

### From Research Desk

12, May 2023

#### Equity Corner:

Post a firm opening (up 40 points) Nifty 50, thereafter it traded in a very narrow band. Pulled down by L&T (-5.17%), Dr Reddy's (-6.89%) and Hindalco (-3.57%) while IT and Banking stocks saw sustained buying. Other dragger being JSW Steel (-1.9%), ITC (-1.16%), Infosys (-0.57%). In line earnings update by led to gains in Asian Paints (+3.23%) while support came from Hind Unilever (+2.76%), Ultratech (+1.19%). Profit booking at closing hours saw index down by 70 points from the highs and closed for -18 (0.1%) points. Bank Nifty was opened positive by 200 points and traded firmly in positive territory until profit booking at closing hours dragged the index to close at 144(0.33%) points. Market breadth was firm through the session; Advance/Decline ratio for NSE at close stood was 1205/799. FII's have been aggressive buyers for 11<sup>th</sup> day in running. FII's were net buyers in cash of ~Rs.837 crores while DIIs sold around - Rs.200 crores.

#### Derivative Corner:

FII's added marginal net short in Index futures (6,816 contracts) while it added 4,178 contracts of net long in stock futures. They closed out position in Index Call and Put options; net impact being 11,052 contracts of longs in favour of Put options while on writing side 15,593 contracts of net Put writing over call writing. Overall, bullish stance.

#### Take on market's:

**We expect continuity of upside trajectory for Indian market.** Banking, NBFC's, Cement, Engineering, Capital Goods, Infra and select pharmaceutical stocks is likely to be key drivers while IT stocks are forming a base. Relative out performance of Indian markets vis-à-vis global peers is shaping up well. Incremental gaining strength in broader market is supportive of a bigger sustainable rally.

Participant wise Open Interest	11/05/2023	10/05/2023	11/05/2023	10/05/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	-10,999	-4,183	1,50,178	1,46,000
Pro	568	6,287	80,125	83,292

Participant wise Open Interest	11/05/2023	10/05/2023	11/05/2023	10/05/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	-1,29,097	-1,18,045	-1,03,766	-88,173
Pro	-1,58,072	-59,404	-2,07,685	-1,94,032

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.6934	-4.61%	-4.80%	-2.03%
Aluminium	USD/T	2212	-3.28%	-6.47%	-4.28%
Zinc	USD/T	2544	-2.99%	-4.05%	-15.28%
Tin	USD/T	25846	-3.48%	-0.44%	3.28%
Rubber	USD Cents/Kg	137	0.74%	1.56%	3.40%
Coal	USD/T	163	-8.53%	-14.82%	-58.45%
Steel	CNY/T	3543	-0.20%	-2.79%	-11.70%
Gold	USD/t.0z	2011.54	-0.22%	#VALUE!	#VALUE!
Crude Oil	USD/Bbl	70.791	-0.65%	-8.26%	-8.46%
<b>Agriculture</b>					
Cotton	USD/Lbs	80.15	-1.97%	-0.05%	-3.52%
Wheat	USD/Bu	632.61	-2.26%	1.84%	-18.57%
Rice	USD/cwt	18.245	1.67%	5.21%	-0.86%
Sugar	USD/Lbs	26.02	1.96%	-3.77%	32.05%

Indices	Close	Previous	Chg. %
Sensex	61904.52	61,940.2	-0.06%
Nifty	18297	18,315.1	-0.10%
BANK Nifty	43475.3	43,331.1	0.33%
DJIA (Dow)	33309.51	33,531.3	-0.66%
NASDAQ	12328.51	12,306.4	0.18%
S&P 500	4130.62	4,137.6	-0.17%
DAX	15834.91	15,896.2	-0.39%
CAC 40	7381.78	7,361.2	0.28%

Sector Index	Close	Previous close	Change %
PSU Bank	3967.6	3,959.3	0.21%
Nifty IT	28102	28,091.8	0.04%
Nifty FMCG	48865	48,643.4	0.46%
Nifty Pharma	12557.05	12,716.9	-1.26%
Nifty Energy	24316.5	24,269.0	0.20%
Nifty Metal	5797.3	5,822.1	-0.43%
Nifty Commodity	5877.8	5,880.7	-0.05%
Nifty PSE	4833.3	4,813.2	0.42%

