

From Research Desk

23, August 2023

Equity Corner:

- Nifty 50 index:** The index opened on a positive note as indicated by global cues. During the day; the index remained in a range of 40-50 points. Majority of participation was seen from small caps & mid caps. However; further selling pressure towards the ending hours in HDFCBANK (-0.50%) & RELIANCE (+0.04%) led the index close on a flat note with a gain of 3 (+0.01%) points.
- Bank Nifty:** The banking space was in-line with the headline index as selling in SBIN (-0.61%), ICICIBANK (-0.54%) & HDFCBANK (-0.51%) led the index close on a flat note with a loss of 9 (-0.02%) points.
- Market breadth:** The market breadth was positive; indicating overall strength in stock price during the session.
- Sectorial performance:** Mixed sectorial performance as METALS (+0.85%), FMCG (+0.66%) & AUTO (+0.52%) were strong, whereas; PSUBANK (-0.49%), PHARMA (-0.20%) & IT (-0.11%) were weak.
- Nifty Midcaps:** The Midcap index ended the session at ATH levels as buying in BHEL (+9.76%), ADANIPOWER (+7.71%) and TATACOMM (+4.82%) led the index close up +1.10%.
- Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 1308/719 indicating a higher number of advancing stocks compared to declining ones.
- FII and DII Activity:** FII's were net sellers in cash segment of around Rs. 495 crores while DIIs bought around Rs. 533 crores.

Derivative corner:

- Nifty OI Put/Call ratio has come down from 1.08 to 0.93 levels.
- Options data:** The maximum Call OI is seen at 19,400 and 19,500 while maximum Put OI is seen at 19,300 and 19,200. This indicates that the market is expecting a trading range of 19,200 to 19,400 zones.
- FII Activity in Derivatives:** The net position from FII's in index futures stands 28,078 short contracts. On options buying front; there are more call buyers and on option writing front; net call-put writing is indicating call writers back in action. FII Long/Short ratio in index futures has remained unchanged at 43%.

Take on Market: Buy Corrections, stay put on Longs.

- Earnings:** Q1FY24 earnings update by corporates have largely been in line with expectation. Pharmaceuticals, FMEG, FMCG, Cement, Automobiles, Auto-ancillary all delivered good set of numbers. Management commentary across sectors were largely bullish, having an expectation of high teen growth in FY'24; the only sore point being IT. Financials have been an all-round beat. Fundamentally, from long term perspective economy is building on strong demand traction.
- Market Outlook:** The current strategy is to buy on corrections and hold onto long positions. However, present volatility may extend to couple of weeks. Probability, of deep cuts on Nifty 50 index is high.
- Relative Outperformance:** The medium-term relative outperformance of Indian markets compared to global peers is likely to continue.

Indices	Close	Previous	Chg. %
Sensex	65,220.0	65,216.1	0.01%
Nifty	19,396.5	19,393.6	0.01%
BANK Nifty	43,993.3	44,002.0	-0.02%
DJIA (Dow)	34,288.8	34,463.7	-0.51%
NASDAQ	13,505.9	13,497.6	0.06%
S&P 500	4,387.6	4,399.8	-0.28%
DAX	15,705.6	15,603.3	0.66%
CAC 40	7,240.9	7,198.1	0.59%

Sector Index	Close	Previous close	Change %
PSU Bank	4,552.3	4,574.5	-0.49%
Nifty IT	30,902.4	30,937.6	-0.11%
Nifty FMCG	52,141.7	51,799.0	0.66%
Nifty Pharma	15,302.6	15,333.4	-0.20%
Nifty Energy	26,522.1	26,462.4	0.23%
Nifty Metal	6,634.4	6,578.4	0.85%
Nifty Commodity	6,251.2	6,235.3	0.25%
Nifty PSE	5,490.8	5,441.6	0.91%

Bond Yields	Percentage
US 10 year	4.30%
US 2 year	5.04%
India 10 year	7.22%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
-495.17	15920.54	157246

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	hg. %
ADANIANT	2.09	JIOFIN	-5.00
HDFCLIFE	1.53	BPCL	-1.46
ITC	1.47	CIPLA	-1.04
NTPC	1.12	EICHERMOT	-0.82
HEROMOTOCO	0.93	BAJAJFINSV	-0.66
M&M	0.74	SBIN	-0.61
SBILIFE	0.66	TCS	-0.55
WIPRO	0.66	ICICIBANK	-0.54

