's first rise in profit in five quarters, as crude priced eased, bolstered its refining margins, sending the firm's shares to their highest in more than one year. Operating margins improved to 9% from 8% in Q4FY22 and 2% in Q3FY23.

Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	-3%	46%
Maruti Suzuki	8641	10629	5%	17%
Eicher Motors	3161	4375	15%	20%
Ashok Leyland	141	170	8%	11%

*Price at which call was generated

From Technical Analyst's Desk

NIFTY (18,287) Support - 18,200 Resistance - 18,900	• Nifty closed weak for the day and expected to continue its uptrend towards 18,900.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Recommendation</th> <th>Trigger level</th> <th>Target</th> <th>Stoploss</th> </tr> </thead> <tbody> <tr> <td>Nifty Futures</td> <td>Buy above 18,500</td> <td>18,800</td> <td>18,350</td> </tr> </tbody> </table>	Recommendation	Trigger level	Target	Stoploss	Nifty Futures	Buy above 18,500	18,800	18,350
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Nifty Futures	Buy above 18,500	18,800	18,350							
BANK NIFTY (43,904) Support - 43,600 Resistance - 44,200	• BankNifty closed weak for the day and expected to continue its uptrend towards 44,200.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Recommendation</th> <th>Trigger level</th> <th>Target</th> <th>Stoploss</th> </tr> </thead> <tbody> <tr> <td>Bank Nifty Futures</td> <td>Buy above 44,100</td> <td>44,700</td> <td>43,800</td> </tr> </tbody> </table>	Recommendation	Trigger level	Target	Stoploss	Bank Nifty Futures	Buy above 44,100	44,700	43,800
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Bank Nifty Futures	Buy above 44,100	44,700	43,800							

Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
SBI	Buy	Call	580	25May, 2023	15.50	22.00	13.00
TCS	Sell	Put	3260	25May, 2023	32.0	10.00	45.00

Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
TVS Motors	1250	1350	1200	0%	9%

Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
The Indian Hotel Company	363	390	350	0%	7%
Prestige Estates	508	545	490	-1%	8%
Biocon	249	268	240	-1%	9%
Bata India	1521	1600	1480	1%	4%
Havells India	1252	1340	1210	3%	4%
Polycab	3300	3500	3200	4%	2%

Futures Calls

Position	Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
LONG	ITC	428	450	417	-1%	6%
LONG	Hero MotoCorp	2640	2720	2600	2%	1%
LONG	Tata Steel	110	120	105	-2%	12%
LONG	ICICI Bank	950	980	935	0%	4%
LONG	Reliance Industries	2480	2560	2440	-1%	4%

*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
ADANIEN	1889	1858	1912	1943	1966
ADANIPTS	687	680	693	701	707
APOLLOHOSP	4575	4507	4609	4676	4710
ASIANPAINT	3110	3095	3138	3154	3181
AXISBANK	911	906	917	921	927
BAJAJ-AUTO	4532	4499	4564	4597	4629
BAJAJFINSV	1413	1408	1425	1430	1442
BAJFINANCE	6638	6594	6743	6787	6892
BHARTIARTL	788	778	795	806	812
BPCL	352	350	359	362	369
BRITANNIA	4583	4527	4622	4678	4717
CIPLA	911	902	927	935	951
COALINDIA	236	234	239	240	243
DIVISLAB	3246	3229	3289	3307	3350
DRREDDY	4497	4479	4522	4540	4566
EICHERMOT	3621	3578	3653	3696	3728
GRASIM	1722	1711	1734	1744	1756
HCLTECH	1091	1081	1098	1108	1115
HDFC	2759	2712	2762	2809	2812
HDFCBANK	1662	1639	1667	1690	1695
HDFCLIFE	555	550	559	564	569
HEROMOTOCO	2673	2658	2695	2710	2732
HINDALCO	407	406	413	414	419
HINDUNILVR	2648	2636	2663	2676	2691
ICICIBANK	941	937	947	950	956
INDUSINDBK	1211	1201	1218	1228	1236
INFY	1253	1252	1263	1264	1275
ITC	425	421	427	431	434
JSWSTEEL	700	695	706	711	716
KOTAKBANK	1953	1926	1966	1993	2006
LT	2231	2211	2243	2263	2275
M&M	1269	1248	1280	1302	1313
MARUTI	9121	9003	9175	9293	9347
NESTLEIND	21652	21552	21821	21921	22090
NTPC	175	174	176	177	179
ONGC	165	165	167	166	168
POWERGRID	241	238	243	246	247
RELIANCE	2465	2433	2482	2514	2532
SBILIFE	1176	1161	1189	1203	1216
SBIN	578	576	584	586	592
SUNPHARMA	941	927	952	965	976
TATACONSUM	785	782	787	789	792
TATAMOTORS	522	512	529	539	546
TATASTEEL	107	106	108	108	109
TCS	3238	3227	3261	3272	3296
TECHM	1055	1045	1063	1074	1082
TITAN	2766	2757	2784	2793	2810
ULTRACEMCO	7701	7633	7753	7821	7873
UPL	673	668	675	679	682
WIPRO	385	384	387	387	389

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