

From Research Desk

25, August 2023

Equity Corner:

- Nifty 50 index:** The index opened with a gap-up of 90 points as indicated by favourable global cues. Post opening; nifty was unable to sustain at the higher levels as selling pressure was seen in RELIANCE (-1.84%), DIVISLAB (-1.52%) & LT (-1.07%) which led the index move on the downside making a lower low structure. The intra-day pattern is indicating the day in the favour of bears. The index ended the session on a negative note with a loss of 57 (-0.29%) points.
- Bank Nifty:** The banking space was an out-performer as buying in AXISBANK (+0.29%), ICICIBANK (+0.20%) & SBIN (+0.02%) led the index close on a flate note with a gain of 17 (+0.04%) points.
- Market breadth:** The market breadth was negative; indicating overall weakness in stock price during the session.
- Sectorial performance:** Mixed sectorial performance as IT (+0.61%), FMCG (+0.29%) & REALTY (+0.20%) were strong, whereas; PSUBANK (-0.65%), PHARMA (-0.58%) & METAL (-0.34%) were weak.
- Nifty Midcaps:** The Midcap index has been a constant out-performer as buying in COFORGE (+9.40%), MPHASIS (+4.71%) and MFSL (+3.12%) led the index close up +0.24%.
- Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 954/1073 indicating a lower number of advancing stocks compared to declining ones.
- FII and DII Activity:** FII's were net buyers in cash segment of around Rs. 1524 crores while DIIs bought around Rs. 5796 crores.

Derivative corner:

- Nifty OI Put/Call ratio has come down from 1.06 to 0.78 levels.
- Options data:** The maximum Call OI is seen at 19,500 and 19,600 while maximum Put OI is seen at 19,500 and 19,400. This indicates that the market is expecting a trading range of 19,300 to 19,500 zones.
- FII Activity in Derivatives:** Marginal addition of short contracts in index futures. On options buying front; there has been addition of put buyers and on option writing front; net call-put writing is indicating more put writers. FII Long/Short ratio in index futures has marginally gone down from 45% to 44% indicating addition of shorts.

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	65,252.3	65,433.3	-0.28%
Nifty	19,386.7	19,444.0	-0.29%
BANK Nifty	44,496.2	44,479.1	0.04%
DJIA (Dow)	34,099.4	34,473.0	-1.08%
NASDAQ	13,464.0	13,721.0	-1.87%
S&P 500	4,376.3	4,436.0	-1.35%
DAX	15,621.5	15,728.4	-0.68%
CAC 40	7,214.5	7,246.6	-0.44%

Sector Index	Close	Previous close	Change %
PSU Bank	4,600.5	4,630.5	-0.65%
Nifty IT	31,112.1	30,924.1	0.61%
Nifty FMCG	52,036.8	51,888.3	0.29%
Nifty Pharma	15,193.2	15,282.5	-0.58%
Nifty Energy	26,171.3	26,370.2	-0.75%
Nifty Metal	6,602.9	6,625.6	-0.34%
Nifty Commodity	6,227.2	6,243.4	-0.26%
Nifty PSE	5,491.5	5,504.8	-0.24%

Bond Yields	Percentage
US 10 year	4.25%
US 2 year	5.03%
India 10 year	7.19%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
1,524.87	13979.84	155305.3

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	hg. %
BPCL	1.93	JIOFIN	-4.99
ASIANPAINT	1.78	RELIANCE	-1.84
INDUSINDBK	1.26	DIVISLAB	-1.52
INFY	1.14	POWERGRID	-1.32
BRITANNIA	0.94	ONGC	-1.31
ADANIEN	0.47	HINDALCO	-1.24
ULTRACEMCO	0.44	JSWSTEEL	-1.19
AXISBANK	0.29	GRASIM	-1.15

Currencies	D/D	MTD	YTD
DXY	0.42%	2.07%	-0.50%
INR	0.06%	0.47%	-0.14%

Participant wise Open Interest	24/08/2023	23/08/2023	24/08/2023	23/08/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	-24,156	-18,465	-1,43,640	-1,35,495
Pro	-6,497	-21,514	2,78,289	2,80,909

Participant wise Open Interest	24/08/2023	23/08/2023	24/08/2023	23/08/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	-2,21,409	-57,216	-20,190	68,816
Pro	5,214	-3,79,568	1,20,106	-6,81,503

