

16th November 2023

Daily Market Update | Private Client Group

Equity Corner:

- ❖ **Nifty 50 index:** Due to strong global cues, the index opened on a positive note with a gap up of 210 points. Post open; the index traded firmly with a positive bias and strong second half buying led the index move up by 232 points to close at 19,675. EICHERMOT (+5.3%), TECHM (+3.8%) & HINDALCO (+3.6%) were among the top index positive contributors. Nifty closed on strong note with a gain of 232 (+1.2%) points.
- ❖ **Bank Nifty:** The banking space was in-line with the headline index. AXISBANK (+1.5%), KOTAKBANK (+1.4%) & HDFCBANK (+1.0%) were among the positive banking counters. The index closes on a positive note with a gain of 310 (+0.7%) points.
- ❖ **Market breadth:** The market breadth was positive; indicating overall strength in stock price during the session.
- ❖ **Sectorial performance:** Strong sectorial performance where all the sectors closed positively, majorly REALTY (+2.9%), IT (+2.6%) and AUTO (+1.7%) closed on a strong note.
- ❖ **Nifty Midcaps:** The midcap index was also closed positively. OBEROIREALTY (+5.6%), TRIDENT (+5.3%) and COFORGE (+5.0%) were among the strong midcap counters which led the index close on a positive note with a gain of 395 (0.9%) points.
- ❖ **Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 1320/798 indicating a higher number of advancing stocks compared to declines.
- ❖ **FII and DII Activity:** FIIs were net buyers in cash segment of around Rs. 550 crores while DIIs bought around Rs. 610 crores.

Derivative Corner:

- ❖ Nifty OI Put/Call ratio has gone up from 1.00 to 1.19 levels.
- ❖ **Options data:** The maximum Call OI is seen at 19,800. Meanwhile maximum Put OI is seen at 19,600. This indicates that the market is expecting a trading range of 19,600 to 19,800 zone.
- ❖ **FII Activity in Derivatives:** Further addition of long contracts was seen in index futures. Total number of short contracts are at 143,227 vs prev 147,443. On options buying front; there is dominance of put buyers and on option writing front; net call-put writing is indicating significant liquidation of call writers; which is a bullish indicator. FII Long/Short ratio has gone up from 19% to 29%; indicating marginal addition of longs.

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%), Zinc (-14.75%), Steel (-3.38%) and Coal (-70%) all down YTD (CY'23) augurs well for Indian economy.

India's relative outperformance trajectory likely to continue. India Strategy is to: 'Buy corrections while staying put on longs.'

Key Events to Watch Out for in coming week:

- ❖ Several Fed officials such as Cook, Jefferson, Barr, Mester, Goolsbee, Williams, Waller and Daly are set to make speeches this week.
- ❖ The weekly US jobs data and retail sales for October, Europe's inflation for October, and second estimates for the Q2FY23 GDP growth, China's retail sales for October, and the UK's inflation and retail sales for October.
- ❖ 4) India Inflation: CPI inflation for October, which is due on November 13, is also expected to ease further to below 5 percent with likely drop in food inflation. It has been falling for the second consecutive month in September at 5.02 percent.
- ❖ India's balance of trade that is due November 15, while deposit and bank loan growth for the fortnight ended on November 3, and foreign exchange reserves for the week ended November 10 will be released on November 17.

Indices	Close	Previous	Chg.%
Sensex	65,675.9	64,933.9	1.14%
Nifty	19,675.5	19,443.6	1.19%
Bank Nifty	44,201.7	43,891.3	0.71%
DJIA (Dow)	34,991.2	34,827.7	0.47%
NASDAQ	14,103.8	14,094.4	0.07%
S&P 500	4,502.9	4,495.7	0.16%
DAX	15,748.2	15,614.4	0.86%
CAC 40	7,209.6	7,185.7	0.33%

Sector Index	Close	Previous	Chg.%
PSU Bank	5,201.2	5,177.9	0.45%
Nifty IT	31,429.4	30,635.9	2.59%
Nifty FMCG	52,383.5	52,025.6	0.69%
Nifty Pharma	15,516.3	15,497.2	0.12%
Nifty Energy	28,352.5	28,066.3	1.02%
Nifty Metal	6,792.4	6,714.1	1.17%
Nifty Commodity	6,630.5	6,547.9	1.26%
Nifty PSE	6,449.1	6,410.0	0.61%

