

From Research Desk

19, May 2023

Equity Corner:

Despite strong global cues our markets gave in to profit taking pressure. Post a gap up opening consistent selling pressure had Nifty 50 close in red. Nifty 50 was opened positive by 90 points, led by BajFinance 1.26%, Kotak Bank 0.96%, ICICI Bank 0.76% however profit booking from results based SBI -2.06% and ITC -1.85%, Titan -1.47%, L&T -1.41% dragged the index by 190 points from day's high to -77 points in the red during second half of session, eventually closing down -52 (-0.28%) points. Realty fell -2.37% was a major negative sector followed by PSU Bank -1.9%, whilst Pvt Bank gained 0.32%. Most of the sectors closed in negative territory for the day. Advance/Decline ratio for NSE stood at 783/1243. FII's has been consistent buyers for 16th day in running. They net bought in cash of ~Rs.970 crores while DIIs sold around - Rs.850 crores.

Derivative Corner:

FII's added 6578 contracts of net long in index futures while -16593 contracts of net short in stock futures. They closed Index option longs & short both in call & put net impact being -42549 contracts of net put long and net -144727 of put option writing over call option writing.

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	18/05/2023	17/05/2023	18/05/2023	17/05/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	-3,906	-10,484	1,10,705	1,27,298
Pro		-9,181		1,15,349

Participant wise Open Interest	18/05/2023	17/05/2023	18/05/2023	17/05/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	-51,951	-9,402		1,29,015
Pro		64,963		2,63,046

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.6766	-0.98%	-5.24%	-2.48%
Aluminium	USD/T	2287	3.44%	-3.29%	-1.04%
Zinc	USD/T	2452	-3.77%	-7.52%	-18.35%
Tin	USD/T	24802	-4.04%	-4.47%	-0.89%
Rubber	USD Cents/Kg	136.7	-0.15%	1.33%	3.17%
Coal	USD/T	159.35	-2.24%	-16.72%	-59.38%
Steel	CNY/T	3663	3.01%	0.50%	-8.71%
Gold	USD/t.0z	1957.16	-2.71%	-1.65%	7.18%
Crude Oil	USD/Bbl	71.904	2.74%	-6.82%	-7.02%
Agriculture					
Cotton	USD/Lbs	86.38	7.31%	7.72%	3.98%
Wheat	USD/Bu	608.36	-4.17%	-2.06%	-21.70%
Rice	USD/cwt	17.37	-5.87%	0.16%	-5.61%
Sugar	USD/Lbs	25.61	-1.58%	-5.28%	29.97%

Indices	Close	Previous	Chg. %
Sensex	61431.74	61,560.6	-0.21%
Nifty	18129.95	18,181.8	-0.28%
BANK Nifty	43752.3	43,698.7	0.12%
DJIA (Dow)	33535.91	33,420.8	0.34%
NASDAQ	12688.84	12,500.6	1.51%
S&P 500	4198.05	4,158.8	0.94%
DAX	16163.36	15,951.3	1.33%
CAC 40	7446.89	7,399.4	0.64%

Sector Index	Close	Previous close	Change %
PSU Bank	3959.15	4,035.8	-1.90%
Nifty IT	27892.55	27,943.0	-0.18%
Nifty FMCG	48889.3	49,434.0	-1.10%
Nifty Pharma	12241.35	12,398.6	-1.27%
Nifty Energy	23692.15	23,901.2	-0.87%
Nifty Metal	5601.65	5,632.9	-0.55%
Nifty Commodity	5734.5	5,786.3	-0.90%
Nifty PSE	4766.7	4,816.0	-1.02%

Bond Yields	Percentage
US 10 year	3.64%
US 2 year	4.25%
India 10 year	6.98%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
970.18	30292.08	19053.21

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	Chg. %
BAJFINANCE	1.27	DIVISLAB	-3.24
BHARTIARTL	0.98	ADANI PORTS	-2.93
KOTAKBANK	0.93	ITC	-2.05
ICICIBANK	0.76	SBIN	-1.70
HCLTECH	0.58	POWERGRID	-1.59
ASIANPAINT	0.54	EICHERMOT	-1.51
HDFCLIFE	0.40	TITAN	-1.46
HDFCBANK	0.37	LT	-1.44