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.7666	1.83%	-3.84%	-0.09%
Aluminium	USD/T	2160	0.68%	-3.20%	-6.53%
Zinc	USD/T	2387	3.87%	-4.48%	-20.51%
Tin	USD/T	26125	4.22%	-9.94%	4.40%
Rubber	USD Cents/Kg	131.5	3.14%	0.31%	-0.75%
Coal	USD/T	149	1.36%	11.19%	-62.02%
Steel	CNY/T	3713	-0.08%	-1.33%	-7.47%
Gold	USD/t.Oz	1916.48	1.51%	-2.16%	4.96%
Crude Oil	USD/Bbl	79.392	-1.56%	-1.47%	2.66%
Agriculture					
Cotton	USD/Lbs	86.05	1.29%	1.16%	3.58%
Wheat	USD/Bu	607.13	-0.96%	-13.79%	-21.85%
Rice	USD/cwt	15.74	1.25%	0.74%	-14.47%
Sugar	USD/Lbs	24.29	1.21%	1.55%	23.27%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

NHPC: State-owned NHPC has inked an initial pact with the Andhra Pradesh Power Generation Corporation to set up pumped storage hydropower and other renewable energy projects in Andhra Pradesh. In the first phase, the Memorandum of Understanding (MoU) envisages building of two pumped hydro storage projects having a total capacity of 1,950 MW. These projects will be established at Kamalpadu (950 MW) and Yaganti (1,000 MW). The MoU seeks to achieve the national objective of generating clean and green energy of 500 GW from non-fossil fuel sources by 2030 and of realising the net-zero target by 2070.

Reliance Industries: Reliance Industries to co-manage three hospitality projects with The Oberoi Hotels and Resorts (Oberoi). These include the upcoming Anant Vilas Hotel in Mumbai's Bandra Kurla Complex (BKC), the Stoke Park in the UK, and another planned project in Gujarat.

Union Bank: Public sector lender Union Bank of India has priced its shares at Rs 86.55 per share to raise equity capital worth Rs 5,000 crore through a Qualified Institutional Placement (QIP). This QIP issue would reduce the government's holding to about 77 per cent and provide growth capital for the Mumbai-based lender. The issue price of Rs 86.55 per share represents a 4.99 per cent discount to the floor price of Rs 91.10 for each share. Foreign Institutional Investors, Mutual Funds, and Insurance Companies, including Life Insurance Corporation, participated in the QIP offering.

HAL: A Day after India achieved major success in the space sector with Chandrayaan-3, the indigenous aerospace sector is all set to receive a major boost as the Indian Air Force has plans to place orders for around 100 more LCA Mark1A fighter jets. The Indian Air Force (IAF) plans to buy these Made in India aircraft to replace the MiG-21 fighter jets. The Indian Air Force has decided that it would buy around 100 more of these highly capable LCA Mark-1A fighter jets from the HAL.

Coforge: Promoter, Hulst BV, sold 1.5 crore shares (equivalent to a 25% stake) out of its 26.6% holding in the IT services firm. The transaction was estimated to be worth Rs 6,961.5 crore. Hulst BV is an affiliate of Hong Kong-based investment Baring Private Equity Asia. A floor price of Rs 4,550 per share was fixed for the deal, according to the report. It translated to a discount of Rs 361.6, or 7.4 per cent, to the previous day's closing price.

Zydus Lifesciences: Zydus Lifesciences Limited (including its subsidiaries/affiliates, hereafter referred to as "Zydus") has received final approval from the United States Food and Drug Administration (USFDA) for Zinc Sulfate Injection USP, 10 mg/10 mL (1 mg/mL), 30 mg/10 mL (3 mg/mL), and 25 mg/5 mL (5 mg/mL) Pharmacy Bulk Package Vials (USRLD: Zinc Sulfate Injection USP, 10 mg/10 mL (1 mg/mL), 30 mg/10 mL (3 mg/mL), and 25 mg/5 mL (5 mg/mL)). Zinc Sulfate Injection is indicated in adult and paediatric patients as a source of zinc for parenteral nutrition when oral or enteral nutrition is not possible, insufficient, or contraindicated. The drug will be manufactured at the group's formulation manufacturing facility at Jarod.

Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	16%	22%
Maruti Suzuki	8641	10629	11%	11%
Eicher Motors	3161	4375	6%	31%

*Price at which call was generated

From Technical Analyst's Desk

NIFTY (19,387)

Support - 19,250
Resistance - 19,650

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

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 19,460	20,000	19,300

BANK NIFTY (44,496)

Support - 43,500
Resistance - 45,000

• BankNifty closed flat for the day and is expected to consolidate between 43,500 - 45,000.

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 44,700	45,500	44,400

Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
SBIN	Buy	Call	580	31Aug, 2023	4.50	10.00	2.00
INFY	Sell	Put	1,430	31Aug, 2023	15.00	6.00	19.00

Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Mphasis	2425	2600	2340	2%	6%

Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Shriram Finance	1890	2030	1820	-1%	8%
Canara Bank	330.65	346	323	0%	4%
ICICI Prudential Life Insurance Company	554	594	534	-2%	9%
Bajaj Finserv	1490	1590	1440	-1%	8%
ITC	451.75	470	443	0%	4%
TVS Motor	1355	1470	1298	1%	8%
Indian Bank	400	440	380	1%	9%
Piramal Enterprises	1035	1150	980	2%	9%
Titan Company	3020	3180	2940	1%	4%
Bharat Forge	980	1060	940	6%	2%
Tata Motors	613	658	590	0%	8%
United Spirits	1022	1120	975	0%	10%
HDFC AMC	2510	2640	2445	-1%	6%
SBI Life Insurance Company	1300	1400	1249	0%	8%
L&T Technology Services	4325	4520	4230	2%	3%
KPIT Technologies	1155	1250	1108	2%	7%
Dixon Technologies	4840	5085	4720	2%	3%
Lupin	1100	1200	1050	-1%	10%
National Aluminium Company	89.5	97	86	0%	8%

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
ADANIET	2489	2469	2551	2571	2633
ADANIPTS	814	805	829	838	853
APOLLOHSP	4904	4860	4944	4987	5027
ASIANPAINT	3138	3123	3185	3200	3247
AXISBANK	972	968	983	987	998
BAJAJ-AUTO	4584	4503	4656	4737	4808
BAJAJFINSV	1457	1447	1474	1484	1501
BAJFINANCE	7084	7070	7135	7149	7200
BHARTIARTL	863	858	869	873	879
BPCL	341	340	347	348	354
BRITANNIA	4490	4481	4525	4534	4569
CIPLA	1219	1207	1229	1242	1252
COALINDIA	229	227	231	233	235
DIVISLAB	3656	3602	3698	3752	3794
DRREDDY	5904	5848	5947	6003	6045
EICHERMOT	3331	3298	3353	3386	3408
GRASIM	1776	1752	1795	1819	1837
HCLTECH	1173	1161	1181	1193	1201
HDFC	1577	1566	1586	1597	1606
HDFCBANK	629	624	633	638	642
HDFCLIFE	2926	2897	2949	2977	3000
HEROMOTOCO	455	449	461	467	473
HINDALCO	2562	2552	2577	2586	2602
HINDUNILVR	959	955	971	975	986
ICICIBANK	1385	1377	1410	1417	1443
INDUSINDBK	1403	1403	1414	1413	1424
INFY	448	447	451	453	455
ITC	225	219	219	225	219
JSWSTEEL	788	777	797	808	818
KOTAKBANK	1769	1761	1784	1791	1807
LT	2675	2634	2721	2761	2807
M&M	5120	5065	5175	5229	5284
MARUTI	1529	1515	1542	1556	1569
NESTLEIND	9548	9498	9605	9654	9711
NTPC	22110	22053	22200	22257	22347
ONGC	220	219	221	223	224
POWERGRID	174	171	175	177	179
RELIANCE	246	243	249	253	256
SBILIFE	2488	2445	2514	2557	2583
SBIN	1290	1279	1301	1311	1322
SUNPHARMA	574	571	578	580	584
TATACONSUM	1114	1104	1123	1134	1143
TATAMOTORS	838	834	847	851	859
TATASTEEL	609	605	614	619	623
TCS	118	117	119	120	121
TECHM	3381	3362	3397	3416	3432
TITAN	1191	1184	1204	1211	1224
ULTRACEMCO	3048	3030	3074	3092	3118
UPL	8082	8043	8203	8242	8363
WIPRO	581	579	588	590	596

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