Bond Yields	Percentage
US 10 year	3.38%
US 2 year	3.89%
India 10 year	7.02%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
837.21	21294.1	10055.23

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	Chg. %
ADANIANT	5.07	DRREDDY	-6.93
ASIANPAINT	3.34	LT	-5.09
HINDUNILVR	2.67	HINDALCO	-3.49
ADANI PORTS	2.46	DIVISLAB	-3.19
NTPC	1.27	JSWSTEEL	-1.97
INDUSINDBK	1.26	ITC	-0.96
ULTRACEMCO	1.08	BHARTIARTL	-0.82
MARUTI	1.00	SBILIFE	-0.64

Currencies	D/D	MTD	YTD
DXY	0.58%	0.40%	-2.34%
INR	0.23%	0.45%	-0.79%

## What's in the news !

▲ Positive    ■ Neutral    ▼ Negative

- ▲ **Gillette India:** Gillette India Limited (GIL) announced its financial results for the quarter ended March 31, 2023. The Company delivered sales of Rs. 619 crores, up 9% vs year ago behind strong brand fundamentals, strength of product portfolio, superior innovation, and improved retail execution. In a challenging cost environment, the Company continued to make sequential progress in profit growth. Performa PAT came at Rs 103 crores, up 12% operationally vs year ago fueled by top-line growth, premiumization and productivity interventions. While, reported profit after tax was up 48% vs year ago due to one-time tax adjustments impacts. Gillette continues to retain market leadership.
- ▲ **Asian Paints:** Strong set of Q4FY23 numbers led by volume of +16% and value growth of +13% for decorative paint India business. Double digit volume growth came across rural, urban and premium segments. On International side while Africa and Middle East posted strong growth numbers, Asia was challenging. Industrial Business reported revenue growth of +8% in Q4FY23 (YoY). Q4FY23 Standalone Net Sales was up 12.4% at Rs. 7,589 crores, EBITDA grew by +28% and net profit up +37% at Rs.1,234 crores on YoY basis led by double digit volume growth. Operating margins improved to 19.4% from 18.3% same quarter last year. **Accumulate.**
- ▲ **Eicher Motors:** The automobile giant posted a consolidated PAT of Rs.905.6 crore in Q4FY23, rising by a whopping 48.42% year-on-year. Sequentially, the growth is around 22.24%. For the quarter, the revenue stood at Rs. 3,804.32 crore, registering a growth of +19% (YoY) against Rs. 3,193.32 crore in Q4 of the previous fiscal and Rs. 3,721 crores in December 2022 quarter. Operating margins improved by ~150 bps sequentially and ~80 bps YoY to 24.5% in Q4FY23. During the quarter, Royal Enfield recorded sales of 214,685 motorcycles, up 17.9% from 182,125 motorcycles sold during the same period in FY 2021-22. For FY'23 they sold highest ever Eicher Trucks and Buses at 77,760 units (previous best being 71,743 units in FY'19). **Accumulate.**
- **Hindalco:** Shares of Hindalco Industries, the Indian multinational aluminium and copper producer, experienced their sharpest drop in almost two months due to weak performance in its US subsidiary, Novelis. This is expected to impact its consolidated earnings by the 2023-24 financial year. At large analysts have reduced earnings estimates by 3-5% to account for the headwinds. However, its strong position in the automotive and beverage can market, is likely to weather the headwinds going forward.
- **Ajmera Realty & Infra India:** Realty developer Ajmera Realty & Infra India has reported 58% rise in net profit for the financial year 2022-23 at Rs 72 crore. Total revenue for the year saw a 10% decline to Rs 441 crore. Operating profit for the year rose 9% to Rs 134 crore with 534-basis-point expansion in operating margin at 30%. The company recorded 50% rise in sales volume at over 3.70 lakh sq ft. Collections for the year rose 35% to Rs 532 crore. For Q4FY23, revenue was down -37% YoY at Rs. 114 crores, while net profit came in at Rs.19 crores as compared to Rs. 20 crores in Q4FY22 primarily aided by improvement in operating margins. Overall, the numbers are in line with other Realty developers.

### Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	-2%	45%
Maruti Suzuki	8641	10629	7%	15%
Eicher Motors	3161	4375	8%	28%
Ashok Leyland	141	170	6%	14%

\*Price at which call was generated

## From Technical Analyst's Desk

### NIFTY (18,297)

Support - 18,200  
Resistance - 18,900

• Nifty closed flat for the day and is expected to continue its uptrend towards 18,900.