Bond Yields	Percentage
US 10 year	4.51%
US 2 year	4.90%
India 10 year	7.23%

FII Flows (Cash market In Crores)		
Current	MTD	YTD
550.19	9818.67	137796.1

Top 8 Nifty Gainers	Chg.%	Top 8 Nifty Losers	Chg.%
EICHERMOT	5.34	BAJFINANCE	-1.95
TECHM	3.77	POWERGRID	-1.08
HINDALCO	3.72	INDUSINDBK	-0.97
INFY	2.80	DRREDDY	-0.09
TATAMOTORS	2.79	CIPLA	-0.04
WIPRO	2.57	BAJAJFINSV	0.06
TATASTEEL	2.56	M&M	0.06
LTIM	2.50	APOLLOHOSP	0.12

Currencies	D/D	MTD	YTD
DXY	0.35%	-2.17%	-0.11%
INR	0.20%	-0.08%	0.53%

Participant wise Open Interest	15/11/2023	13/11/2023	15/11/2023	13/11/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	-1,43,227	-1,47,443	-70,666	-1,39,561
Pro	31,533	32,200	2,49,387	2,91,671

Participant wise Open Interest	15/11/2023	13/11/2023	15/11/2023	13/11/2023
Client Type	Net Position Long Call – Put	Net Position Long Call – Put	Net Position Short Call -Put	Net Position Short Call -Put
FII	-3,03,330	-2,22,158	-51,530	1,041
Pro	-63,373	-20,923	-97,784	53,657

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.7034	1.88%	1.85%	-1.77%
Aluminium	USD/T	2237	-1.17%	-0.69%	-3.20%
Zinc	USD/T	2636	1.00%	8.88%	-12.22%
Tin	USD/T	25206	2.63%	0.77%	0.72%
Rubber	USD Cents/Kg	148.7	0.54%	3.99%	12.23%
Coal	USD/T	123.25	0.61%	-0.20%	-68.58%
Steel	CNY/T	3921	1.58%	4.84%	-2.28%
Gold	USD/t.0z	1958.52	0.01%	-1.02%	7.26%
Crude Oil	USD/Bbl	76.101	0.46%	-6.19%	-1.59%
Agriculture					
Cotton	USD/Lbs	78.13	4.42%	-3.40%	-5.95%
Wheat	USD/Bu	557.66	-4.02%	0.07%	-28.22%
Rice	USD/cwt	16.91	1.47%	4.93%	-8.11%
Sugar	USD/Lbs	27.15	-0.22%	0.22%	37.79%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

