

From Research Desk

04, August 2023

Equity Corner:

- Nifty 50 index:** The index opened on a negative note with a gap-down of 63 points on the back of weak global cues. Post opening; the index traded in a range of 50 points as market breadth indicated strength. However, as the session progressed; selling pressure was seen in counters such as ICICIBANK (-2.07%), BAJFINANCE (-1.38%) and COALINDIA (-1.62%) which led the index rally on the downside forming a lower low pattern. This indicated the day in favour of bears. The index took support at 19,300 and a bounce back was seen towards the ending hours as nifty recovered 100 points from day's low and hence ending the session with a loss of 145 (-0.74%) points.
- Bank Nifty:** Marginal underperformance was evident for consecutive session as the index opened with a similar setup when compared to Nifty 50. Selling pressure was seen in ICICIBANK (-2.07%), SBIN (-1.20%) and HDFCBANK (-0.48%) which kept the sector in line as the index closed with a loss of 482 (-1.07%) points.
- Market breadth:** The market breadth was negative, indicating overall weakness in stock price during the session.
- Sectorial performance:** The sectorial performance was weak as every sector ended the session on a negative note; exception being; PHARMACEUTICALS up (+1.04%). REALTY (-1.78%) and BANKS (-1.07%) were among the weak sectors.
- Nifty Midcaps:** The midcaps showed signs of strength as the index outperformed Nifty 50 with major participants from counters such as IRFC (+14.11%), DIXON (+7.94%) and LAURUSLAB (+5.76%) led the index close up by 0.25%.
- Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 1025/1004 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. -317 crores while DIIs bought around Rs. 1729 crores.

Derivative corner:

- Nifty OI Put/Call ratio:** Nifty OI Put/Call ratio has marginally gone up from 0.75 to 0.76 levels.
- Options data:** The maximum Call OI is seen at 19,500 and 19,600 while maximum Put OI is seen at 19,400 and 19,200. This indicates that the market is expecting a trading range of 19,200 to 19,500 zones.
- FII Activity in Derivatives:** Short built-up 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 dominance of call writers. FII Long/Short ratio in index futures has further come down from 49% to 40% indicating addition of more short contracts.

Take on Market:

- Earnings:** The market is discounting the Q1FY24 earnings update by corporates which so far has been in line with analyst expectation (near mean). Financials have been an all-round beat.
- Market Outlook:** The current strategy is to buy on corrections and hold onto long positions. However, there might be volatility with a profit-taking bias in the Indian market over the next 15/20 trading sessions.
- Relative Outperformance:** The medium-term relative outperformance of Indian markets compared to global peers is expected to continue.

Indices	Close	Previous	Chg. %
Sensex	65,240.7	65,782.8	-0.82%
Nifty	19,381.7	19,526.6	-0.74%
BANK Nifty	44,513.5	44,995.7	-1.07%
DJIA (Dow)	35,215.9	35,282.5	-0.19%
NASDAQ	13,959.7	13,973.5	-0.10%
S&P 500	4,501.9	4,513.4	-0.25%
DAX	15,893.4	16,020.0	-0.79%
CAC 40	7,260.5	7,312.8	-0.72%

Sector Index	Close	Previous close	Change %
PSU Bank	4,450.3	4,476.5	-0.59%
Nifty IT	29,971.1	30,043.6	-0.24%
Nifty FMCG	52,062.4	52,368.7	-0.58%
Nifty Pharma	15,099.2	14,943.4	1.04%
Nifty Energy	26,221.9	26,352.4	-0.50%
Nifty Metal	6,602.2	6,633.5	-0.47%
Nifty Commodity	6,267.5	6,306.6	-0.62%
Nifty PSE	5,387.6	5,395.2	-0.14%

Bond Yields	Percentage
US 10 year	4.16%
US 2 year	4.90%
India 10 year	7.19%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
-317.46	-286.11	141039.35

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	hg. %
ADANIANT	2.48	TITAN	-2.39
ADANIPORTS	2.04	ONGC	-2.36
EICHERMOT	1.51	BAJAJFINSV	-2.35
DIVISLAB	0.88	ICICIBANK	-2.07
HINDALCO	0.59	NESTLEIND	-1.93
INFY	0.53	ULTRACEMCO	-1.73
JSWSTEEL	0.47	COALINDIA	-1.62
LTIM	0.39	UPL	-1.43

