

## From Research Desk

18, May 2023

### Equity Corner:

Weak Asian and tentative global cues led to meaningful profit booking in our markets. Particularly in banks, IT and metals stocks namely, Kotak Bank -1.95%, TCS -1.52%, Infosys -1.38, Tata steel-1.3%, Hindalco -1.15%. Nifty 50 corrected around -160 points in the first half of session. Later, buying in Hero motors 1.38%, ITC 0.86%, Maruti 0.53% towards the close helped index recover 65 points from day's low to close down -105 (-0.57%) points from prior day. Bank Nifty initially corrected by about -450 points, thereafter short covering towards the close helped recover 245 points to close down -205(-0.47%) points.

Market breadth swung from firmly in favour of advancers during 1<sup>st</sup> half of trade to being skewed in favour of decliners by close. Advance/Decline ratio for NSE stood at 874/1164. FII's have been consistent buyers for 15<sup>th</sup> day in running. They net bought in cash of ~Rs.149 crores while DIs sold around - Rs.204 crores.

### Derivative Corner:

FII's added 6156 contracts of net short in index futures and 27,832 contracts of net short in stock futures. They added 40,575 contracts in net to Index Call options while on writing side addition of 1,11,258 contracts of call writing was done while unwinding of -38,148 contracts was observed on Put writing side.

### 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	17/05/2023	16/05/2023	17/05/2023	16/05/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	-10,484	-4,328	1,27,298	1,55,130
Pro	-9,181	235	1,15,349	97,830

Participant wise Open Interest	17/05/2023	16/05/2023	17/05/2023	16/05/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	-9,402	-49,977	1,29,015	-20,391
Pro	64,963	-99,628	2,63,046	21,712

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.749	1.39%	-3.37%	-0.56%
Aluminium	USD/T	2303	1.54%	-2.62%	-0.35%
Zinc	USD/T	2529	-3.60%	-4.62%	-15.78%
Tin	USD/T	24524	-5.66%	-5.54%	-2.00%
Rubber	USD Cents/Kg	137	0.07%	1.56%	3.40%
Coal	USD/T	165.25	-1.02%	-13.64%	-57.88%
Steel	CNY/T	3713	3.45%	1.87%	-7.47%
Gold	USD/t.0z	1984.71	-1.54%	-0.27%	8.69%
Crude Oil	USD/Bbl	72.734	2.69%	-5.74%	-5.95%
<b>Agriculture</b>					
Cotton	USD/Lbs	85.94	7.86%	7.17%	3.45%
Wheat	USD/Bu	623.62	-0.58%	0.40%	-19.73%
Rice	USD/cwt	17.565	-4.10%	1.29%	-4.55%
Sugar	USD/Lbs	25.91	-2.81%	-4.17%	31.50%

Indices	Close	Previous	Chg. %
Sensex	61560.64	61,932.5	-0.60%
Nifty	18181.75	18,286.5	-0.57%
BANK Nifty	43698.7	43,903.7	-0.47%
DJIA (Dow)	33420.77	33,012.1	1.24%
NASDAQ	12500.57	12,343.1	1.28%
S&P 500	4158.77	4,109.9	1.19%
DAX	15951.3	15,897.9	0.34%
CAC 40	7399.44	7,406.0	-0.09%

Sector Index	Close	Previous close	Change %
PSU Bank	4035.8	4,049.7	-0.34%
Nifty IT	27942.95	28,216.0	-0.97%
Nifty FMCG	49434	49,406.1	0.06%
Nifty Pharma	12398.55	12,454.5	-0.45%
Nifty Energy	23901.15	24,027.8	-0.53%
Nifty Metal	5632.85	5,683.5	-0.89%
Nifty Commodity	5786.3	5,818.0	-0.54%
Nifty PSE	4816	4,831.4	-0.32%

Bond Yields	Percentage
US 10 year	3.56%
US 2 year	4.14%
India 10 year	6.97%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
149.33	27778.68	16539.81

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	Chg. %
HEROMOTOCO	1.34	KOTAKBANK	-1.95
ITC	0.97	APOLLOHOSP	-1.74
INDUSINDBK	0.96	SBILIFE	-1.65
UPL	0.91	TCS	-1.51
BHARTIARTL	0.75	HCLTECH	-1.35
BPCL	0.66	ASIANPAINT	-1.34
MARUTI	0.56	INFY	-1.26
BRITANNIA	0.44	TATASTEEL	-1.26

