

From Research Desk

26, May 2023

Equity Corner:

US debt ceiling limit impasse is keeping world equity markets in tenterhook. Weak Asian markets and monthly F&O expiry led to tepid opening of our market. Nifty 50 was opened flat, however profit booking in Wipro -1.4%. Tata Motors -1.03% HDFC -0.91% dragged the index to negative -80 points in first session, while buying at closing hours helped index to regain 135 points from day's low, where Bajaj Auto 2.8%, ITC 1.76%, Eicher Motors 1.12%, Kotak Bank 1.03% contributed positively to index close at 36 (0.20%) points. Bank Nifty opened negative by -40 points, profit booking led the index to negative -280 points in first session while in closing hours buying from Kotak Bank 1.03%, Axis Bank 0.37% helped index to regain and close flat at 4 (0.01%) points.

Market breadth was skewed in favour of advancers through the session. A/D ratio for NSE stood at 1074/948. FII's net bought in cash of ~Rs.589.10 crores while DIIs bought around Rs.338.44 crores.

Derivative Corner:

Post F&O monthly expiry of May'23 series FII's net position in index futures stood at 22,985 contracts of net long in index futures up from -4,198 contracts of net index futures long. Net open position in stock futures was 1,55,932 contracts of net longs which is down by -31,127 contracts from prior day. Net Call-Put longs stands at 11,967 contracts up from -52,610 contracts and on writing side net Call - Put shorts stands at 4,420 contracts down from 27,511 contracts. Overall, bullish...!

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	25/05/2023	24/05/2023	25/05/2023	24/05/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	18,787	-4,198	1,55,932	1,87,059
Pro	-5,348	1,547	1,47,665	1,01,458

Participant wise Open Interest	25/05/2023	24/05/2023	25/05/2023	24/05/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	11,967	-52,610	4,420	27,511
Pro	-1,31,865	27,800	-65,783	2,26,496

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.6016	-3.20%	-7.17%	-4.47%
Aluminium	USD/T	2217	-2.91%	-6.25%	-4.07%
Zinc	USD/T	2261	-8.05%	-14.72%	-24.71%
Tin	USD/T	23965	-3.37%	-7.69%	-4.24%
Rubber	USD Cents/Kg	131.5	-3.59%	-2.52%	-0.75%
Coal	USD/T	160	0.41%	-16.38%	-59.22%
Steel	CNY/T	3440	-6.33%	-5.62%	-14.27%
Gold	USD/t.0z	1947.25	-1.45%	-2.15%	6.64%
Crude Oil	USD/Bbl	71.805	0.14%	-6.94%	-7.15%
Agriculture					
Cotton	USD/Lbs	80.77	-6.86%	0.72%	-2.78%
Wheat	USD/Bu	608.07	0.51%	-2.11%	-21.73%
Rice	USD/cwt	16.64	-2.49%	-4.05%	-9.58%
Sugar	USD/Lbs	24.83	-3.05%	-8.17%	26.02%

Indices	Close	Previous	Chg. %
Sensex	61872.62	61,773.8	0.16%
Nifty	18321.15	18,285.4	0.20%
BANK Nifty	43681.4	43,677.9	0.01%
DJIA (Dow)	32764.65	32,799.9	-0.11%
NASDAQ	12698.09	12,484.2	1.71%
S&P 500	4151.28	4,115.2	0.88%
DAX	15793.8	15,842.1	-0.31%
CAC 40	7229.27	7,253.5	-0.33%

Sector Index	Close	Previous close	Change %
PSU Bank	3969.25	3,987.3	-0.45%
Nifty IT	28928.75	28,890.8	0.13%
Nifty FMCG	49657	49,355.3	0.61%
Nifty Pharma	12455.5	12,440.5	0.12%
Nifty Energy	24071.7	24,085.3	-0.06%
Nifty Metal	5872.55	5,855.2	0.30%
Nifty Commodity	5800.65	5,808.9	-0.14%
Nifty PSE	4804.75	4,794.6	0.21%

Bond Yields	Percentage
US 10 year	3.81%
US 2 year	4.53%
India 10 year	7.01%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
589.10	36048.83	24809.96