Currencies	D/D	MTD	YTD
DXY	-0.09%	0.60%	-1.93%
INR	0.02%	0.62%	0.01%

Participant wise Open Interest	03/08/2023	02/08/2023	03/08/2023	02/08/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	-40,621	-4,343	-8,851	53,249
Pro	-3,761	-6,185	2,30,745	2,13,382

Participant wise Open Interest	03/08/2023	02/08/2023	03/08/2023	02/08/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	-17,075	89,283	1,27,174	2,32,033
Pro	9,431	3,38,735	3,25,926	7,85,688

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.8851	-0.83%	-0.81%	3.05%
Aluminium	USD/T	2234	1.32%	0.11%	-3.33%
Zinc	USD/T	2506	2.12%	0.28%	-16.55%
Tin	USD/T	27418	-5.49%	-5.49%	9.56%
Rubber	USD Cents/Kg	128.6	-1.91%	-1.91%	-2.94%
Coal	USD/T	136.85	2.13%	2.13%	-65.12%
Steel	CNY/T	3674	-2.31%	-2.37%	-8.44%
Gold	USD/t.Oz	1935.14	-1.22%	-1.21%	5.98%
Crude Oil	USD/Bbl	81.608	1.26%	1.28%	5.53%
Agriculture					
Cotton	USD/Lbs	85.25	-1.58%	0.22%	2.62%
Wheat	USD/Bu	633.98	-10.05%	-9.98%	-18.40%
Rice	USD/cwt	15.865	1.54%	1.54%	-13.79%
Sugar	USD/Lbs	24.02	-1.68%	0.42%	21.90%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

Government restricts import of laptops, tablets, PCs: Shares of electronics manufacturer Dixon Technologies jumped more than 4 percent on August 3 afternoon after the government restricted imports of electronic items such as laptops, tablets and personal computers. Dixon is a business to business (B2B) electronics manufacturing services player with a 75 percent low-margin original equipment manufacturer (OEM) mix. While announcing the restrictions, the government said import of laptops, tablets, personal computers, ultra-small form factor computers, and servers will be permitted against a licence.

India's services PMI climbs to 13-year high in July on pick-up in international sales: According to survey members, the upturn was largely attributed to demand strength and new business gains. The seasonally adjusted S&P Global India Services PMI Business Activity Index rose from 58.5 in June to 62.3 in July, signalling the sharpest increase in output since June 2010. On the inflation front, cost pressures intensified and monitored companies signalled greater food, labour and transportation costs. Despite the rise in cost pressures, charges were raised to a lesser extent as firms were cautious about their pricing strategies, to avoid deterring demand. S&P Global India Composite PMI Output Index -- which measures combined services and manufacturing output -- rose from 59.4 in June to 61.9 in July.

Saudi Arabia extends 1-million-barrel oil cut till Sept, says it can be deepened: Saudi Arabia extended its unilateral oil production cut by another month, and said it could be prolonged further or even deepened. The leader of the Organization of Petroleum Exporting Countries will prolong the cutback of 1 million barrels a day — launched last month — into September. The measure — which comes on top of supply curbs Riyadh was already making with others in the OPEC+ producers' group — is intended to “to reinforce the precautionary efforts made by OPEC+ countries with the aim of supporting the stability and balance of oil markets.

Manufacturing, labour sectors key to India retaining its world-beating growth: S&P Global: The data, research, and analytics firm expects India to grow at 6.7 percent per year on an average for eight years starting 2023-24 retaining the tag of being the fastest-growing economy in the world. It sees per capita GDP rising to about \$4,500. The Indian government and the Reserve Bank of India have forecast a GDP growth rate of 6.5 percent for 2023-24 and are bullish about India's prospects. The agency sees India's short-term economic growth standing on the shoulders of its 678.6 million strong labour force.