Currencies	D/D	MTD	YTD
DXY	0.64%	1.85%	-0.94%
INR	0.39%	1.23%	-0.02%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

- ▲ **Gail (India):** GAIL (India) Limited posted a profit fall of 81.5 per cent at Rs 642.74 crore in the fiscal fourth quarter as against Rs 3473.77 crore in the same quarter last year, missing estimates, hit by higher expenses. It posted revenue from operations at Rs 33,264.06 crore, up 21.7 per cent in comparison to Rs 27,327.71 crore in the fourth quarter of FY22. According to a CNBC TV18 poll, GAIL was expected to clock profit at Rs 1,043 crore and revenue at Rs 35,272 crore in Q4FY23. The public sector company posted total expenses for the quarter at Rs 33,446.09 crore as against Rs 23,739.81 crore in the corresponding quarter last year.
- ▲ **Wipro:** Wipro Limited, a leading technology services and consulting company, announced a five-year business partnership with ServiceNow to invest in and bring new offerings to market that will empower clients to drive business transformation, overcome business challenges, and deliver greater value. The agreement expands on the two companies' existing partnership and is expected to help accelerate Wipro's goal of building a \$1 billion business with ServiceNow by the end of 2026.
- **PNB Housing Finance:** Profit after Tax increased by 65% YoY and 4% QoQ to Rs. 279 crores. Net Interest Income improved by 57% YoY but declined by 19% QoQ to Rs. 593 crores. Excluding the one-off impact in Q3FY23, the NII declined by 5% QoQ. Operating expenditure increased by 23% YoY and 15% QoQ to Rs. 143 crores. Pre provision Operating Profit improved by 32% YoY and declined by 22% QoQ to Rs. 487 crores. The Company has increased its lending rates by ~30 bps in April 2023 that should help in arresting the decline. Net Interest Margin at 3.74% .and Gross Margin, net of acquisition cost, at 3.83% in Q4 FY23.
- ▲ **State Bank of India:** Net Profit for FY23 crosses ₹ 50,000 crores and stands at ₹ 50,232 crores witnessing a growth of 58.58% YoY, while Net Profit for Q4FY23 grew by 83.18% to Rs.16,695 crores. Operating Profit for FY23 grew by 11.18% YoY to Rs. 83,713 crores; while Operating Profit for Q4FY23 grew by 24.87% YoY to Rs. 24,621 crores. For Q4FY23 bank's ROA improved to 1.23% (annualized) up 49 bps YoY. For full year FY23 bank's ROA and ROE came at 0.96% and 19.43% respectively. Net Interest Income (NII) for FY23 increased by 19.99% YoY. Domestic NIM for FY23 increased by 22 bps YoY to 3.58%, while Domestic NIM for Q4FY23 increased by 44 bps YoY to 3.84%. **Overall, good set of numbers. Accumulate.**
- ▲ **One97 Communications:** One97 Communications Limited (OCL) that owns the brand Paytm, India's leading payments and financial services company and the pioneer of QR and mobile payments today announced that it has partnered with India's largest pure-play credit card issuer SBI Card, to launch Paytm SBI Card on the RuPay network. The Paytm and SBI Card partnership, which began in 2020, is now expanding with the addition of National Payments Corporation of India's RuPay, as all three homegrown brands join forces to further drive the growth of inclusive, digital-first financial services in India. The next-generation co-branded card redefines the credit card experience by offering exceptional rewards and benefits for its users.
- ▲ **Bata India:** Revenue from operations for the quarter stood at Rs 779 crores (a growth of 17% over Q4FY22). The Operating Profit stood at Rs 182 crores, a growth of 15.1% over Q4FY22. For full year FY23 its revenue was up +44.55%, operating profit grew by +86% and net profit by 3x at Rs. 323 crores. Aggressive network expansion – 2050+ stores in close to 700 cities, with Franchise & SIS network consisting over 37% augurs well.
- **ITC:** The cigarette manufacturer reported a consolidated net profit of Rs.5,243 crore in Q4FY23, rising 22.7% YoY. Operating margins improved 400 bps to 38% from 34% in Q4FY22. Cigarettes which contribute 80% to segmental profit in value terms grew by 14% sequentially. Hotel division turned profitable. Paper division continues to be a drag on growth front. Overall, in line set of numbers when compared to consensus street estimates. **Neutral.**

Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	-4%	48%
Maruti Suzuki	8641	10629	5%	17%
Eicher Motors	3161	4375	13%	22%
Ashok Leyland	141	170	8%	11%

*Price at which call was generated

From Technical Analyst's Desk

NIFTY (18,130)
Support - 18,000
Resistance - 18,500

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

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 18,300	18,600	18,150

BANK NIFTY (43,752)
Support - 43,300
Resistance - 44,200

• BankNifty closed weak for the day and is expected to continue its uptrend towards 44,200.

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 43,800	44,500	43,400

Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
ICICI Bank	Buy	Call	950	25May, 2023	7.20	14.00	4.00
TVS Motors	Sell	Put	1240	25May, 2023	19.00	10.00	23.00

Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
ICICI Bank	951	1020	920	0%	8%

Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
The Indian Hotel Company	363	390	350	1%	6%
TVS Motors	1250	1350	1200	-1%	9%
Biocon	249	268	240	-2%	9%
Bata India	1521	1600	1480	0%	5%
Havells India	1252	1340	1210	1%	6%
Polycab	3300	3500	3200	3%	3%
Escorts	2114	2240	2050	-1%	7%

Futures Calls

Position	Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
LONG	ITC	428	450	417	-2%	7%
LONG	Tata Steel	110	120	105	-4%	14%
LONG	ICICI Bank	950	980	935	0%	3%

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	1876	1853	1900	1923	1947
ADANIPTS	670	652	680	699	708
APOLLOHOSP	4434	4385	4482	4531	4579
ASIANPAINT	3077	3069	3101	3108	3133
AXISBANK	906	901	918	923	935
BAJAJ-AUTO	4500	4477	4536	4559	4595
BAJAJFINSV	1406	1400	1418	1424	1436
BAJFINANCE	6662	6661	6746	6748	6832
BHARTIARTL	788	787	796	796	804
BPCL	362	358	364	368	370
BRITANNIA	4583	4522	4619	4681	4717
CIPLA	915	904	922	933	940
COALINDIA	240	237	241	244	245
DIVISLAB	3198	3100	3241	3338	3382
DRREDDY	4433	4370	4468	4530	4565
EICHERMOT	3589	3540	3619	3669	3699
GRASIM	1707	1684	1720	1743	1756
HCLTECH	1069	1065	1077	1081	1089
HDFC	2694	2688	2713	2719	2738
HDFCBANK	1631	1629	1643	1645	1657
HDFCLIFE	555	553	562	565	572
HEROMOTOCO	2706	2697	2732	2740	2767
HINDALCO	404	401	409	412	416
HINDUNILVR	2638	2606	2654	2685	2701
ICICIBANK	934	933	943	944	953
INDUSINDBK	1228	1220	1238	1245	1255
INFY	1238	1232	1249	1256	1266
ITC	420	412	426	435	441
JSWSTEEL	685	677	697	705	717
KOTAKBANK	1898	1893	1916	1920	1938
LT	2193	2161	2213	2246	2266
M&M	1249	1231	1259	1277	1288
MARUTI	9066	9002	9108	9172	9214
NESTLEIND	21583	21467	21766	21882	22066
NTPC	174	173	176	178	179
ONGC	166	165	167	168	170
POWERGRID	236	232	238	242	245
RELIANCE	2424	2411	2441	2454	2471
SBILIFE	1151	1140	1162	1174	1184
SBIN	575	562	584	598	607
SUNPHARMA	926	914	934	946	955
TATACONSUM	773	768	779	784	790
TATAMOTORS	509	501	515	522	529
TATASTEEL	105	104	106	107	108
TCS	3192	3176	3210	3226	3244
TECHM	1047	1038	1053	1062	1068
TITAN	2729	2690	2756	2795	2822
ULTRACEMCO	7610	7507	7689	7791	7870
UPL	673	668	677	683	687
WIPRO	381	380	383	384	386

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