

From Research Desk

30, August 2023

Equity Corner:

- Nifty 50 index:** The index opened with a gap-up of 71 points on the back of favourable global cues. Post opening; no follow-up buying was witnessed. Further weakness in RELIANCE (-0.89%) kept the index in a range. As the session progressed; the index traded in a range of 50-60 points and buying in HDFCBANK (+0.86%), HINDALCO (+2.38%) & TATASTEEL (+1.87%) kept the index above the support zone of 19,300. The index ended the session with a gain of 37 (+0.19%) points.
- Bank Nifty:** The banking space saw no significant action in today's session. HDFCBANK (+0.86%), PNB (+0.56%) & FEDERALBNK (+0.49%) were the strong performers. However; the index closed on a flattish note with a minimal gain of 0.60 (+0.00%) points.
- Market breadth:** The market breadth was positive; indicating overall strength in stock price during the session.
- Sectorial performance:** Mixed sectorial performance as METALS (+1.28%), REALTY (+1.69%) & AUTO (+0.67%) were strong, whereas; PSUBANK (-0.49%), FMCG (-0.33%) & PHARMA (-0.27%) were weak.
- Nifty Midcaps:** The midcaps are continuing to outperform as buying in DEEPAKNTN (+6.77%), JSWENERGY (+6.19%) and BHEL (+4.93%) led the index close +0.34%.
- Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 1251/781 indicating a higher number of advancing stocks compared to declining ones.
- FII and DII Activity:** FII's were net buyers in cash segment of around Rs. 61 crores while DIIs bought around Rs. 305 crores.

Derivative corner:

- Nifty OI Put/Call ratio has marginally come down from 0.99 to 0.97 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 19,000. This indicates that the market is expecting a trading range of 19,200 to 19,500 zones.
- FII Activity in Derivatives:** Marginal addition of longs is seen in index futures. On options buying front; there are more put buyers and on option writing front; net call-put writing is indicating call writing. FII Long/Short ratio in index futures has gone up from 43% to 46% indicating addition of longs.

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	65,075.8	64,996.6	0.12%
Nifty	19,342.7	19,306.1	0.19%
BANK Nifty	44,495.3	44,494.7	0.00%
DJIA (Dow)	34,852.7	34,560.0	0.85%
NASDAQ	13,943.8	13,705.1	1.74%
S&P 500	4,497.6	4,433.3	1.45%
DAX	15,930.9	15,792.6	0.88%
CAC 40	7,373.4	7,324.7	0.67%

Sector Index	Close	Previous close	Change %
PSU Bank	4,542.5	4,564.9	-0.49%
Nifty IT	30,866.1	30,773.6	0.30%
Nifty FMCG	51,223.1	51,390.8	-0.33%
Nifty Pharma	15,121.1	15,161.8	-0.27%
Nifty Energy	26,056.7	26,015.8	0.16%
Nifty Metal	6,616.7	6,533.3	1.28%
Nifty Commodity	6,258.0	6,190.3	1.09%
Nifty PSE	5,525.6	5,501.2	0.44%

Bond Yields	Percentage
US 10 year	4.13%
US 2 year	4.91%
India 10 year	7.18%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
61.51	16244.34	157569.8

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	Chg. %
JIOFIN	5.00	BHARTIARTL	-1.73
UPL	2.44	HINDUNILVR	-1.20
HINDALCO	2.38	RELIANCE	-0.89
TATASTEEL	1.87	DRREDDY	-0.87
HEROMOTOCO	1.80	AXISBANK	-0.84
ADANI PORTS	1.67	APOLLOHOSP	-0.68
TECHM	1.60	INDUSINDBK	-0.60
BAJAJ-AUTO	1.53	KOTAKBANK	-0.47

Currencies	D/D	MTD	YTD
DXY	-0.57%	1.55%	-1.00%
INR	-0.03%	0.41%	-0.21%

Participant wise Open Interest	29/08/2023	28/08/2023	29/08/2023	28/08/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	-22,837	-30,958	-96,647	-1,28,694
Pro	-11,725	-12,172	2,39,799	2,58,666

Participant wise Open Interest	29/08/2023	28/08/2023	29/08/2023	28/08/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	-95,454	-2,76,171	66,818	-1,19,633
Pro	-17,542	-1,34,079	31,406	-1,87,618