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	hg. %
BAJAJ-AUTO	2.95	WIPRO	-1.18
ADANIEN	2.92	TATAMOTORS	-0.94
BHARTIARTL	2.82	INDUSINDBK	-0.92
ITC	1.90	UPL	-0.85
DIVISLAB	1.68	HINDALCO	-0.76
EICHERMOT	1.61	SUNPHARMA	-0.76
TATACONSUM	1.27	HDFC	-0.74
HDFCLIFE	1.24	HINDUNILVR	-0.65

Currencies	D/D	MTD	YTD
DXY	0.33%	2.53%	-0.28%
INR	0.08%	1.24%	-0.01%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

- ▲ **Lupin:** Global pharma major Lupin Limited (Lupin) announced the launch of its Satellite Laboratory in Vijayawada, Andhra Pradesh. The move is part of Lupin Diagnostics' ongoing expansion aimed at enhancing access to high-quality testing services and increasing the diagnostics network across the country. The newly launched laboratory complements Lupin Diagnostics extensive network of 27 laboratories and over 410 collection centers across India. This expansion underscores Lupin's commitment to providing comprehensive diagnostic solutions and reinforcing its position in the diagnostics industry.
- ▲ **Sonata Software:** Sonata Software, a leading Modernization Engineering company, announced that it is proud to be part of the global launch of Microsoft Fabric at Microsoft Build event in Seattle, United States. Microsoft Fabric is an end-to-end unified analytics platform bringing together all the data and analytics tools that organizations need. It enables enterprises to manage their data in one place with a suite of analytical experiences that work together seamlessly to help turn data into a competitive advantage today and lay the foundation for AI innovations of tomorrow. What sets Microsoft Fabric apart is its multi-cloud data lake called OneLake, pervasive governance and security, AI powered experiences with Copilot, and deep integration to Microsoft 365 applications.
- ▲ **Voltas:** To strengthen its Make in India commitment to the nation; Voltas, India's undisputed leader in Cooling Products, and the No. 1 AC brand, from the house of Tata's, laid the groundwork in Thiruvallur district in Tamil Nadu, for its new Air Conditioner factory. The construction of the new manufacturing facility is spread over 150 acres. The Company has planned to invest over Rs 500 crores in this factory, for RAC manufacturing, over the next couple of years. This facility will ensure that all the products manufactured in this facility are competitive on a global scale. This facility will initially manufacture Room Air Conditioners (RACs) and is an extension to the existing RAC facility in Pantnagar.
- ▲ **Emami:** With some moderation in input costs, Gross margins at 63.1% expanded by 60 bps in Q4FY23. EBIDTA at ~ Rs.200 crores grew by 22% with EBIDTA margins at 23.9% expanding by 260 bps. Profit before Tax at Rs.148 crore also grew by 51% over previous year. For the full year, revenues at Rs.3,406 crore grew by 7%. Domestic business grew by 4% in FY23 on a higher base of COVID contextual categories like Pain Management & Healthcare range. Excluding sales from both the categories, Domestic Business grew by ~7% in FY23. International Business also grew strongly by 20% during the year.
- ▼ **Page Industries:** The company posted fiscal fourth quarter profit at Rs 78.35 crore, down 58.9 per cent as against Rs 190.52 crore in the corresponding quarter of last year. The company that manufactures and markets products under brands, Jockey and Speedo, clocked revenue from operations at Rs 969.09 crore, down 12.8 per cent in comparison to Rs 1111.11 crore in the fourth quarter of FY22.
- ▼ **Zee Entertainment Enterprises:** Zee Entertainment announced its Q4FY23 results on May 25, reporting a net loss of Rs. 196 crores, compared to a net profit of Rs.181 crores in the corresponding period last year. The media giant's revenue during the January-march quarter came in at Rs. 2,112.1 crore, registering a decline of nine per cent, compared to Rs.2,323 crore in the year-ago period.

Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	2%	40%
Maruti Suzuki	8641	10629	7%	15%
Eicher Motors	3161	4375	16%	20%
Ashok Leyland	141	170	3%	17%

*Price at which call was generated

From Technical Analyst's Desk

NIFTY (18,321)

Support - 18,000
Resistance - 18,500

• Nifty closed positive for the day and is expected to consolidate between 18,000 - 18,500.

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 18,450	18,800	18,280

BANK NIFTY (43,681)

Support - 43,300
Resistance - 44,200

• BankNifty closed positive for the day and is expected to consolidate between 43,300 - 44,200.

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 43,800	44,600	43,400

Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
DLF	Buy	Call	480	29June, 2023	17.75	25.00	15.00
Bajaj Auto	Sell	Put	4,600	29June, 2023	80.00	40.00	100.00

Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Eicher Motors	3660	3880	3550	0%	6%

Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Dr. Reddy's Laboratories	4520	4680	4440	0%	4%
L&T	2220	2340	2160	-1%	6%
Tech Mahindra	1070	1150	1030	3%	5%
TVS Motors	1250	1350	1200	3%	5%
The Indian Hotel Company	363	390	350	5%	2%
ICICI Bank	951	1020	920	-1%	9%
M&M	1258	1340	1220	2%	5%
Asian Paints	3125	3300	3040	0%	6%
Voltas	810	870	780	0%	7%
TCS	3310	3450	3240	0%	5%

Futures Calls

Position	Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
LONG	Voltas	815	845	800	0%	4%
LONG	DLF	465	490	453	3%	2%
LONG	M&M Finance	287	305	278	0%	6%
LONG	Wipro	388	405	380	2%	2%
LONG	HCL Tech	1110	1170	1080	1%	4%

*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
ADANIEN	2390	2302	2474	2562	2646
ADANIPTS	708	696	717	729	739
APOLLOHOSP	4503	4483	4550	4570	4617
ASIANPAINT	3080	3062	3105	3123	3148
AXISBANK	912	907	918	923	929
BAJAJ-AUTO	4444	4401	4548	4591	4695
BAJAJFINSV	1420	1411	1425	1433	1438
BAJFINANCE	6735	6690	6792	6837	6893
BHARTIARTL	788	779	807	815	834
BPCL	361	359	363	365	367
BRITANNIA	4434	4397	4570	4606	4742
CIPLA	932	928	940	944	952
COALINDIA	239	236	241	243	245
DIVISLAB	3339	3308	3396	3427	3484
DRREDDY	4494	4462	4514	4545	4565
EICHERMOT	3573	3552	3628	3649	3703
GRASIM	1690	1680	1701	1711	1722
HCLTECH	1104	1096	1111	1120	1127
HDFC	2654	2625	2662	2690	2698
HDFCBANK	1604	1590	1612	1627	1635
HDFCLIFE	561	557	567	571	578
HEROMOTOCO	2714	2686	2736	2764	2786
HINDALCO	403	396	404	411	412
HINDUNILVR	2592	2564	2609	2638	2655
ICICIBANK	936	930	939	945	948
INDUSINDBK	1261	1244	1266	1283	1288
INFY	1290	1281	1298	1308	1316
ITC	430	428	436	437	444
JSWSTEEL	690	684	696	702	709
KOTAKBANK	1897	1889	1915	1923	1941
LT	2171	2160	2189	2200	2218
M&M	1264	1249	1272	1287	1296
MARUTI	9232	9185	9263	9309	9340
NESTLEIND	21220	21105	21426	21541	21747
NTPC	174	173	175	176	177
ONGC	165	164	166	167	168
POWERGRID	234	233	237	238	241
RELIANCE	2424	2403	2436	2457	2469
SBILIFE	1170	1166	1176	1181	1187
SBIN	580	575	581	586	587
SUNPHARMA	948	941	950	957	959
TATACONSUM	762	755	772	780	790
TATAMOTORS	516	508	517	525	526
TATASTEEL	105	104	105	106	106
TCS	3284	3256	3295	3323	3334
TECHM	1090	1076	1095	1108	1113
TITAN	2688	2666	2704	2726	2742
ULTRACEMCO	7617	7569	7643	7691	7716
UPL	677	670	681	688	692
WIPRO	397	391	398	403	404

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