Zydu Lifesciences: The company has received final approval from the United States Food and Drug Administration (USFDA) to manufacture and market Indomethacin suppositories, 50mg. Zydu's Indomethacin suppositories, 50 mg is the generic version of the Reference Listed Drug (RLD) Indocin® suppositories. Zydu has been granted a CGT designation by the USFDA for its Indomethacin suppositories. Zydu's Indomethacin suppositories also been granted 180-day CGT exclusivity to market this product.

Ambuja Cements: The cement and building material company of Adani Cement and part of the diversified Adani Group, announced the acquisition of Sanghi Industries Ltd (SIL) at an enterprise value of Rs 5,000 crore. ACL will acquire 56.74% shares of SIL from its existing promoter group, Mr Ravi Sanghi & family. The acquisition will be fully funded through internal accruals.

KEC International: A global infrastructure EPC major, an RPG Group Company, has secured new orders of Rs. 1,065 crores across its various businesses: The business has secured orders for Transmission & Distribution projects in India, Africa and Americas. The business has secured orders for supply of various types of cables in India and overseas.

Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	22%	16%
Maruti Suzuki	8641	10629	10%	11%
Eicher Motors	3161	4375	7%	29%

*Price at which call was generated

From Technical Analyst's Desk

NIFTY (19,382)

Support - 19,300
Resistance - 19,800

• Nifty closed negative and is expected to consolidate between 19,300 - 19,800.

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 19,500	20,000	19,350

BANK NIFTY (44,513)

Support - 44,000
Resistance - 45,500

• BankNifty closed negative for the day and is expected to consolidate between 44,500 - 45,800.

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 44,800	45,500	44,500

Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
INFY	Buy	Call	1,360	31Aug, 2023	34.00	54.00	25.00
RELIANCE	Buy	Put	2,480	31Aug, 2023	48.00	64.00	40.00

Options strategy

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
RBLBANK	Buy	Call	225	31Aug, 2023	11.25	9,000	211 (spot)
	Sell	Call	235	31Aug, 2023	7.20		

Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Marico	569	590	560	1%	3%

Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Mazdock	1855	1950	1800	0%	6%
Balrampur Chini Mills	408	435	395	0%	6%
India Cements	219	237	210	-1%	9%
Bharat Forge	912	996	870	0%	10%
Bharat Dynamics	1206	1300	1160	-1%	9%
Berger Paints	700	750	675	0%	7%
Indian Bank	335	355	325	2%	4%
Hindustan Unilever	2566	2640	2530	-1%	3%
Muthoot Finance	1330	1450	1270	0%	9%
Manappuram Finance	135.2	150	128	-2%	13%
Bajaj Auto	4900	5200	4750	-2%	8%
Balkrishna Industries	2442	2630	2350	1%	6%
Lupin	990	1075	948	5%	4%
Jindal Steel	647	700	620	0%	8%
SBI	603	650	580	-2%	10%
Apollo Tyre	427.5	453	415	1%	5%
Exide Industries	259	287	245	-1%	12%
Lic Housing Finance	404	432	390	-2%	10%
ICICI prudential Life Insurance Company	573	620	550	0%	9%

*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	2430	2402	2490	2518	2578
ADANIPTS	748	738	764	775	790
APOLLOHSP	4960	4921	4995	5034	5069
ASIANPAINT	3332	3294	3356	3394	3418
AXISBANK	936	922	941	955	961
BAJAJ-AUTO	4778	4738	4846	4886	4954
BAJAJFINSV	1504	1469	1514	1550	1559
BAJFINANCE	7100	6956	7162	7307	7369
BHARTIARTL	870	859	876	887	893
BPCL	365	361	369	373	376
BRITANNIA	4785	4753	4802	4834	4850
CIPLA	1154	1137	1166	1183	1195
COALINDIA	232	228	233	237	239
DIVISLAB	3653	3634	3709	3728	3784
DRREDDY	5604	5557	5669	5717	5782
EICHERMOT	3291	3254	3338	3375	3422
GRASIM	1801	1777	1818	1841	1858
HCLTECH	1121	1108	1128	1141	1149
HDFC	1626	1610	1639	1655	1667
HDFCBANK	637	627	639	649	651
HDFCLIFE	2949	2897	2985	3038	3074
HEROMOTOCO	448	440	453	461	467
HINDALCO	2557	2535	2559	2581	2583
HINDUNILVR	975	956	979	998	1002
ICICIBANK	1368	1348	1374	1395	1401
INDUSINDBK	1348	1340	1357	1366	1375
INFY	455	450	460	465	469
ITC	797	788	803	812	818
JSWSTEEL	1810	1794	1822	1838	1850
KOTAKBANK	2594	2562	2618	2650	2675
LT	4832	4798	4865	4900	4933
M&M	1458	1426	1480	1512	1534
MARUTI	9582	9476	9621	9726	9765
NESTLEIND	22639	22278	22764	23125	23250
NTPC	216	214	220	222	226
ONGC	174	171	175	178	179
POWERGRID	246	244	248	251	253
RELIANCE	2465	2440	2483	2508	2526
SBILIFE	1251	1240	1263	1274	1286
SBIN	591	580	596	606	612
SUNPHARMA	1112	1093	1141	1159	1188
TATACONSUM	839	831	840	848	849
TATAMOTORS	617	609	621	629	634
TATASTEEL	118	117	119	120	121
TCS	3408	3355	3421	3473	3486
TECHM	1133	1114	1140	1158	1166
TITAN	2925	2852	2956	3029	3060
ULTRACEMCO	8185	8030	8235	8390	8440
UPL	608	588	610	630	633
WIPRO	400	396	401	405	406

