

23<sup>rd</sup> November 2023

Daily Market Update | **Private Client Group**

**Equity Corner:**

- ❖ **Nifty 50 index:** The index opened on a flattish note as indicated by muted global cues. However; during the day, the volatility was on the higher side as the index witnessed swings on both the sides testing the support zone of 19,700 and then recovering more than 100 points to test the resistance zone of 19,830 respectively. This recovery showcased the strength of the index. CIPLA (+1.57%), BAJAJ-AUTO (+1.36%) & INFY (+1.27%) were among the counters that witnessed strong buying action. During the closing hours; the index has closed on a positive note with a gain of 28 (+0.14%) points.
- ❖ **Bank Nifty:** The banking index witnessed further weakness when compared to the headline index. The index took support at itself 200-Day EMA (43,300) levels. INDUSINDBK (-2.10%), PNB (-1.92%) & KOTAKBANK (-1.26%) were among the weak banking stocks. The index ended the session on a negative note with a loss of 240 (-0.55%) points.
- ❖ **Market breadth:** The market breadth was negative; indicating overall weakness in stock price during the session.
- ❖ **Sectorial performance:** Mixed sectoral performance as IT (+0.74%), AUTO (+0.66%) and PHARMA (+0.64%) were strong, whereas; PSUBANK (-1.14%), METAL (-0.90%) & MEDIA (-0.87%) were weak.
- ❖ **Nifty Midcaps:** The midcap index continued its upmove. CGPOWER (+19.99%), TIINDIA (+15.73%) and JSWENERGY (+4.57%) were among the top gainers in the midcap space. The index has closed on a positive note with a gain of 144 (+0.34%) points.
- ❖ **Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 865/1263 indicating a lower number of advancing stocks compared to declining ones.
- ❖ **FII and DII Activity:** FII's were net sellers in cash segment of around Rs. 307 crores while DIIs bought around Rs. 721 crores.

**Derivative Corner:**

- ❖ Nifty OI Put/Call ratio has gone up from 1.02 to 1.07 levels.
- ❖ **Options data:** The maximum Call OI is seen at 19,900. Meanwhile maximum Put OI is seen at 19,800. This indicates that the market is expecting a trading range of 19,800 to 19,900 zone.
- ❖ **FII Activity in Derivatives:** Further addition of long contracts has been seen from the FII's. Total number of short contracts are at 126,748 vs prev 130,113. On options buying front; there has been liquidation of call buyers and on option writing front; net call-put writing is indicating significant unwinding of call writers. This indicates the FII's are having a positive outlook. FII Long/Short ratio has marginally gone up from 21% to 23%; 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.'**

**Week Ahead:**

- ❖ US manufacturing and services PMI flash numbers for November, are set to release on 24<sup>th</sup> November i.e., Friday.
- ❖ Japan's inflation data for the month of October is set to release on 24<sup>th</sup> November i.e., Friday, along with Jibun Bank Manufacturing, Services and composite PMI flash data for November.
- ❖ For the Euro Area, Consumer Confidence Flash data for November will be released on 22<sup>nd</sup> November i.e., Wednesday.

Indices	Close	Previous	Chg.%
Sensex	66,023.2	65,930.8	0.14%
Nifty	19,811.9	19,783.4	0.14%
Bank Nifty	43,449.6	43,689.2	-0.55%
DJIA (Dow)	35,273.0	35,088.3	0.53%
NASDAQ	14,265.9	14,200.0	0.46%
S&P 500	4,556.6	4,538.2	0.41%
DAX	15,957.8	15,900.5	0.36%
CAC 40	7,260.7	7,229.5	0.43%

Sector Index	Close	Previous	Chg.%
PSU Bank	4,995.0	5,052.5	-1.14%
Nifty IT	32,564.4	32,325.7	0.74%
Nifty FMCG	52,691.2	52,466.2	0.43%
Nifty Pharma	16,069.8	15,968.9	0.63%
Nifty Energy	28,504.7	28,356.3	0.52%
Nifty Metal	6,792.7	6,854.2	-0.90%
Nifty Commodity	6,643.7	6,649.3	-0.08%
Nifty PSE	6,487.4	6,470.0	0.27%

