

From Research Desk

24, May 2023

Equity Corner:

Positive global cues led to a positive start for markets. Nifty 50 opened +50 points and traded firmly to +90 points lead by Bajaj Finserv 1.72%, Eicher motors 1.58%, Tata Motors 1.15%, ITC 1.04% for larger part of session however profit booking towards close in IT stocks along with few others like Titan -1.07%, Kotak Bank -0.96% dragged the market down. Nifty 50 closed marginally positive up 33 (0.18%) points. Bank Nifty opened with gains of 100 points and traded firmly in through the session before profit in closing hour particularly in private banks like Kotak Bank -0.96%, HDFC Bank -0.23% saw index settle with gains of 69(0.16%) points.

Market breadth was evenly skewed through the session. Advance/Decline ratio for NSE stood at 1047/988. FII's net bought in cash of ~Rs.182.51 crores while DIIs bought around Rs.397.29 crores.

Derivative Corner:

FII's added 8442 contracts of net longs in index futures and 18,140 contracts of net longs in stock futures. They closed out 1,04,979 contracts of longs in index call options while adding on 20,065 contracts of longs in index put option, net impact being net index put option long went up by 1,25,044 contracts. While on writing side unwinding of 1,11,779 contracts of call writing was done while 21,323 contracts were added on Put writing side, net impact being 1,33,102 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	23/05/2023	22/05/2023	23/05/2023	22/05/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	166	-8,276	1,86,512	1,68,372
Pro	-6,848	-3,492	1,03,596	99,096

Participant wise Open Interest	23/05/2023	22/05/2023	23/05/2023	22/05/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	-1,29,001	-3,957	-1,15,246	17,856
Pro	-1,39,399	-1,14,435	-2,53,922	-1,36,725

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.601	-3.74%	-7.19%	-4.48%
Aluminium	USD/T	2222	-1.66%	-6.04%	-3.85%
Zinc	USD/T	2354	-5.54%	-11.22%	-21.61%
Tin	USD/T	24950	-0.18%	-3.90%	-0.30%
Rubber	USD Cents/Kg	135.2	-1.17%	0.22%	2.04%
Coal	USD/T	160.35	-2.08%	-16.20%	-59.13%
Steel	CNY/T	3526	-4.39%	-3.26%	-12.13%
Gold	USD/t.0z	1974.1	-0.38%	-0.80%	8.11%
Crude Oil	USD/Bbl	73.841	1.43%	-4.31%	-4.51%
Agriculture					
Cotton	USD/Lbs	84.05	-3.50%	4.81%	1.17%
Wheat	USD/Bu	622.11	-0.54%	0.15%	-19.93%
Rice	USD/cwt	16.735	-4.43%	-3.50%	-9.06%
Sugar	USD/Lbs	25.81	-1.00%	-4.54%	30.99%

Indices	Close	Previous	Chg. %
Sensex	61981.79	61,963.7	0.03%
Nifty	18348	18,314.4	0.18%
BANK Nifty	43954.45	43,885.1	0.16%
DJIA (Dow)	33055.51	33,286.6	-0.69%
NASDAQ	12560.25	12,720.8	-1.26%
S&P 500	4145.58	4,192.6	-1.12%
DAX	16152.86	16,224.0	-0.44%
CAC 40	7378.71	7,478.2	-1.33%

Sector Index	Close	Previous close	Change %
PSU Bank	4007.8	3,991.6	0.41%
Nifty IT	28873.7	29,007.3	-0.46%
Nifty FMCG	49118.8	49,052.3	0.14%
Nifty Pharma	12314.2	12,244.2	0.57%
Nifty Energy	24028.45	23,898.2	0.55%
Nifty Metal	5947.7	5,797.5	2.59%
Nifty Commodity	5819.8	5,795.4	0.42%
Nifty PSE	4784.3	4,771.0	0.28%

Bond Yields	Percentage
US 10 year	3.68%
US 2 year	4.30%
India 10 year	7.02%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
182.51	33681.14	22442.27