Currencies	D/D	MTD	YTD
DXY	0.33%	1.22%	-1.55%
INR	0.17%	0.83%	-0.42%

## What's in the news !

▲ Positive    ■ Neutral    ▼ Negative

- **Deepak Fertilizers & Petrochemicals:** FY23 PAT surges to Rs. 1,221 Crores (+77.72% YoY) whilst revenue from operations hit Rs. 11,301 Crores (+47.47% YoY). Operating margins improves to 19% from 18% a year earlier. For full year FY23 chemicals segment contributed ~85% of segmental EBIT. Revenues grew by 40% y-o-y and margins increased from 25% (FY22) to 31% (FY23). FY23 Fertilisers Segment revenues grew by 59% y-o-y with segment margins at 7%. For Q4FY23 revenue came in at Rs. 2796 crores (+39% YoY) while operating dropped to 17% from 25% in Q4FY22 due to which net profit came in at Rs. 257 crores vis-à-vis Rs. 283 crores in Q4FY22. **Neutral.**
- ▲ **Jindal Stainless:** Standalone performance in Q4FY23: Sales Volume at 507,632 MT, up by 8% QoQ. Revenue at Rs. 9,444 crores, up by 5% QoQ. EBITDA at Rs. 1,097 crores, up by 16% QoQ. PAT at Rs. 659 crores, up by 19% QoQ. Standalone performance in Financial Year 2022-23: Sales Volume at 1,764,405 MT. Net Revenue at Rs. 35,030 crores (+72% YoY), EBITDA at Rs. 3,567 crores (+27.8% YoY). PAT came at Rs.2,014 crores (+20.3% YoY). Overall, good set of numbers.
- ▲ **Jubilant Foodworks:** FY23 revenue crossed Rs.5,000 crores, up by 17.7%; EBITDA came at Rs. 1125 crores and net profit at Rs. 353 crores. Higher commodity prices led to operating margin decline at 22%. For Q4FY23: Revenue up by 8.2% at Rs.1270 crores, EBITDA came at Rs.218 crores and net profit at Rs.29 crores. Company opened 56 new Domino's stores in Q4FY23 and a record 250 new stores in FY23. Entered 6 new cities in Q4FY23 and 56 new cities in FY23. 13.6 million customers enrolled for Domino's Cheesy Rewards and its Order Contribution reached 45% in March '23. Overall, good set of numbers in light of lower input prices going forward in FY'24.
- ▲ **Zydus Wellness:** Zydus Wellness Ltd., announced results for the fourth quarter ended March 31st 2023. The company reported 11.8% growth in consolidated net sales which stood at Rs. 713 crores (+11% YoY). EBIDTA was up by 2.2% y-o-y to Rs. 144.6 crores. Adjusted Net Profit (before exceptional items) stood at Rs.152.5 crores up by 14.4% as compared to the comparable corresponding quarter of the previous year. On an annual basis, the company posted total income from operations of Rs. 2255 crores, up by 12.8 % y-o-y and adjusted Net Profit (before exceptional items), up by 3.7% y-o-y.
- ▲ **Kaynes Technology India:** Q4FY23 - Revenue at Rs. 364.6 crores up 53% YoY. Growth was led by strong demand across Automotive, Railways and Consumer verticals. EBITDA came at Rs. 59.4 crores up 48% YoY and PAT at Rs.41.3 crores up 108% YoY. FY23 - Orderbook at an all-time high at about Rs. 26,48.2 crores. For full year FY'23 revenue came at Rs. 1126.1 crores up 59% YoY. Growth led by strong demand across Automotive, Railways, IT/IoT and Consumer verticals. EBITDA came at INR 168.3 crores up 80% YoY. EBITDA Margins at 14.9%, expanded 168 bps YoY. PAT came at Rs. 95.2 crores; up 128% YoY. Good set of numbers and healthy order book.
- ▼ **Whirlpool of India:** Whirlpool of India, a manufacturer of consumer goods, reported a 24.5 percent reduction in its consolidated net profit for the fourth quarter of FY23, falling to Rs. 63.71 crore from Rs. 84.48 Cr in Q4FY22. The company reported revenue from operations of Rs 1672.65 crores down by 2% YoY from Rs. 1706.91 crore in the year-ago quarter. Operating margins slipped to 6% from 9% a year ago. Higher depreciation was more than offset by higher other income. Higher input prices and low volume led to muted set of numbers

### Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	-3%	47%
Maruti Suzuki	8641	10629	6%	17%
Eicher Motors	3161	4375	15%	21%
Ashok Leyland	141	170	8%	11%