Bond Yields	Percentage
US 10 year	4.41%
US 2 year	4.90%
India 10 year	7.25%

FII Flows (Cash market In Crores)		
Current	MTD	YTD
-306.56	14675.36	142652.79

Top 8 Nifty Gainers	Chg.%	Top 8 Nifty Losers	Chg.%
BPCL	3.69	INDUSINDBK	-2.10
CIPLA	1.57	KOTAKBANK	-1.26
BAJAJ-AUTO	1.36	ADANI PORTS	-1.17
INFY	1.27	HINDALCO	-1.15
NTPC	1.20	ADANI ENT	-0.99
HEROMOTOCO	1.18	M&M	-0.91
APOLLOHOSP	1.16	JSW STEEL	-0.66
POWERGRID	1.08	COALINDIA	-0.51

Currencies	D/D	MTD	YTD
DXY	0.30%	-2.67%	-0.61%
INR	0.29%	0.35%	0.97%

Participant wise Open Interest	22/11/2023	21/11/2023	22/11/2023	21/11/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	-1,26,748	-1,30,113	12,453	27,476
Pro	26,638	26,338	2,21,385	2,16,050

Participant wise Open Interest	22/11/2023	21/11/2023	22/11/2023	21/11/2023
Client Type	Net Position Long Call – Put	Net Position Long Call – Put	Net Position Short Call -Put	Net Position Short Call -Put
FII	-2,36,623	-92,248	-20,683	1,23,343
Pro	-92,307	89,649	-8,334	3,94,712

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.7791	2.15%	3.93%	0.24%
Aluminium	USD/T	2227	-0.25%	-1.13%	-3.63%
Zinc	USD/T	2498	-5.95%	3.18%	-16.82%
Tin	USD/T	24991	-0.85%	-0.09%	-0.14%
Rubber	USD Cents/Kg	145.7	-2.15%	1.89%	9.96%
Coal	USD/T	122.15	-0.89%	-1.09%	-68.86%
Steel	CNY/T	3954	0.51%	5.72%	-1.46%
Gold	USD/t.0z	1993.97	0.67%	0.77%	9.20%
Crude Oil	USD/Bbl	76.176	4.26%	-6.10%	-1.49%
<b>Agriculture</b>					
Cotton	USD/Lbs	79.58	1.49%	-1.61%	-4.21%
Wheat	USD/Bu	555.75	-0.85%	-0.28%	-28.47%
Rice	USD/cwt	17.15	-0.58%	6.42%	-6.81%
Sugar	USD/Lbs	27.22	0.26%	0.48%	38.14%