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	hg. %
ADANIANT	13.49	APOLLOHOSP	-1.40
DIVISLAB	3.61	HCLTECH	-1.33
BAJAJFINSV	1.82	GRASIM	-1.18
EICHERMOT	1.54	TECHM	-1.18
UPL	1.54	KOTAKBANK	-0.99
SBILIFE	1.36	LT	-0.93
BPCL	1.27	ULTRACEMCO	-0.88
ITC	1.09	HDFCLIFE	-0.78

Currencies	D/D	MTD	YTD
DXY	0.33%	1.85%	-0.94%
INR	-0.01%	1.36%	0.10%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

- ▲ **TCS:** Tata Consultancy Services (TCS) and Jaguar Land Rover (JLR) announced the launch of the latter's Open Innovation programme in Tel Aviv. The programme will foster disruptive mobility innovation and strengthen relationships between JLR and Israeli start-ups, scale-ups, corporate entities, investors, and academia as part of JLR's Reimagine strategy. TCS has been a partner to JLR for more than a decade, contributing to the success of key transformation initiatives across its value chain, including sustainability and digital services. This latest partnership will help expand JLR's Open Innovation programme to Israel, and support its Reimagine strategy to accelerate its electric first modern luxury future.
- ▲ **Shriram Properties:** Shriram Properties Limited ("SPL"), one of the leading real estate developers in South India, has acquired 100% development rights in an ongoing project at Chennai, through its wholly owned subsidiary, Shrivision Elevations Private Limited. The Project, named "Divine City", is an approved residential development with aggregate saleable area of 3.2 msf, to be developed in 3 phases.
- ▲ **Wipro:** Wipro Limited (NYSE: WIT, B, a leading technology services and consulting company, today announced an expanded partnership with Google Cloud to bring its advanced generative artificial intelligence (AI) capabilities to clients across the globe. Wipro will integrate Google Cloud's full suite of generative AI products and services—including Vertex AI, Generative AI App Builder, and the Model Garden collection of foundation models— with its own AI intellectual property (IP), business accelerators, and pre-built industry solutions. The expanded partnership will help unlock new value within enterprises and transform how largescale businesses operate.
- ▲ **Bajaj Electricals:** Household Appliances company Bajaj Electricals announced Q4FY23 & FY23 results: For Q4FY23, the company has achieved revenue from operations of Rs 1,490 crore as against Rs 1,334 crore, a growth of 11.7% over Q4FY22. Operating margins improved to 6% from 5% in Q4FY22, while EBITDA came at Rs.89 crores up +41% Y/Y. Reported net profit was up +40% at Rs.59 crores. Core FMEG revenue for FY23 was up +11% at Rs. 4889 crores which constitutes around ~90% of total revenue.
- ▲ **Ashok Leyland:** Automotive manufacturer, Ashok Leyland reported strong set of Q4FY23 numbers. Revenue increased by 33% to Rs. 11,626 crores, operating margins improved to 11% from 9% and adjusted net profit was up +36% at Rs.751 crores for Q4FY23. There was an exceptional gain of Rs. 470 crores in Q4FY22 (impairment loss in the value of equity instruments in subsidiaries). For full year FY'23 revenue was up +66.66% at Rs. 35,144 crores, operating margins improved to 8% from 5% in FY'22 and net profit came at Rs. 1380 crores up 2.5x Y/Y. Ashok Leyland's truck market share for Q4 FY'23 has improved to 32.7 % vis-a-vis 30.6 % in Q4 FY '22. Bus market share for Q4 FY23 has improved to 27.1 % as against 26.4 % for the same period last year. Ashok Leyland's domestic LCV volumes grew by 18% in Q4 FY '23 to 18840 no's (15971 nos). Despite geopolitical headwinds, on a full year basis our export volumes are at 11289 nos. which was higher than last year (11,014 nos.) by 2 %. Overall, good set of numbers on all counts. **Accumulate.**

Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	3%	37%
Maruti Suzuki	8641	10629	6%	16%
Eicher Motors	3161	4375	14%	21%
Ashok Leyland	141	170	8%	12%

*Price at which call was generated

From Technical Analyst's Desk

NIFTY (18,348)
Support - 18,000
Resistance - 18,500

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

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 18,450	18,800	18,300

BANK NIFTY (43,954)
Support - 43,500
Resistance - 44,500

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

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 44,100	44,900	43,700

Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
TVS Motors	Buy	Call	1,260	25May, 2023	8.30	15.00	5.00
ICICI Bank	Sell	Put	950	25May, 2023	4.00	1.00	5.00

Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Asian Paints	3125	3300	3040	0%	6%

Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Tata Motors	528	550	518	0%	4%
L&T	2220	2340	2160	-1%	7%
Tech Mahindra	1070	1150	1030	2%	5%
TVS Motors	1250	1350	1200	1%	7%
The Indian Hotel Company	363	390	350	2%	5%
ICICI Bank	951	1020	920	0%	7%
M&M	1258	1340	1220	1%	6%
Ceat	1915	2050	1850	3%	4%
Voltas	810	870	780	-1%	8%

Futures Calls

Position	Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
LONG	M&M Finance	287	305	278	0%	6%
LONG	DLF	465	490	453	0%	5%
LONG	ICICI Bank	950	980	935	0%	3%
LONG	Wipro	388	405	380	2%	2%
LONG	HCL Tech	1110	1170	1080	0%	6%

*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	2146	2093	2453	2506	2812
ADANIPTS	702	688	744	758	799
APOLLOHSP	4563	4506	4590	4647	4674
ASIANPAINT	3063	3053	3096	3106	3139
AXISBANK	913	907	918	923	928
BAJAJ-AUTO	4492	4460	4523	4554	4585
BAJAJFINSV	1397	1390	1422	1429	1455
BAJFINANCE	6735	6687	6804	6851	6921
BHARTIARTL	796	792	803	807	814
BPCL	359	359	365	365	371
BRITANNIA	4451	4421	4516	4547	4612
CIPLA	919	913	925	931	938
COALINDIA	237	235	239	240	242
DIVISLAB	3168	3098	3292	3362	3485
DRREDDY	4431	4412	4465	4484	4519
EICHERMOT	3507	3480	3557	3584	3635
GRASIM	1702	1679	1711	1735	1744
HCLTECH	1106	1091	1119	1134	1146
HDFC	2695	2686	2707	2715	2727
HDFCBANK	1633	1625	1641	1649	1657
HDFCLIFE	561	555	567	573	580
HEROMOTOCO	2670	2650	2694	2714	2738
HINDALCO	404	402	409	411	416
HINDUNILVR	2626	2613	2638	2651	2663
ICICIBANK	943	937	951	957	965
INDUSINDBK	1235	1229	1251	1257	1273
INFY	1284	1282	1299	1301	1316
ITC	421	419	426	428	433
JSWSTEEL	700	697	706	709	715
KOTAKBANK	1928	1909	1934	1953	1959
LT	2199	2179	2214	2234	2249
M&M	1258	1250	1265	1273	1279
MARUTI	9118	9098	9176	9196	9255
NESTLEIND	21371	21243	21490	21619	21738
NTPC	173	171	174	176	177
ONGC	164	163	166	167	168
POWERGRID	233	231	235	236	238
RELIANCE	2447	2441	2457	2463	2474
SBILIFE	1139	1131	1154	1162	1177
SBIN	574	572	579	581	586
SUNPHARMA	924	913	940	951	967
TATACONSUM	761	757	766	771	776
TATAMOTORS	518	514	524	527	534
TATASTEEL	104	104	105	106	106
TCS	3280	3266	3304	3318	3342
TECHM	1088	1071	1104	1121	1136
TITAN	2688	2658	2707	2737	2756
ULTRACEMCO	7652	7575	7702	7779	7829
UPL	665	662	673	676	685
WIPRO	393	391	397	399	403

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