Currencies	D/D	MTD	YTD
DXY	0.27%	1.66%	-0.90%
INR	-0.06%	0.97%	0.36%

Participant wise Open Interest	22/08/2023	21/08/2023	22/08/2023	21/08/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	-28,078	-27,473	-1,53,747	-1,50,717
Pro	-8,455	-13,494	2,87,143	2,85,818

Participant wise Open Interest	22/08/2023	21/08/2023	22/08/2023	21/08/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	1,54,345	-67,135	3,39,429	-29,921
Pro	-5,468	-75,715	1,61,473	-89,000

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.7593	3.08%	-4.03%	-0.28%
Aluminium	USD/T	2182	1.84%	-2.22%	-5.58%
Zinc	USD/T	2335	0.89%	-6.56%	-22.24%
Tin	USD/T	25702	1.49%	-11.40%	2.71%
Rubber	USD Cents/Kg	129.2	1.41%	-1.45%	-2.49%
Coal	USD/T	150	1.94%	11.94%	-61.76%
Steel	CNY/T	3727	0.73%	-0.96%	-7.12%
Gold	USD/t.Oz	1901.38	0.51%	-2.93%	4.13%
Crude Oil	USD/Bbl	79.922	1.12%	-0.82%	3.35%
Agriculture					
Cotton	USD/Lbs	84.61	-1.84%	-0.53%	1.85%
Wheat	USD/Bu	604.87	1.15%	-14.11%	-22.15%
Rice	USD/cwt	15.465	-0.55%	-1.02%	-15.96%
Sugar	USD/Lbs	23.4	-1.56%	-2.17%	18.76%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

Reliance Jio, India's telecom market leader, may launch its fixed wireless access (FWA) device offering – Jio AirFiber - for the consumer market in the festive quarter at an up to 20% discount from the current options in the market. This will be the first mainline effort by Jio to monetise 5G after the data top pack it introduced early this year. Jio's FWA device will use carrier aggregation technology which creates a "data pathway" using different 5G airwaves - in this case 700 MHz, 3300 MHz, and 26GHz - acquired by telco in last year's auction.

Hindalco Invests Rs. 2,000 Crore in e-waste recycling facility: Copper and aluminium producer Hindalco Industries plans to invest Rs 2,000 crore to establish a copper and e-waste recycling facility. At present, due to the lack of advanced metal extraction and refining technologies domestically, a substantial volume of e-waste is exported to other nations. Bringing this cutting-edge technology to India marks a transformative step towards offering a tangible solution, aligned with your company and our nation's circular economy agenda. The company anticipates a growth of 6.1 per cent in the calendar year 2023, driven by strong domestic demand, robust activity in the services sector, and healthy public capital expenditure momentum.

Indian Automobile: The Indian automobile is on course to outpace the US and China in the near future and emerge as a Rs 15-lakh-crore industry, Union Roads and Highways Minister Nitin Gadkari said. The Indian automotive industry is the third largest in the world after the US and China, by production. People will soon be prefer India cost- and quality-wise, and we will be the lead automotive industry globally. The collaborative efforts of the industry, which helped the launch of the safety assessment programme under the Ministry of Road Transport and Highways (MoRTH). With high safety standards, Indian cars will be able to compete better in the global market, increasing the export potential of the car manufacturers in India. The programme is expected to develop a safety-sensitive car market in India

LIC: LIC on Tuesday said it has acquired 6.66% stake in Jio Financial Services, the demerged NBFC services unit of the Reliance group. The LIC further said that the cost of acquisition of Jio Financial Services is 4.68 per cent of the pre-demerged cost of Reliance Industries.

Inflationary Pressure: The finance ministry in its monthly economic report for July cautioned that global and regional uncertainties and domestic disruptions may keep inflationary pressures elevated for the coming months, warranting greater vigilance by the government and the Reserve Bank of India (RBI). Consequently, the maintenance of macroeconomic stability is paramount to prevent interest rates from rising excessively. The review stated that while inflationary pressures have re-emerged, the price pressure in food items is expected to be transitory, as evident in the steady performance of the agriculture sector, along with fresh arrivals in the market.

Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	15%	23%
Maruti Suzuki	8641	10629	10%	12%
Eicher Motors	3161	4375	6%	31%

*Price at which call was generated

From Technical Analyst's Desk

NIFTY (19,396)

Support - 19,250
Resistance - 19,650

• Nifty closed flat and is expected to consolidate between 19,250 - 19,650.

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 19,450	20,000	19,300

BANK NIFTY (43,993)

Support - 43,500
Resistance - 44,500

• BankNifty closed negative for the day and is expected to consolidate between 43,500 - 44,500.

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 44,200	45,000	43,900

Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
INFY	Buy	Call	1,400	31Aug, 2023	14.00	25.00	10.00
TITAN	Sell	Put	3,060	31Aug, 2023	27.50	10.00	36.00

Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
ITC	451.75	470	443	1%	3%

Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
National Aluminium Company	89.5	97	86	-1%	9%
United Spirits	1022	1120	975	1%	8%
ICICI Prudential Life Insurance Company	554	594	534	-1%	8%
Bajaj Finserv	1490	1590	1440	-1%	8%
Tata Communication	1740	1820	1700	2%	2%
TVS Motor	1355	1470	1298	0%	9%
Indian Bank	400	440	380	3%	7%
Piramal Enterprises	1035	1150	980	2%	9%
Titan	3020	3180	2940	2%	3%
Bharat Forge	980	1060	940	3%	5%
Tata Motors	613	658	590	1%	6%
Reliance	2545	2675	2480	-1%	6%
HDFC AMC	2510	2640	2445	0%	6%
SBI Life Insurance Company	1300	1400	1249	-1%	9%
L&T Technology Services	4325	4520	4230	1%	4%
KPIT Technologies	1155	1250	1108	-2%	10%
Dixon Technologies	4840	5085	4720	3%	2%
Lupin	1100	1200	1050	-1%	10%

*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
ADANIEMT	2606	2597	2664	2673	2731
ADANIPTS	850	844	860	866	875
APOLLOHSP	4906	4880	4933	4959	4985
ASIANPAINT	3169	3156	3184	3196	3211
AXISBANK	947	943	953	958	964
BAJAJ-AUTO	4593	4580	4615	4628	4650
BAJAJFINSV	1463	1449	1479	1493	1508
BAJFINANCE	6996	6971	7075	7100	7178
BHARTIARTL	865	859	873	879	886
BPCL	348	343	351	356	360
BRITANNIA	4493	4474	4509	4528	4544
CIPLA	1223	1209	1231	1245	1254
COALINDIA	229	228	230	231	233
DIVISLAB	3644	3620	3663	3687	3705
DRREDDY	5875	5838	5910	5947	5982
EICHERMOT	3346	3317	3357	3386	3397
GRASIM	1795	1783	1810	1822	1837
HCLTECH	1174	1170	1180	1185	1191
HDFC	1581	1571	1589	1599	1607
HDFCBANK	610	602	632	640	662
HDFCLIFE	2909	2892	2937	2954	2983
HEROMOTOCO	446	444	450	452	456
HINDALCO	2552	2541	2563	2574	2585
HINDUNILVR	951	947	954	959	962
ICICIBANK	1393	1388	1399	1403	1409
INDUSINDBK	1401	1394	1403	1410	1413
INFY	444	441	449	452	458
ITC	249	243	243	249	243
JSWSTEEL	791	788	795	799	803
KOTAKBANK	1754	1749	1763	1767	1776
LT	2650	2644	2668	2674	2692
M&M	5117	5083	5144	5178	5205
MARUTI	1528	1521	1542	1549	1562
NESTLEIND	9390	9350	9449	9488	9547
NTPC	21941	21830	22017	22128	22203
ONGC	217	216	220	221	223
POWERGRID	175	174	176	177	179
RELIANCE	245	244	248	249	251
SBILIFE	2501	2480	2519	2539	2558
SBIN	1261	1253	1287	1296	1322
SUNPHARMA	568	564	571	575	578
TATACONSUM	1129	1121	1138	1146	1155
TATAMOTORS	845	841	848	852	856
TATASTEEL	617	614	622	624	629
TCS	116	116	117	118	118
TECHM	3379	3349	3395	3425	3441
TITAN	1212	1204	1217	1226	1231
ULTRACEMCO	3053	3021	3072	3104	3123
UPL	8181	8149	8225	8257	8301
WIPRO	582	579	586	589	593

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