## What's in the news !

▲ Positive    ■ Neutral    ▼ Negative

### News Flow

- ✦ **IREDA IPO: Issue sees 3.54 times subscription on Day 2:** The Rs 2,150-crore IPO of IREDA has seen a subscription 3.54 times on the second day of bidding, November 22 as investors have bid 166.92 crore equity shares against offer size of 47.09 crore shares. High networth individuals buying 6.01 times the allotted quota and retail investors 3.66 times. The portion set aside for qualified institutional buyers was subscribed 1.49 times and that of employees 4.15 times. 50% of the net issue size is for QIB, and 15% for HNI and the remaining 35% portion is set aside for retail investors.
- ✦ **Tata Technologies IPO subscribed 6.54 times on day 1, HNI portion booked 11.69 times:** Tata Technologies' Rs 3,042.51-crore IPO, opened for subscription on November 22. The offer has been subscribed 6.54 times, with investors buying 29.43 crore equity shares against an offer size of 4.5 crore. Retail investors had bid 5.42 times their quota of shares, while the portion set aside for high-networth individuals (HNIs) was subscribed 11.69 times and qualified institutional buyers (QIB) bid 4.08 times. The part set aside for employees of Tata Technologies was booked 1.1 times, while that of Tata Motors' shareholders was booked 9.3 times. 50% of the net issue size is for QIB, and 15% for HNI and the remaining 35% portion is set aside for retail investors.
- ✦ **SBI set to increase interest rate after RBI's higher risk weight norms:** SBI will increase interest rates on unsecured loans, personal loans and those against the credit card following the banking regulator's move to mandate higher risk weighting for those segments. The increase in risk weighting for unsecured loans will have an impact of 2-3 basis points on net interest margin (NIM)
- ✦ **Infosys inks partnership with TK Elevator to help build AI-first strategy:** Infosys has signed a strategic long-term collaboration with TK Elevator, a leading urban mobility company, to help the latter in its digital transformation with an artificial intelligence (AI)-first strategy. Infosys will consolidate, harmonise, and modernise TK Elevator's digital landscape. The two companies will work together to transition the operations of all TK Elevator's business applications across North America and major markets in Europe to Infosys, thereby enabling integrated applications management.
- ✦ **Sterling and Wilson surges 5%, hits upper circuit after securing \$2.2 billion Nigeria order:** Sterling and Wilson JV won a \$2.2 billion order from the Nigerian government. Sun Africa LLC, a joint venture of Sterling and Wilson Renewable will develop 961 MWp of Solar PV generation infrastructure and 455 MWh of battery energy for Nigeria. A formal deal hasn't been signed by both the parties. The order execution is expected to begin six months after the deal signing.
- ✦ **DLF purchases 31,254 sqft office space for Rs 81 crore:** DLF Building and Services Private Ltd has purchased 31,254 square feet of office space in Gurugram for Rs 81.04 crore. The office space is located at Two Horizon Center in sector 43 in Gurugram. The deal was registered on August 17, 2023. The buyer DLF has paid a stamp duty of Rs 5.67 crore for the deal.
- ✦ **Aurobindo Pharma:** Acrotech Biopharma (Acrotech), a wholly-owned subsidiary of Aurobindo Pharma USA Inc and Evive Biotech (Evive), subsidiary of Yifan Pharmaceutical Co. Ltd., today announced that on November 16, 2023 the U.S. Food and Drug Administration (FDA) approved Ryzneuta (Efbemalenograstim alfa) indicated to decrease the incidence of infection, as manifested by febrile neutropenia, in adult patients with non-myeloid malignancies receiving myelosuppressive anti-cancer drugs associated with a clinically significant incidence of febrile neutropenia.
- ✦ **Jio Financial seeks RBI nod to convert from NBFC to CIC:** Jio Financial Services, the demerged entity of Reliance Industries, has submitted an application to the Reserve Bank of India (RBI) for converting to a core investment company (CIC) from a non-banking financial company (NBFC) following a regulatory mandate. According to RBI guidelines, CIC are companies whose assets are largely invested in their group companies either in the form of equity, preference shares or convertibles bonds or loans. Such companies are passive holding companies meant to maintain control over their group companies and do not carry on any other financial activity. Further, in a separate exchange filing, the company also refuted reports of fundraising plans through bond issuance.
- ✦ **Coal India to have Rs 80,000 crore capex over next 5 years: CMD PM Prasad:** India's biggest miner, will spend Rs 80,000 crore as capital expenditure over the next five years to achieve its target of raise production to 1 billion tonne a year from FY26 and diversify into thermal and renewable power generation. For FY24, the target is 780 million tonnes, almost half which was met in the first seven months. The production target for the next year is 850 MT, 9 percent higher than that for the current year.