Cholamandalam Securities Limited Member: BSE, NSE, MSE, NSDL, CDSL
Regd. Office: Dare House, 2 (Old) # 234) N.S.C Bose Road, Chennai – 600001.
Website: www.cholawealthdirect.com
Email id – customercarewm@chola.murugappa.com CIN
 U65993TN1994PLC028674

Cholamandalam Securities Limited (CSEC) is a SEBI registered stock broker and depository participant. CSEC does not provide investment advisory services. Investors are advised to consult an independent financial advisor before taking any investment decisions.

RESEARCH			
Dharmesh Kant	Head of Equity Research	+91-44-4004 7360	dharmeshkt@chola.murugappa.com
Mugilan K	Technical Analyst	+91-44 - 4004 7353	mugilank@chola.murugappa.com
Balaji H	Compliance Officer	044-30007226	balajih@chola.murugappa.com
Lakshmi Sundaram	Customer service	1800 425 4477	lakshmis@chola.murugappa.com

Disclaimer:

This report is for private circulation and for the personal information of the authorized recipient only, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not provide individually tailor-made investment advice and has been prepared without regard to any specific investment objectives, financial situation, or any particular needs of any of the persons who receive it.

The research analyst(s), Cholamandalam Securities Limited (CSL), AMFI registered mutual fund distributor, who is primarily responsible for this report certifies that: (1) all of the views expressed in this report accurately reflect his or her personal opinions about any and all of the subject securities or issuers; and (2) no part of any of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of Cholamandalam Securities Limited makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete.

The views expressed are those of the analyst and the Company may or may not subscribe to all the views expressed therein Cholamandalam Securities Limited reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. Cholamandalam Securities Limited, its affiliates, directors and employees may from time to time, effect or have effect an own account transaction in or deal as agent in or for the securities mentioned in this report. The recipient should take this into account before interpreting the report.

All investors may not find the securities discussed in this report to be suitable. Cholamandalam Securities Limited recommends that investors independently evaluate particular investments and strategies. Investors should seek the advice of a financial advisor with regard to the appropriateness of investing in any securities / investment strategies recommended in this report. The appropriateness of a particular investment or strategy will depend on an investor's individual preference. Past performance is not necessary a guide to future performance. Estimates of future prospects are based on assumptions that may not be realized. Re-publication or redistribution in any form, in whole or in part, is prohibited. No part of this material may be duplicated in any form and/or redistributed without Cholamandalam Securities Limited prior written consent. The news items appearing in this are collected from various media sources and we make no representations that it is complete or accurate.

Cholamandalam Securities Limited

(A subsidiary of Cholamandalam Investment and Finance Company Ltd.)

Dare House, 2, N.S.C. Bose Road, Parrys, Chennai 600001, India

Tel: 91.44.40907172 / 91.44.40047370 Fax: 91.44.40047373

Website: www.cholawealthdirect.com

CIN – U65993TN1994PLC028674