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 18,400	18,700	18,250

### BANK NIFTY (43,475)

Support - 42,800  
Resistance - 44,200

• BankNifty closed positive for the day and expected to continue its uptrend towards 44,200.

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 43,400	44,000	43,100

### Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
ICICI Bank	Buy	Call	950	25May, 2023	8.00	15.00	6.00
TVS Motors	Sell	Put	1240	25May, 2023	23.50	10.00	30.00

### Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Glenmark	575	625	550	1%	8%

### Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Bata India	1521	1600	1480	1%	5%
Marico	540	570	550	0%	5%
Havells India	1252	1340	1210	2%	5%
Tata Motors	490	520	475	4%	2%
Amara Raja Batteries	610	650	590	3%	3%

### Futures Calls

Position	Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
LONG	Reliance Industries	2480	2560	2440	0%	3%
LONG	Titan	2700	2800	2650	3%	1%
LONG	Tata Steel	110	120	105	-1%	10%
LONG	DLF	434	458	422	0%	6%

## 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
ADANIENT	1840	1823	1927	1944	2031
ADANI PORTS	680	675	697	702	719
APOLLOHOSP	4571	4548	4608	4631	4668
ASIANPAINT	2979	2943	3068	3104	3192
AXISBANK	884	881	892	895	903
BAJAJ-AUTO	4527	4501	4560	4585	4619
BAJAJFINSV	1407	1403	1417	1422	1432
BAJFINANCE	6604	6587	6642	6659	6697
BHARTIARTL	791	782	793	801	803
BPCL	370	369	373	374	376
BRITANNIA	4581	4570	4617	4628	4664
CIPLA	938	931	943	950	955
COALINDIA	235	234	237	238	239
DIVISLAB	3320	3166	3376	3530	3586
DRREDDY	4779	4564	4740	4955	4916
EICHERMOT	3398	3374	3411	3436	3449
GRASIM	1765	1755	1774	1784	1793
HCLTECH	1072	1070	1082	1085	1095
HDFC	2741	2736	2759	2764	2781
HDFCBANK	1633	1622	1660	1671	1699
HDFCLIFE	558	556	564	567	572
HEROMOTOCO	2572	2559	2588	2601	2617
HINDALCO	429	417	432	444	446
HINDUNILVR	2485	2467	2542	2560	2617
ICICIBANK	929	925	938	943	951
INDUSINDBK	1157	1148	1179	1188	1209
INFY	1252	1241	1264	1275	1287
ITC	421	416	424	430	433
JSWSTEEL	714	701	722	735	743
KOTAKBANK	1945	1934	1962	1973	1990
LT	2326	2243	2320	2403	2397
M&M	1240	1234	1251	1257	1267
MARUTI	9082	9025	9198	9255	9371
NESTLEIND	21908	21787	22071	22192	22356
NTPC	176	175	178	179	181
ONGC	166	165	167	168	170
POWERGRID	246	245	248	249	250
RELIANCE	2480	2462	2495	2513	2528
SBILIFE	1180	1171	1188	1197	1205
SBIN	568	566	574	576	582
SUNPHARMA	948	944	956	960	968
TATACONSUM	788	784	790	794	795
TATAMOTORS	505	501	510	514	518
TATASTEEL	109	108	109	110	110
TCS	3268	3251	3289	3306	3327
TECHM	1038	1033	1049	1054	1064
TITAN	2735	2729	2750	2756	2771
ULTRACEMCO	7690	7667	7773	7796	7879
UPL	676	675	682	683	689
WIPRO	382	381	384	386	388

**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

Chola Securities Limited (CSL), AMFI registered mutual fund distributor, is a leading southern India based Stock broker. Our focus area of coverage within the Indian market is Mid and Small caps with a focus on companies from southern India. Our Institutional Equities services are carried out in partnership with RCCR, a boutique Investment research and Corporate Advisory firm founded by a team with extensive experience in the Asset management industry.

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**

### **AMFI - REGISTERED MUTUAL FUND DISTRIBUTOR**

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

Dare House Extn., 4th Floor, 2, N.S.C. Bose Road, Parrys, Chennai 600001, India

Tel: 91-44-40047370 Fax: 91-44-40047373

Website: www.cholawealthdirect.com CIN – U65993TN1994PLC028674