### From Technical Analyst's Desk

<b>NIFTY (19,812)</b> Support - 19,650 Resistance - 20,000	• Nifty closed positive and is expected to trend towards 20,000 levels.	⇒	<b>Recommendation</b>	<b>Trigger level</b>	<b>Target</b>	<b>Stoploss</b>
			Nifty Futures	Buy above 19,900	20,300	19,750
<b>BANK NIFTY (43,450)</b> Support - 43,200 Resistance - 44,000	• Bank Nifty closed negative for the day and is expected to consolidate between 43,200 - 44,000.	⇒	<b>Recommendation</b>	<b>Trigger level</b>	<b>Target</b>	<b>Stoploss</b>
			Bank Nifty Futures	Buy above 43,700	44,500	43,400

### Top Pick for the Day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
SBI Life Insurance Company	1435	1545	1380	0%	8%

### Pick of the week

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Bharat Forge	1057.5	1130	1023	4%	3%

### Options Recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
TITAN	Buy	Call	3400	30 Nov, 2023	54.00	84.00	40.00
TCS	Sell	Put	3500	30 Nov, 2023	18.00	2.00	30.00

### Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Bajaj Finserv	1623	1690	1590	0%	4%
Dr. Reddy's Laboratories	5725	6000	5590	-1%	6%
Infosys	1450	1550	1400	1%	6%
Tata Communications	1723	1790	1690	-1%	5%
Exide Industries	276.5	290	270	2%	2%
TCS	3440	3620	3350	3%	3%
Apollo Tyres	424	446	413	-1%	6%
Polycab	5355	5560	5260	-1%	5%
The Indian Hotel Company	419	439	409	0%	5%
M&M	1562	1646	1520	-1%	7%
InterGlobe Aviation	2640	2760	2580	-1%	6%
Hero MotoCorp	3372	3560	3280	1%	4%

\*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	2161	2121	2193	2232	2264
ADANIPTS	793	783	799	810	815
APOLLOHOSP	5416	5377	5478	5517	5579
ASIANPAINT	3115	3100	3136	3151	3172
AXISBANK	986	981	993	998	1005
BAJAJ-AUTO	5634	5596	5700	5738	5803
BAJAJFINSV	1599	1589	1612	1622	1636
BAJFINANCE	7047	7000	7112	7159	7225
BHARTIARTL	966	961	971	976	981
BPCL	382	381	392	394	404
BRITANNIA	4675	4644	4694	4725	4744
CIPLA	1238	1231	1261	1268	1291
COALINDIA	330	326	334	338	342
DIVISLAB	3692	3659	3718	3751	3776
DRREDDY	5609	5595	5670	5684	5744
EICHERMOT	3820	3788	3837	3869	3886
GRASIM	1964	1948	1975	1991	2001
HCLTECH	1319	1312	1327	1334	1343
HDFCBANK	1510	1498	1515	1526	1531
HDFCLIFE	663	659	669	673	679
HEROMOTOCO	3347	3328	3387	3406	3446
HINDALCO	503	497	505	511	513
HINDUNILVR	2495	2489	2510	2515	2530
ICICIBANK	921	913	923	931	933
INDUSINDBK	1479	1446	1492	1525	1539
INFY	1428	1421	1443	1450	1466
ITC	433	431	437	439	443
JSWSTEEL	770	762	773	781	785
KOTAKBANK	1754	1733	1759	1780	1784
LT	3062	3049	3075	3088	3101
LTIM	5485	5459	5530	5556	5602
M&M	1545	1525	1555	1575	1584
MARUTI	10470	10379	10510	10601	10642
NESTLEIND	24243	24122	24382	24503	24642
NTPC	248	246	251	252	255
ONGC	190	189	191	192	193
POWERGRID	207	205	210	211	214
RELIANCE	2368	2359	2381	2390	2403
SBILIFE	1413	1405	1426	1434	1447
SBIN	557	551	561	566	570
SUNPHARMA	1194	1188	1204	1209	1220
TATACONSUM	919	912	929	936	947
TATAMOTORS	676	670	682	687	693
TATASTEEL	126	125	126	127	128
TCS	3484	3457	3509	3536	3560
TECHM	1198	1194	1208	1212	1222
TITAN	3375	3366	3405	3414	3444
ULTRACEMCO	8627	8538	8701	8790	8864
UPL	560	558	565	566	571
WIPRO	399	397	401	402	404

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