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.7904	-0.50%	-3.23%	0.54%
Aluminium	USD/T	2170	-0.32%	-2.76%	-6.10%
Zinc	USD/T	2449	5.02%	-2.00%	-18.45%
Tin	USD/T	25497	0.94%	-12.11%	1.89%
Rubber	USD Cents/Kg	136	4.45%	3.74%	2.64%
Coal	USD/T	158.5	5.67%	18.28%	-59.60%
Steel	CNY/T	3687	-1.29%	-2.02%	-8.11%
Gold	USD/t.Oz	1937.35	1.20%	-1.10%	6.10%
Crude Oil	USD/Bbl	81.625	3.43%	1.30%	5.55%
Agriculture					
Cotton	USD/Lbs	86.82	2.61%	2.07%	4.51%
Wheat	USD/Bu	570.18	-6.91%	-19.04%	-26.61%
Rice	USD/cwt	16.48	6.74%	5.47%	-10.45%
Sugar	USD/Lbs	25.45	8.76%	6.40%	29.16%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

Monsoon: India is poised to experience the driest August since 1901 which, senior meteorologists say, is a clear result of intensifying El Nino conditions. Also, the monsoon this year may end up being the driest since 2015, which recorded a rainfall deficit of 13 per cent. With a 32 per cent precipitation deficit in August so far and the prediction of only subdued rainfall activity over a large part of the country in the next three days.

Hero MotoCorp: Reiterating its accelerated focus in the premium segment, Hero MotoCorp, the world's largest manufacturer of motorcycles and scooters, launched the highly anticipated Karizma XMR. The new Karizma XMR is a powerful motorcycle in its class, producing the highest torque. The motorcycle is powered by 210cc Liquid Cooled DOHC Engine, 6 Speed transmission that comes with Slip and Assist Clutch and Dual Channel ABS – purpose built for the perfect ride redefining the sports segment.

Lupin: Global pharma major Lupin Limited (Lupin) today announced that it has received approval from the United States Food and Drug Administration (U.S. FDA) for its Abbreviated New Drug Application for Pirfenidone Capsules, 267 mg, to market a generic equivalent of Esbriet® Capsules, 267 mg of Hoffmann La Roche Inc. This product will be manufactured at Lupin's Pithampur facility in India.

Greaves Cotton: Greaves Retail, India's leading fuel-agnostic mobility solutions provider and a unit of Greaves Cotton Limited, has announced the launch of its complete range of e-rickshaw batteries under the brand 'Power Raja by Greaves'. With a focus on the burgeoning e-rickshaw industry, Power Raja batteries are poised to reshape the landscape of small-scale last-mile transportation. The Power Raja batteries, powered by proven lead-acid technology, have been designed to address the specific needs of the e-rickshaw segment and come with various warranty offers, different capacities of batteries (120 AH / 130 AH / 140AH / 150AH) and are priced competitively, offering value for money to the vehicle owner.

Gravita India: A leading "Recycling Company" having its manufacturing presence around the globe, is pleased to announce that its step-down subsidiary situated in Togo, West Africa has started commercial production of Lead from its existing recycling plant having an annual capacity of around 6,000 MTPA. Further, the company has been sourcing scrap from Togo for the last 3 years and has set a strong scrap collection network before establishing the plant.

Tata Power: Tata Power Renewable Energy Limited (TPREL), a leading renewable energy company in India and a subsidiary of Tata Power, signed a Group Captive Power Delivery Agreement (PDA) for 4.4 MW AC with the ANAND Group, a global automotive systems and parts industry leader. Under this agreement, TPREL will facilitate the generation of 10 million units of clean energy through renewable sources. The project is expected to eliminate ~5500 tonnes of carbon emissions annually, aligning with TPREL's mission to create a greener and cleaner future for its Commercial and Industrial (C & I) customers. By leveraging the power of renewable energy sources with sustainability-focused Groups such as ANAND, Tata Power aims to set a precedent for other organizations to follow suit and invest in eco-friendly energy solutions.

Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	19%	19%
Maruti Suzuki	8641	10629	11%	10%
Eicher Motors	3161	4375	6%	30%

*Price at which call was generated

From Technical Analyst's Desk

NIFTY (19,250) Support - 19,200 Resistance - 19,650	• Nifty closed positive and is expected to consolidate between 19,250 - 19,650.	<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 19,370</td> <td>19,800</td> <td>19,250</td> </tr> </tbody> </table>	Recommendation	Trigger level	Target	Stoploss	Nifty Futures	Buy above 19,370	19,800	19,250
Recommendation	Trigger level	Target	Stoploss							
Nifty Futures	Buy above 19,370	19,800	19,250							
BANK NIFTY (44,495) Support - 43,500 Resistance - 45,000	• BankNifty closed flat for the day and is expected to consolidate between 43,500 - 45,000.	<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 44,600</td> <td>45,200</td> <td>44,300</td> </tr> </tbody> </table>	Recommendation	Trigger level	Target	Stoploss	Bank Nifty Futures	Buy above 44,600	45,200	44,300
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Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
HINDALCO	Buy	Call	455	31Aug, 2023	4.70	10.00	3.00
SBIN	Sell	Put	575	31Aug, 2023	3.40	0.00	5.00

Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Berger Paints	720	770	695	0%	7%

Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Federal Bank	146	152	143	-1%	5%
Godrej Properties	1640	1720	1600	0%	5%
NMDC	124	134	119	-1%	9%
DCM Shriram Industries	136.85	143	134	0%	5%
Muthoot Finance	1290	1390	1240	1%	7%
TVS Motor	1355	1470	1298	2%	6%
Indian Bank	400	440	380	-2%	12%
Shriram Finance	1890	2030	1820	-1%	8%
Titan Company	3020	3180	2940	2%	3%
Canara Bank	330.65	346	323	-1%	6%
Tata Motors	613	658	590	-1%	8%
United Spirits	1022	1120	975	-2%	12%
Dixon Technologies	4840	5085	4720	2%	3%
Lupin	1100	1200	1050	0%	9%
L&T Technology Services	4325	4520	4230	1%	4%
KPIT Technologies	1155	1250	1108	0%	8%
Granules India	300	326	287	1%	8%
Hindustan Copper	150	162	144	1%	7%
ICICI Prudential Life Insurance Company	554	594	534	1%	6%
Bajaj Finserv	1490	1590	1440	1%	6%
National Aluminium Company	89.5	97	86	4%	5%

*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	2427	2390	2482	2518	2573
ADANIPTS	792	781	811	823	842
APOLLOHSP	4862	4818	4904	4949	4990
ASIANPAINT	3243	3232	3266	3277	3300
AXISBANK	983	974	987	997	1001
BAJAJ-AUTO	4567	4553	4619	4633	4685
BAJAJFINSV	1492	1486	1503	1508	1520
BAJFINANCE	7198	7180	7255	7273	7329
BHARTIARTL	860	843	865	881	886
BPCL	353	352	356	357	360
BRITANNIA	4484	4458	4512	4538	4566
CIPLA	1220	1214	1233	1238	1251
COALINDIA	229	228	230	230	231
DIVISLAB	3609	3593	3641	3658	3690
DRREDDY	5740	5692	5763	5812	5835
EICHERMOT	3338	3332	3354	3359	3375
GRASIM	1771	1761	1789	1799	1817
HCLTECH	1139	1136	1151	1154	1166
HDFCBANK	1572	1571	1582	1583	1594
HDFCLIFE	622	619	629	632	639
HEROMOTOCO	2904	2894	2949	2959	3004
HINDALCO	441	438	450	452	461
HINDUNILVR	2537	2511	2548	2574	2585
ICICIBANK	965	959	971	976	983
INDUSINDBK	1399	1385	1406	1420	1428
INFY	1411	1409	1418	1420	1427
ITC	439	437	442	444	446
JIOFIN	204	198	213	218	227
JSWSTEEL	768	767	777	778	787
KOTAKBANK	1781	1771	1789	1800	1808
LT	2682	2676	2702	2708	2728
LTIM	5097	5077	5142	5163	5208
M&M	1537	1526	1551	1561	1575
MARUTI	9508	9418	9597	9687	9775
NESTLEIND	21920	21820	22050	22149	22279
NTPC	217	216	219	220	223
ONGC	175	174	175	176	177
POWERGRID	246	245	250	251	254
RELIANCE	2421	2392	2437	2466	2483
SBILIFE	1286	1282	1294	1297	1305
SBIN	571	569	573	575	578
SUNPHARMA	1108	1098	1116	1126	1135
TATACONSUM	838	833	841	846	849
TATAMOTORS	599	598	605	606	612
TATASTEEL	116	116	118	119	121
TCS	3363	3352	3376	3388	3401
TECHM	1175	1172	1191	1195	1211
TITAN	3026	3012	3058	3072	3104
ULTRACEMCO	8071	8052	8145	8164	8237
UPL	579	578	590	591	602
WIPRO	406	404	409	410	414

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