

08th 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. During the day; a range bound activity was witnessed as selling pressure in RELIANCE (-0.68%) & HDFCBANK (-0.30%) led the index take support near the 20-DAY EMA (19,348). Post the support; the index recovered 90 points on the upside supported by counters like AXISBANK (+1.00%) & ICICIBANK (+0.31%). The index has closed above 19,400 on a flattish note with a loss of 5 (-0.03%) points.
- ❖ **Bank Nifty:** The banking index witnessed outperformance with volatility when compared to the headline index. PNB (+1.60%), SBIN (+1.04%) & AXISBANK (+1.00%) were among the strong banking counters which led the index close on a positive note with a gain of 119 (+0.27%) points.
- ❖ **Market breadth:** The market breadth was positive; indicating overall strength in stock price during the session.
- ❖ **Sectorial performance:** Mixed sectoral performance as PHARMA (+1.32%), PSUBANK (+0.46%) & NIFTYBANK (+0.27%) were strong whereas; REALTY (-1.34%), MEDIA (-0.64%) & AUTO (-0.18%) were weak.
- ❖ **Nifty Midcaps:** A higher high & higher low pattern has been intact post the correction. Buying in mid-cap counters like HINDPETRO (+6.47%), ALKEM (+5.69%) and GLAND (+4.96%) has led the index closed on a positive note with a gain of 113 (+0.28%) points.
- ❖ **Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 1117/1010 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. 497 crores while DIIs bought around Rs. 700 crores.

Derivative Corner:

- ❖ Nifty OI Put/Call ratio has come down from 1.15 to 1.08 levels.
- ❖ **Options data:** The maximum Call OI is seen at 19,500. Meanwhile maximum Put OI is seen at 19,300. This indicates that the market is expecting a trading range of 19,300 to 19,500 zone.
- ❖ **FII Activity in Derivatives:** Further marginal short covering is seen in index futures. Total number of short contracts are at 146,381 vs prev 147,370. On options buying front; there is dominance of put buyers and on option writing front; net call-put writing is indicating addition of call writers; which is a bearish indicator. FII Long/Short ratio has remained unchanged at 20%.

Take on Market: Buy Corrections, stay put on Longs

- ❖ **Earnings:** Strong earnings (Q2FY24 so far). Aggregates of 114 companies under study which have reported earnings till 27th October, PAT growth has been 33% YoY and ~9.4% QoQ. Q2FY24 earnings update by corporates have largely been better than consensus estimates. 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	64,942.4	64,958.7	-0.03%
Nifty	19,406.7	19,411.8	-0.03%
Bank Nifty	43,737.9	43,619.4	0.27%
DJIA (Dow)	34,152.6	34,095.9	0.17%
NASDAQ	13,639.9	13,518.8	0.90%
S&P 500	4,378.4	4,366.0	0.28%
DAX	15,152.6	15,136.0	0.11%
CAC 40	6,986.2	7,013.7	-0.39%

Sector Index	Close	Previous	Chg.%
PSU Bank	5,023.5	5,000.5	0.46%
Nifty IT	30,981.6	30,973.0	0.03%
Nifty FMCG	52,130.0	52,075.7	0.10%
Nifty Pharma	15,271.8	15,072.3	1.32%
Nifty Energy	27,508.4	27,448.9	0.22%
Nifty Metal	6,576.9	6,567.1	0.15%
Nifty Commodity	6,440.0	6,421.8	0.28%
Nifty PSE	6,152.1	6,089.5	1.03%

Bond Yields	Percentage
US 10 year	4.58%
US 2 year	4.93%
India 10 year	7.28%

FII Flows (Cash market In Crores)		
Current	MTD	YTD
-497.21	684.42	128661.85

Top 8 Nifty Gainers	Chg.%	Top 8 Nifty Losers	Chg.%
SUNPHARMA	2.00	HEROMOTOCO	-1.04
BPCL	1.69	BAJFINANCE	-0.83
NTPC	1.57	JSWSTEEL	-0.77
DRREDDY	1.38	DIVISLAB	-0.72
INDUSINDBK	1.10	RELIANCE	-0.68
CIPLA	1.06	APOLLOHOSP	-0.58
SBIN	1.04	M&M	-0.58
AXISBANK	1.00	COALINDIA	-0.57

Currencies	D/D	MTD	YTD
DXY	0.28%	-1.14%	0.95%
INR	0.02%	-0.03%	0.59%

Participant wise Open Interest	07/11/2023	06/11/2023	07/11/2023	06/11/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	-1,46,381	-1,47,370	-1,06,124	-1,17,274
Pro	16,841	11,503	2,81,259	2,85,053

Participant wise Open Interest	07/11/2023	06/11/2023	07/11/2023	06/11/2023
Client Type	Net Position Long Call – Put	Net Position Long Call – Put	Net Position Short Call -Put	Net Position Short Call -Put
FII	-2,08,900	-2,35,824	-2,344	-31,074
Pro	-7,539	-387	-2,18,362	-1,56,967

