

## From Research Desk

09, August 2023

### Equity Corner:

- Nifty 50 index:** The index opened on a positive note above 19,600 on the back of conducive global cues. Post opening; selling pressure was high in metal counters such as HINDALCO (-2.17%), COALINDIA (-1.16%) and JSWSTEEL (-1.45%) which led the index rally on the downside and take support at 19,530 levels. As the session progressed; the index witnessed a rangebound action with multiple whipsaws. Market breadth remained weak throughout the session as the index formed a lower high pattern on intra-day basis indicating weakness. The session ended flat with a loss of 26 (-0.13%) points.
- Bank Nifty:** The banking index was a relative out-performer when compared to Nifty50. Majority participation from public banks such as BANKBARODA (+2.93%), PNB (+2.81%) and SBIN (+1.02%) led the index as it closed with a gain of 127 (0.28%) points.
- Market breadth:** The market breadth was negative; indicating overall weakness in stock price during the session.
- Sectorial performance:** Sectorial activity was mixed as PSUBANK (+3.37%), PHARMA (+0.64%) and BANKS (+0.28%) were among the strong sectors whereas; METALS (-1.17%), FMCG (-0.28%) and AUTO (-0.31%) were the weak ones.
- Nifty Midcaps:** The midcaps have been relative outperforming index when compared to Nifty 50 as major participants from counters such as GLAND (+20.00%), INDIANB (+13.51%) and BIOCON (+4.42%) led the index close up by 0.23%.
- Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 984/1057 indicating a lower number of advancing stocks compared to declining ones.
- FII and DII Activity:** FII's were net sellers in cash segment of around Rs. -711 crores while DIIs bought around Rs. 537 crores.

### Derivative corner:

- Nifty OI Put/Call ratio:** Nifty OI Put/Call ratio has come down from 1.18 to 0.99 levels.
- Options data:** The maximum Call OI is seen at 19,600 and 19,700 while maximum Put OI is seen at 19,500 and 19,400. This indicates that the market is expecting a trading range of 19,500 to 19,600.
- FII Activity in Derivatives:** Marginal short covering is seen in index futures. On options buying front; there has been addition of call buyers and on option writing front; net call-put writing is indicating more call writing. FII Long/Short ratio in index futures has gone up from 45% to 47% indicating short covering.

### Take on Market: Buy Corrections, stay put on Longs.

- 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, 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	65,846.5	65,953.5	-0.16%
Nifty	19,570.9	19,597.3	-0.13%
BANK Nifty	44,964.5	44,837.5	0.28%
DJIA (Dow)	35,314.5	35,473.1	-0.45%
NASDAQ	13,884.3	13,994.4	-0.79%
S&P 500	4,499.4	4,518.4	-0.42%
DAX	15,774.9	15,950.8	-1.10%
CAC 40	7,269.5	7,319.8	-0.69%

Sector Index	Close	Previous close	Change %
PSU Bank	4,540.8	4,392.8	3.37%
Nifty IT	30,825.0	30,779.3	0.15%
Nifty FMCG	51,924.4	52,072.5	-0.28%
Nifty Pharma	15,578.5	15,479.3	0.64%
Nifty Energy	26,174.7	26,266.3	-0.35%
Nifty Metal	6,544.8	6,622.2	-1.17%
Nifty Commodity	6,262.0	6,284.1	-0.35%
Nifty PSE	5,399.4	5,401.9	-0.05%

Bond Yields	Percentage
US 10 year	4.01%
US 2 year	4.75%
India 10 year	7.17%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
-711.34	2152.6	143478.06

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	hg. %
SBILIFE	3.96	ADANIANT	-2.88
HEROMOTOCO	3.92	HINDALCO	-2.12
CIPLA	3.64	M&M	-1.76
TECHM	1.81	DIVISLAB	-1.63
WIPRO	1.30	JSWSTEEL	-1.54
BAJFINANCE	1.15	BRITANNIA	-1.15
SBIN	1.02	COALINDIA	-1.09
TATACONSUM	0.98	ADANIAPORTS	-1.06

Currencies	D/D	MTD	YTD
DXY	0.49%	0.65%	-1.88%
INR	0.12%	0.75%	0.13%

Participant wise Open Interest	08/08/2023	07/08/2023	08/08/2023	07/08/2023
<b>Client Type</b>	<b>Net Position Index Futures</b>	<b>Net Position Index Futures</b>	<b>Net Position Stock Futures</b>	<b>Net Position Stock Futures</b>
FII	-12,550	-18,743	45,299	45,691
Pro	-15,506	-4,611	2,23,069	2,14,389

Participant wise Open Interest	08/08/2023	07/08/2023	08/08/2023	07/08/2023
<b>Client Type</b>	<b>Net Position Long Call - Put</b>	<b>Net Position Long Call - Put</b>	<b>Net Position Short Call - Put</b>	<b>Net Position Short Call - Put</b>
FII	-6,493	-52,546	76,362	-16,097
Pro	-29,983	-44,640	93,954	1,31,081