News Flow

- ✦ **Exports up 6.21% to \$33.57 billion in October; trade deficit high at \$31.36 billion:** India's merchandise exports rose by 6.21% to \$33.57 billion in October this year even as trade deficit ballooned to \$31.46 billion during the month. Imports increased to \$65.03 billion in the month under consideration, as against \$57.91 billion recorded in October 2022. The country's trade deficit in October stood at \$31.46 billion. During the April-October period of this fiscal year, exports contracted by 7% to \$244.89 billion. Imports during the seven-month period fell by 8.95% to \$391.96 billion.
- ✦ **ONGC plans to invest Rs 1 trillion to set up two petrochemical plants:** ONGC plans to invest about Rs 1 lakh crore in setting up two petrochemical plants to convert crude oil directly into high-value chemical products as it prepares for energy transition. They have plans to invest Rs 1,00,000 crore by 2028 or 2030 in two projects in two separate states. The plan is to raise petrochemical capacity to 8.5-9 million tonnes by 2030.
- ✦ **InoxGFL Group plans investment of nearly \$1 billion in segments that include battery chemicals:** The InoxGFL Group plans to invest nearly \$1 billion across segments, including battery chemicals, green hydrogen, and wind energy services, over the next 3-4 years, a big chunk of which will go into India's largest battery chemicals production facility it plans to construct in Gujarat, executive director Devansh Jain said. InoxGFL runs three chemical factories in India and owns a fluorspar mine in Morocco, along with offices and warehouses in Europe and the US.
- ✦ **Tata Motors:** S&P Global Ratings has upgraded the Long-term issuer credit and issue ratings of Tata Motors and its wholly-owned subsidiaries (TML Holdings Pte. Ltd and Jaguar Land Rover Automotive Plc). While TaMo and TML Holdings' ratings have been revised to BB+/Positive from BB/Stable, JLR Automotive's rating has been revised to BB/Positive from BB-/Stable.
- ✦ **Siemens AG to acquire 18% stake in Siemens India for €2.1 billion:** Siemens AG intends to enter into a share purchase agreement with Siemens Energy to acquire an 18% stake in Siemens India Ltd. The purchase consideration for the transaction is €2.1 billion, a statement from the company said. The purchase price reflects a customary discount of 15% on the five-trading-days volume weighted average price before the day of the signing. Siemens will also provide no new guarantees to Siemens Energy. Siemens and Siemens Energy have agreed to propose to the board of Siemens India a demerger of the energy business. Siemens Energy will ultimately acquire a controlling stake in the demerged energy business. The demerger is proposed to be completed in 2025, earlier than previously planned. As of September 30, Siemens International holds a 47.7% stake in Siemens India, along with Siemens Metals, which holds a 3.3% stake. Together, both companies hold a 51% stake in the India entity. Post the acquisition, the combined stake will rise to 69%, while that of Siemens Energy will fall to 6% from 24% earlier. Siemens has also agreed with Siemens Energy for indirect financial measures worth €1 billion, to allow third parties to arrange guarantees for Siemens Energy. The parent will allow Siemens Energy to use its 5% shareholding in Siemens India worth €750 million, as collateral for guarantees. In case the collateral is drawn, the parent has committed to buying up to 5% shares in the India unit for the said amount. Additionally, Siemens has also granted payment deferrals at market conditions worth €250 million, which will also be used as collateral for guarantees.
- ✦ **UPL:** UPL will help Brazil to convert degraded pastures into productive land for agricultural uses to increase production and ensure food security, fighting hunger, said Brazilian agriculture and livestock minister Carlos Favaro. Brazil has an extensive landmass of 851 million hectares, with 66% covered by native forests and 18.6% allocated to pastures. Among these pasture lands, 40 million hectares have been identified as having substantial potential for agricultural development.
- ✦ **Bajaj Finance:** The Reserve Bank of India has directed the non-banking finance company to stop sanction and disbursal of loans under its two lending products eCOM and Insta EMI Card, with immediate effect. This action is necessitated due to non-adherence of digital lending guidelines of Reserve Bank of India.
- ✦ **One 97 Communications:** The Paytm operator has announced a partnership with global travel technology company Amadeus to redefine travel experience with Artificial Intelligence. For the next three years, the company will integrate Amadeus's expansive travel platform, enhancing the travellers' experience from search to booking, and payments

From Technical Analyst's Desk

NIFTY (19,675) Support - 19,400 Resistance - 19,850	• Nifty closed positive and is expected to trend towards 19,800 levels.	⇒	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Recommendation</th> <th style="text-align: left;">Trigger level</th> <th style="text-align: left;">Target</th> <th style="text-align: left;">Stoploss</th> </tr> </thead> <tbody> <tr> <td>Nifty Futures</td> <td>Buy above 19,750</td> <td>20,200</td> <td>19,600</td> </tr> </tbody> </table>	Recommendation	Trigger level	Target	Stoploss	Nifty Futures	Buy above 19,750	20,200	19,600	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Recommendation</th> <th style="text-align: left;">Trigger level</th> <th style="text-align: left;">Target</th> <th style="text-align: left;">Stoploss</th> </tr> </thead> <tbody> <tr> <td>Nifty Futures</td> <td>Buy above 19,750</td> <td>20,200</td> <td>19,600</td> </tr> </tbody> </table>	Recommendation	Trigger level	Target	Stoploss	Nifty Futures	Buy above 19,750	20,200	19,600	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Recommendation</th> <th style="text-align: left;">Trigger level</th> <th style="text-align: left;">Target</th> <th style="text-align: left;">Stoploss</th> </tr> </thead> <tbody> <tr> <td>Nifty Futures</td> <td>Buy above 19,750</td> <td>20,200</td> <td>19,600</td> </tr> </tbody> </table>	Recommendation	Trigger level	Target	Stoploss	Nifty Futures	Buy above 19,750	20,200	19,600
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Top Pick for the Day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Apollo Tyres	424	446	413	1%	4%