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.679	0.26%	1.18%	-2.41%
Aluminium	USD/T	2278	1.18%	1.13%	-1.43%
Zinc	USD/T	2575	5.99%	6.36%	-14.25%
Tin	USD/T	24665	-1.40%	-1.40%	-1.44%
Rubber	USD Cents/Kg	146.5	1.46%	2.45%	10.57%
Coal	USD/T	120.1	-2.75%	-2.75%	-69.39%
Steel	CNY/T	3798	1.55%	1.55%	-5.35%
Gold	USD/t.0z	1970.06	-0.62%	-0.44%	7.89%
Crude Oil	USD/Bbl	77.465	-3.70%	-4.51%	0.17%
Agriculture					
Cotton	USD/Lbs	76.71	-5.55%	-5.16%	-7.66%
Wheat	USD/Bu	573.86	2.16%	2.97%	-26.14%
Rice	USD/cwt	16.19	0.43%	0.47%	-12.03%
Sugar	USD/Lbs	27.59	1.85%	1.85%	40.02%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

Q2FY24 Earnings Update

- ◆ **Power Grid Corporation of India Ltd:** Revenue from operations for the quarter gone by stood at Rs. 11,267 Crores, +1% YoY and +2% QoQ. EBITDA was Rs. 9908 Crores, +5.1% YoY and 2.3% QoQ. EBITDA margin came to 87.94%. an improvement of 341 bps YoY and 30 bps sequentially. PAT was Rs. 3781 Crores, +3.6% YoY and +5.1% QoQ. Power Grid has declared an interim dividend of ₹4 per equity share of ₹10 each (at 40% of the paid-up equity share capital) for the financial year 2023-24.
- ◆ **Shree Cement Ltd:** Revenue from operations for the quarter gone by stood at Rs. 4800 Crores, +18.9% YoY and -5.2% QoQ. EBITDA was Rs. 886 Crores, +63.9% YoY and -6.2% QoQ. EBITDA margin came to 18.46%. an improvement of 507 bps YoY and a slight decline of 20 bps sequentially. PAT was Rs. 446 Crores, +143.7% YoY and -21.9% QoQ. Total sale volume increased YoY by 10% from 7.46 million tonnes to 8.20 million tonnes. Capacity utilization improved from 65% to 71% on YoY basis. Sale of premium products risen to 9.5% vis-à-vis 7.5% of total trade sales on YoY basis. The Board of Directors approved setting up of brownfield cement grinding capacity of 3.40 million tonnes per annum capacity at Company's existing facilities at Chhattisgarh with estimated capital expenditure of ₹550 crore. This project is estimated to be completed by September 2025 and expansion is running as per schedule.
- ◆ **Vinati Organics Ltd:** Revenue from operations for the quarter gone by stood at Rs. 448 Crores, -20.9% YoY and +3.97% QoQ. EBITDA was Rs. 111 Crores, -25.4% YoY and +1.7% QoQ. EBITDA margin came to 24.73%. a decline of 149 bps YoY and 56 bps sequentially. PAT was Rs. 84 Crores, -27.5% YoY and +1.1% QoQ.
- ◆ **Trent Ltd:** The company reported revenue from operations of Rs 2,982 crores, +52.69% Y/Y & +13.47% Q/Q. The EBITDA for the quarter stood at Rs 455 crores, +77.04% Y/Y & +23.98% Q/Q, the EBITDA margins came at 15.26%, 210 bps higher Y/Y & 129 bps higher Q/Q. The PAT stood at Rs 228 crores; +188.61% Y/Y & +36.53% Q/Q.
 - The stores count for Westside increased by 20 stores in one-year, total number of stores at the end of Q2FY24 are 223.
 - The stores count for Zudio increased by 143 stores in one-year, total number of stores at the end of Q2FY24 are 411.
 - The STAR bazar revenue grew 29.43% Y/Y with Rs 708 crores in Q2FY24 compared to Rs 547 crores in Q2FY23. The product split comprises of 26% staples, 27% FMCG, 16% Fresh and 32% General merchandise & apparels.
- ◆ **Jyothy Labs:** The company reported revenue from operations of Rs 732 crores, +11.08% Y/Y & +6.55% Q/Q. The EBITDA for the quarter stood at Rs 135 crores, +68.75% Y/Y & +15.38% Q/Q, the EBITDA margins came at 18.44%, 630 bps higher Y/Y & 141 bps higher Q/Q. The PAT stood at Rs 104 crores; +60% Y/Y & +8.33% Q/Q.
 - The category wise business share for the quarter came to 32% Fabric care (Main was), 11% Fabric care (Post was), 35% Dish wash, 12% Personal care, 6% Household insecticides and 4% others.
 - Fabric Care sales increased by 10.6% for Q2FY24 over same period last year, with improvement in sales across all brands.
 - Dishwashing sales increased by 10% for Q2FY24, as the growth is backed by our two brands portfolio of Exo and Pril.
 - Personal Care Sales increased by 22.3% for Q2FY24 over the same period last year, with Margo portfolio of Soaps continues to be consumer preference.
 - Household Insecticides sales increased by 3.4% for Q2FY24.
- ◆ **Apollo Tyres Ltd:** The company reported revenue from operations of Rs 6,280 crores, +5.44% Y/Y & +0.56% Q/Q. The EBITDA for the quarter stood at Rs 1,160 crores, +62.92% Y/Y & +10.37% Q/Q, the EBITDA margins came at 18.47%, 652 bps higher Y/Y & 164 bps higher Q/Q. The PAT stood at Rs 474 crores; +164.8% Y/Y & +19.4% Q/Q. The APMEA region contributed 71.2% to the total revenue with Rs 4,470 crores and Europe region contributed 28.8% with Rs 1,813 crores.
- ◆ **Cummins India Ltd:** The company reported revenue from operations of Rs 1,922 crores, -1.74% Y/Y & -13.38% Q/Q. The EBITDA for the quarter stood at Rs 347 crores, +19.66% Y/Y & +1.46% Q/Q, the EBITDA margins came at 18.05%, 323 bps higher Y/Y & 264 bps higher Q/Q. The PAT stood at Rs 329 crores; +23.22% Y/Y & -7.06% Q/Q. The engine segment contributed 98.5% in the total revenue with Rs 1,894 crores.