\*Price at which call was generated

## From Technical Analyst's Desk

<b>NIFTY (18,182)</b> Support - 18,000 Resistance - 18,500	• 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 style="background-color: #003366; color: white;">Recommendation</th> <th style="background-color: #003366; color: white;">Trigger level</th> <th style="background-color: #003366; color: white;">Target</th> <th style="background-color: #003366; color: white;">Stoploss</th> </tr> </thead> <tbody> <tr> <td>Nifty Futures</td> <td>Buy above 18,300</td> <td>18,600</td> <td>18,150</td> </tr> </tbody> </table>	Recommendation	Trigger level	Target	Stoploss	Nifty Futures	Buy above 18,300	18,600	18,150
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Nifty Futures	Buy above 18,300	18,600	18,150							
<b>BANK NIFTY (43,699)</b> Support - 43,300 Resistance - 44,200	• BankNifty closed weak for the day and is expected to continue its uptrend towards 44,200.	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #003366; color: white;">Recommendation</th> <th style="background-color: #003366; color: white;">Trigger level</th> <th style="background-color: #003366; color: white;">Target</th> <th style="background-color: #003366; color: white;">Stoploss</th> </tr> </thead> <tbody> <tr> <td>Bank Nifty Futures</td> <td>Buy above 43,800</td> <td>44,500</td> <td>43,400</td> </tr> </tbody> </table>	Recommendation	Trigger level	Target	Stoploss	Bank Nifty Futures	Buy above 43,800	44,500	43,400
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### Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
DLF	Buy	Call	470	25May, 2023	8.00	12.00	6.00
TVS Motors	Sell	Put	1240	25May, 2023	14.55	2.00	10.00

### Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Escorts	2114	2240	2050	0%	6%

### 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	0%	8%
Biocon	249	268	240	-1%	9%
Bata India	1521	1600	1480	1%	4%
Havells India	1252	1340	1210	1%	6%
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	0%	5%
LONG	Tata Steel	110	120	105	-3%	13%
LONG	ICICI Bank	950	980	935	-1%	4%

## 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
ADANIENT	1858	1827	1889	1920	1951
ADANIPTS	682	678	687	692	697
APOLLOHOSP	4484	4400	4542	4626	4684
ASIANPAINT	3102	3053	3125	3174	3197
AXISBANK	914	909	916	922	924
BAJAJ-AUTO	4493	4455	4546	4584	4637
BAJAJFINSV	1416	1398	1423	1441	1448
BAJFINANCE	6710	6612	6760	6859	6909
BHARTIARTL	780	775	789	794	803
BPCL	360	359	365	365	370
BRITANNIA	4579	4554	4609	4635	4665
CIPLA	915	908	923	930	938
COALINDIA	239	239	242	242	245
DIVISLAB	3259	3237	3278	3300	3319
DRREDDY	4468	4413	4507	4562	4601
EICHERMOT	3607	3570	3622	3659	3674
GRASIM	1710	1689	1724	1745	1759
HCLTECH	1075	1053	1085	1106	1116
HDFC	2703	2676	2715	2742	2754
HDFCBANK	1635	1618	1642	1660	1667
HDFCLIFE	554	548	559	565	569
HEROMOTOCO	2644	2621	2705	2728	2789
HINDALCO	409	403	411	416	419
HINDUNILVR	2662	2641	2668	2689	2695
ICICIBANK	940	932	944	953	957
INDUSINDBK	1203	1192	1226	1237	1260
INFY	1255	1240	1258	1274	1277
ITC	421	419	425	427	431
JSWSTEEL	698	690	700	708	709
KOTAKBANK	1919	1880	1935	1975	1990
LT	2210	2193	2227	2244	2261
M&M	1257	1253	1264	1268	1275
MARUTI	9021	8977	9077	9121	9177
NESTLEIND	21635	21472	21763	21926	22054
NTPC	176	174	177	179	180
ONGC	167	166	168	169	169
POWERGRID	238	236	240	243	245
RELIANCE	2436	2414	2450	2472	2486
SBILIFE	1168	1151	1176	1194	1202
SBIN	581	575	586	592	597
SUNPHARMA	933	923	939	949	955
TATACONSUM	779	769	783	793	797
TATAMOTORS	515	508	520	527	531
TATASTEEL	106	105	107	108	109
TCS	3217	3167	3249	3299	3330
TECHM	1044	1028	1055	1071	1082
TITAN	2770	2740	2780	2810	2820
ULTRACEMCO	7645	7596	7703	7752	7810
UPL	667	664	675	679	687
WIPRO	384	380	386	390	392

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