Options Recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
JSWSTEEL	Buy	Call	770	30 Nov, 2023	16.00	28.00	11.00
AXISBANK	Sell	Put	1040	30 Nov, 2023	12.00	2.00	17.00

Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
L&T Finance Holdings	148.5	158	144	1%	5%
DLF	603.5	634	588	3%	2%
HDFC AMC	2775	2970	2680	0%	7%
Bajaj Auto	5368	5700	5200	3%	3%
IndusInd Bank	1501	1565	1470	0%	5%
Canara Bank	388	416	374	5%	2%
Axis Bank	984	1050	950	6%	1%
Tata Consumer	910	970	880	2%	4%
Lupin	1175	1290	1120	0%	10%
Hindalco	491	515	479	3%	2%
SBI Life	1339	1390	1315	1%	2%
NTPC	245.5	270	234	1%	9%
Titan Company	3286	3460	3200	0%	5%

*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	2199	2195	2224	2228	2254
ADANIPTS	805	803	812	814	821
APOLLOHOSP	5177	5148	5236	5265	5324
ASIANPAINT	3066	3052	3092	3106	3132
AXISBANK	1019	1018	1032	1032	1045
BAJAJ-AUTO	5378	5373	5467	5472	5561
BAJAJFINSV	1568	1556	1591	1603	1626
BAJFINANCE	7182	6972	7329	7539	7686
BHARTIARTL	927	923	940	943	956
BPCL	384	382	389	390	395
BRITANNIA	4668	4639	4696	4725	4754
CIPLA	1229	1222	1245	1252	1267
COALINDIA	344	341	352	355	362
DIVISLAB	3491	3477	3515	3529	3554
DRREDDY	5395	5375	5425	5445	5475
EICHERMOT	3551	3518	3706	3739	3894
GRASIM	1914	1910	1939	1944	1969
HCLTECH	1254	1254	1268	1268	1283
HDFCBANK	1484	1487	1497	1494	1508
HDFCLIFE	615	615	627	627	640
HEROMOTOCO	3093	3086	3137	3145	3189
HINDALCO	478	476	496	497	515
HINDUNILVR	2465	2457	2484	2492	2511
ICICIBANK	932	932	938	937	944
INDUSINDBK	1485	1464	1512	1534	1560
INFY	1363	1368	1389	1384	1410
ITC	434	433	438	439	443
JSWSTEEL	754	755	768	768	782
KOTAKBANK	1737	1733	1755	1759	1777
LT	3040	3040	3056	3057	3072
LTIM	5185	5163	5315	5337	5466
M&M	1532	1524	1541	1549	1558
MARUTI	10337	10295	10417	10459	10539
NESTLEIND	23965	23866	24107	24206	24348
NTPC	244	244	247	247	250
ONGC	193	193	198	198	203
POWERGRID	210	207	212	215	218
RELIANCE	2297	2295	2330	2332	2364
SBILIFE	1315	1310	1337	1342	1364
SBIN	579	578	583	584	589
SUNPHARMA	1171	1164	1178	1185	1191
TATACONSUM	909	905	920	924	936
TATAMOTORS	645	642	659	662	676
TATASTEEL	120	119	122	122	125
TCS	3303	3301	3358	3360	3415
TECHM	1114	1111	1146	1149	1182
TITAN	3245	3233	3273	3285	3313
ULTRACEMCO	8617	8596	8716	8738	8837
UPL	549	548	557	557	565
WIPRO	378	377	385	386	393

Cholamandalam Securities Limited Member: BSE, NSE, MSE, NSDL, CDSL

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