From Technical Analyst's Desk

NIFTY (19,407) Support - 19,200 Resistance - 19,500	• Nifty closed flat and is expected to consolidate between 18,900 - 19,300 levels.	⇒				
			Recommendation	Trigger level	Target	Stoploss
			Nifty Futures	Buy above 19,500	19,900	19,350

BANK NIFTY (43,738) Support - 43,000 Resistance - 44,000	• Bank Nifty closed positive for the day and is expected to consolidate between 43,000 - 44,000 levels.	⇒				
			Recommendation	Trigger level	Target	Stoploss
			Bank Nifty Futures	Buy above 44,000	44,800	43,700

Pick of the week

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Zydus Lifesciences	587	630	565	2%	5%

Top Pick for the Day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
SBI Life	1339	1390	1315	0%	4%

Options Recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
TATAMOTORS	Buy	Call	640	30 Nov, 2023	20.00	34.00	15.00
ITC	Sell	Put	440	30 Nov, 2023	9.00	2.00	12.00

Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
ONGC	193	201	189	0%	4%
Muthoot Finance	1290	1390	1240	4%	4%
HDFC AMC	2775	2970	2680	0%	7%
Bajaj Auto	5368	5700	5200	1%	5%
NMDC	155	167	149	5%	2%
Canara Bank	388	416	374	0%	7%
Axis Bank	984	1050	950	4%	3%
Tata Consumer	910	970	880	1%	5%
Lupin	1175	1290	1120	1%	8%

*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	2229	2211	2245	2263	2278
ADANIPTS	796	790	802	809	815
APOLLOHOSP	5135	5097	5158	5195	5219
ASIANPAINT	3011	2988	3025	3048	3062
AXISBANK	1001	995	1012	1018	1029
BAJAJ-AUTO	5387	5376	5416	5427	5456
BAJAJFINSV	1536	1514	1572	1593	1629
BAJFINANCE	7465	7359	7553	7659	7747
BHARTIARTL	936	931	937	942	944
BPCL	363	361	368	370	376
BRITANNIA	4584	4548	4627	4663	4706
CIPLA	1196	1190	1207	1212	1223
COALINDIA	314	311	316	319	322
DIVISLAB	3423	3328	3496	3591	3664
DRREDDY	5261	5214	5367	5415	5521
EICHERMOT	3482	3451	3510	3540	3569
GRASIM	1910	1902	1920	1928	1938
HCLTECH	1264	1260	1271	1275	1282
HDFCBANK	1486	1473	1490	1503	1507
HDFCLIFE	617	611	621	626	630
HEROMOTOCO	3137	3099	3159	3197	3219
HINDALCO	476	473	484	488	495
HINDUNILVR	2487	2476	2496	2507	2516
ICICIBANK	935	923	943	955	963
INDUSINDBK	1457	1448	1474	1483	1500
INFY	1398	1391	1402	1409	1413
ITC	434	432	434	437	437
JSWSTEEL	748	741	754	760	766
KOTAKBANK	1726	1712	1740	1754	1769
LT	2962	2945	2973	2989	3000
LTIM	5113	5087	5161	5187	5235
M&M	1477	1465	1487	1499	1509
MARUTI	10240	10193	10283	10330	10373
NESTLEIND	24110	23935	24295	24470	24655
NTPC	234	232	237	238	241
ONGC	190	189	194	196	200
POWERGRID	207	204	208	210	211
RELIANCE	2329	2315	2334	2349	2354
SBILIFE	1320	1308	1332	1344	1356
SBIN	570	567	576	579	584
SUNPHARMA	1137	1128	1155	1164	1182
TATACONSUM	913	908	919	924	929
TATAMOTORS	643	640	646	649	653
TATASTEEL	119	118	119	120	121
TCS	3361	3345	3383	3399	3421
TECHM	1135	1129	1143	1149	1157
TITAN	3249	3231	3268	3285	3304
ULTRACEMCO	8585	8527	8640	8697	8752
UPL	552	548	554	557	560
WIPRO	383	381	385	387	389

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