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.7687	-1.55%	-3.79%	-0.03%
Aluminium	USD/T	2199	-2.51%	-1.46%	-4.85%
Zinc	USD/T	2469	-3.89%	-1.20%	-17.78%
Tin	USD/T	27756	-3.08%	-4.32%	10.91%
Rubber	USD Cents/Kg	128.4	-1.38%	-2.06%	-3.09%
Coal	USD/T	142.5	5.56%	6.34%	-63.68%
Steel	CNY/T	3615	-3.78%	-3.93%	-9.91%
Gold	USD/t.0z	1927.53	-0.31%	-1.60%	5.56%
Crude Oil	USD/Bbl	82.7	4.07%	2.63%	6.94%
<b>Agriculture</b>					
Cotton	USD/Lbs	86.18	-0.52%	1.32%	3.74%
Wheat	USD/Bu	655.15	2.40%	-6.97%	-15.67%
Rice	USD/cwt	15.78	-0.97%	0.99%	-14.25%
Sugar	USD/Lbs	23.45	-3.85%	-1.96%	19.01%

## What's in the news !

▲ Positive    ■ Neutral    ▼ Negative

- **Hindalco Industries Ltd:** It reported revenue of Rs 52,991 Crores, -8.66% Y/Y & -5.13% Q/Q, EBITDA stood at Rs 6,109 Crores, -29.29% Y/Y & +5% Q/Q, EBITDA margin came at +11.53%, -3.36% Y/Y & +1.11% Q/Q and PAT of Rs 2,454 Crores, -40.42% Y/Y & +1.78% Q/Q. Shipments for novelis stood at 879 kt, aluminum upstream at 341 kt, aluminum downstream at 81 kt and copper at 118 kt. For aluminum industry the global production grew by 2%, and consumption de-grew by 2%, leading to surplus of 0.7 Mt on Y/Y basis. Global FRP Demand is estimated to grow by ~1% in CY23.
- **Subros Ltd:** It reported revenue of Rs 693 Crores, -2.26% Y/Y & -7.35% Q/Q, EBITDA stood at Rs 49 Crores, +7.49% Y/Y & -14.39% Q/Q, EBITDA margin came at +7.04%, +0.64% Y/Y & -0.58% Q/Q and PAT of Rs 14 Crores, +16.67% Y/Y & -22.22% Q/Q. Sales is lower by 2.18% Y/Y and 7.39% Q/Q majorly due to lower sales of Home AC. MSR is improved due to lower commodity rates, currency and logistic cost on year-on-year basis.
- ▲ **Adani Ports and SEZ Ltd:** It reported revenue of Rs 6,248 Crores, +23.53% Y/Y & +7.78% Q/Q, EBITDA stood at Rs 3,765 Crores, +80.23% Y/Y & +15.1% Q/Q, EBITDA margin came at +60.26%, +18.96% Y/Y & +3.83% Q/Q and PAT of Rs 2,119 Crores, +80.03% Y/Y & +85.71% Q/Q. APSEZ recorded its highest-ever quarterly port cargo volumes at 101.4 MMT in Q1 FY24, reflecting a healthy 12% Y-o-Y jump. Mundra handled 1.72 Mn TEUs in Q1 FY24, which is 12% higher than its closest competitor. EBITDA margin of domestic port business improved to 72% in Q1FY24 vs 70% in Q1 FY22. Growth in cargo volume was led by containers (+15%), dry cargo (+10%) and liquids excl. crude (+7%). The automobile segment, though a small proportion of overall volumes, saw an 54% jump in volumes. Logistics rail volumes recorded a growth of 18% Y-o-Y to 131,420 TEUs.
- ▲ **IRCON International Ltd:** It reported revenue of Rs 2,717 Crores, +35.71% Y/Y & -28.14% Q/Q, EBITDA stood at Rs 315 Crores, +32.35% Y/Y & -14.86% Q/Q, EBITDA margin came at +11.59%, -0.29% Y/Y & +1.81% Q/Q and PAT of Rs 187 Crores, +28.97% Y/Y & -26.95% Q/Q. Strong Order Book of Rs.32,486 crore as on 30.06.2023. Order book segment consist of 72.7% of railways, 21.3% of highways and 6% of others, out of which 91.3% are domestic orders and remaining 8.7% are international orders.
- ▲ **SIEMENS LTD:** It reported revenue of Rs 4,873 Crores, +14.58% Y/Y & +0.31% Q/Q, EBITDA stood at Rs 566 Crores, +65.98% Y/Y & -9% Q/Q, EBITDA margin came at +11.62%, +3.6% Y/Y & -1.19% Q/Q and PAT of Rs 456 Crores, +50.5% Y/Y & -3.39% Q/Q. The company's new orders from continuing operations stood at Rs 5,446 crore, a 6% increase over the same period last year. The company had booked a large order worth approximately Rs 900 crore for Pune Metro Rail Line 3 corridor in the first quarter of 2022. Consequently, new orders in the first quarter grew by 28% on a comparable basis.
- **Coal India Ltd:** It reported revenue of Rs 35,983 Crores, +2.54% Y/Y & -5.69% Q/Q, EBITDA stood at Rs 10,513 Crores, -14.2% Y/Y & +52.41% Q/Q, EBITDA margin came at +29.2%, -5.69% Y/Y & +11.41% Q/Q and PAT of Rs 7,941 Crores, -10.11% Y/Y & +43.65% Q/Q. Out of the total sale of Rs 33,072.6 crore during the quarter, Rs 31,757 crore came from the net sales of raw coal.

### Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	25%	14%
Maruti Suzuki	8641	10629	10%	11%
Eicher Motors	3161	4375	7%	30%

## From Technical Analyst's Desk

### NIFTY (19,571)

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 19,650	20,200	19,550

### BANK NIFTY (44,964)

Support - 44,000  
Resistance - 45,500

• BankNifty closed positive for the day and is expected to consolidate between 44,000 - 45,800.

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 45,200	46,000	44,900

### Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
INFY	Buy	Call	1,400	31Aug, 2023	18.60	30.00	13.00
HEROMOTOCO	Sell	Put	3,000	31Aug, 2023	54.00	25.00	70.00

### Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Cipla	1262	1395	1195	0%	10%

### Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Shriram Finance	1870	2030	1790	0%	9%
Divi's laboratories	3800	4000	3700	1%	4%
SBI Life Insurance Company	1300	1400	1249	4%	4%
Bharat Forge	912	996	870	-1%	10%
Marico	569	590	560	1%	2%
Berger Paints	700	750	675	1%	6%
Exide Industries	259	287	245	1%	10%
Hindustan Unilever	2566	2640	2530	0%	3%
Muthoot Finance	1330	1450	1270	3%	6%
Mahindra & Mahindra	1515	1650	1450	-1%	10%
Apollo Tyre	427.5	453	415	2%	3%
TCS	3471	3600	3407	0%	4%
Mazdock	1855	1950	1800	-2%	7%
India Cements	219	237	210	-2%	10%

## 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	2500	2429	2531	2601	2633
ADANIPTS	771	747	788	812	829
APOLLOHOSP	4977	4941	5016	5052	5091
ASIANPAINT	3329	3317	3345	3357	3372
AXISBANK	939	934	950	955	966
BAJAJ-AUTO	4640	4608	4669	4701	4730
BAJAJFINSV	1495	1480	1508	1522	1535
BAJFINANCE	7062	7014	7134	7182	7253
BHARTIARTL	884	876	889	898	903
BPCL	357	353	360	364	368
BRITANNIA	4619	4567	4648	4700	4730
CIPLA	1201	1190	1235	1246	1280
COALINDIA	230	227	233	236	239
DIVISLAB	3860	3797	3897	3961	3998
DRREDDY	5584	5567	5661	5678	5755
EICHERMOT	3309	3253	3347	3403	3441
GRASIM	1837	1816	1853	1874	1889
HCLTECH	1141	1129	1149	1161	1169
HDFC	1644	1636	1650	1658	1664
HDFCBANK	642	636	649	655	661
HDFCLIFE	2900	2885	2994	3008	3103
HEROMOTOCO	457	447	462	472	477
HINDALCO	2554	2540	2570	2584	2599
HINDUNILVR	969	963	978	983	992
ICICIBANK	1406	1395	1413	1425	1432
INDUSINDBK	1388	1382	1391	1398	1400
INFY	452	449	454	458	460
ITC	805	794	811	822	828
JSWSTEEL	1821	1811	1832	1842	1853
KOTAKBANK	2625	2616	2637	2647	2659
LT	5010	4978	5053	5084	5127
M&M	1502	1469	1518	1551	1567
MARUTI	9465	9426	9544	9583	9662
NESTLEIND	22260	21980	22379	22659	22778
NTPC	215	211	218	221	224
ONGC	172	172	173	174	174
POWERGRID	246	241	245	250	250
RELIANCE	2506	2486	2520	2541	2555
SBILIFE	1270	1249	1314	1335	1379
SBIN	565	564	570	571	575
SUNPHARMA	1148	1132	1157	1173	1181
TATACONSUM	828	821	841	847	860
TATAMOTORS	605	600	610	614	619
TATASTEEL	118	117	119	120	120
TCS	3467	3445	3479	3501	3512
TECHM	1167	1154	1188	1201	1222
TITAN	2891	2884	2911	2918	2939
ULTRACEMCO	8129	8087	8179	8222	8272
UPL	603	599	606	610	613
WIPRO	407	405	412	415	420

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