

## From Research Desk

## 22, August 2023

### Equity Corner:

- Nifty 50 index:** The index opened on a flattish note as indicated by muted global cues. Post opening; the index bounced back after taking support at 19,300 as buying was seen in IT, METAL and Bajaj-twins (Financial & FinServ). Major participation from every sector led the index close with a gain of 83 (+0.43%) points
- Bank Nifty:** The banking space was in-line with the headline index as buying in AXISBANK (+0.90%), KOTAKBANK (+0.64%) & ICICIBANK (+0.23%) led the index close on a positive note with a gain of 151 (+0.34%) points.
- Market breadth:** The market breadth was positive; indicating overall strength in stock price during the session.
- Sectorial performance:** Majority of sectors were strong such as METALS (+1.30%), IT (+1.09%) and FMCG (+0.65%), exception being; PSUBANK (-0.64%).
- Nifty Midcaps:** The Midcap index is back to ATH levels as buying in TRIDENT (+11.42%), ADANIPOWER (+7.32%) and DIXON (+3.61%) led the index close up +0.82%.
- Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 1226/853 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. – 1,901 crores while DIIs bought around Rs. 626 crores.

### Derivative corner:

- Nifty OI Put/Call ratio has gone up from 1.00 to 1.08 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 19,200. This indicates that the market is expecting a trading range of 19,200 to 19,400 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 put writers back in action. FII Long/Short ratio in index futures has marginally gone up from 42% to 43% indicating long addition.

### 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	65,216.1	64,948.7	0.41%
Nifty	19,393.6	19,310.2	0.43%
BANK Nifty	44,002.0	43,851.1	0.34%
DJIA (Dow)	34,463.7	34,500.7	-0.11%
NASDAQ	13,497.6	13,290.8	1.56%
S&P 500	4,399.8	4,369.7	0.69%
DAX	15,603.3	15,574.3	0.19%
CAC 40	7,198.1	7,164.1	0.47%

Sector Index	Close	Previous close	Change %
PSU Bank	4,574.5	4,603.9	-0.64%
Nifty IT	30,937.6	30,604.1	1.09%
Nifty FMCG	51,799.0	51,464.8	0.65%
Nifty Pharma	15,333.4	15,271.5	0.41%
Nifty Energy	26,462.4	26,302.2	0.61%
Nifty Metal	6,578.4	6,493.7	1.30%
Nifty Commodity	6,235.3	6,181.8	0.87%
Nifty PSE	5,441.6	5,372.9	1.28%

Bond Yields	Percentage
US 10 year	4.34%
US 2 year	5.00%
India 10 year	7.22%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
-1,901.10	15652.73	156978.19

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	hg. %
BAJFINANCE	2.75	JIOFIN	-5.00
POWERGRID	2.66	RELIANCE	-1.11
ADANI PORTS	2.59	M&M	-0.91
ADANI ENT	2.31	BRITANNIA	-0.75
HINDALCO	2.09	BAJAJ-AUTO	-0.36
INDUSINDBK	1.86	SBILIFE	-0.35
NTPC	1.86	SBIN	-0.29
BHARTIARTL	1.77	BPCL	-0.26

Currencies	D/D	MTD	YTD
DXY	-0.22%	1.42%	-1.13%
INR	-0.09%	1.03%	0.42%

Participant wise Open Interest	21/08/2023	18/08/2023	21/08/2023	18/08/2023
<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	-27,473	-30,274	-1,50,717	-1,75,647
Pro	-13,494	-7,866	2,85,818	3,07,785

  

Participant wise Open Interest	21/08/2023	18/08/2023	21/08/2023	18/08/2023
<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	-67,135	-11,011	-29,921	76,475
Pro	-75,715	-61,619	-89,000	1,52,172

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.7237	1.75%	-4.93%	-1.23%
Aluminium	USD/T	2147	0.05%	-3.79%	-7.10%
Zinc	USD/T	2324	-1.09%	-7.00%	-22.61%
Tin	USD/T	25260	-4.52%	-12.93%	0.94%
Rubber	USD Cents/Kg	129.1	1.33%	-1.53%	-2.57%
Coal	USD/T	149.25	1.88%	11.38%	-61.96%
Steel	CNY/T	3669	2.40%	-2.50%	-8.56%
Gold	USD/t.Oz	1896.83	-0.30%	-3.16%	3.88%
Crude Oil	USD/Bbl	80.043	-0.54%	-0.67%	3.51%
<b>Agriculture</b>					
Cotton	USD/Lbs	85.57	-2.37%	0.60%	3.00%
Wheat	USD/Bu	603.55	0.84%	-14.30%	-22.32%
Rice	USD/cwt	15.49	-0.61%	-0.86%	-15.83%
Sugar	USD/Lbs	23.4	-2.70%	-2.17%	18.76%

## What's in the news !

▲ Positive    ■ Neutral    ▼ Negative

**L&T:** The hydrocarbon business of Larsen & Toubro (L&T) on August 21 said that it has received a significant contract from the Saipem & Clough joint venture (SCJV) in Australia. The conglomerate classifies orders ranging from Rs 1,000 crore to Rs 2,500 crore as significant. This order win by L&T involves creating and delivering process and pipe rack modules for a 2.3 million metric tons per annum (MMTPA) urea plant for Perdaman Chemicals and Fertilisers. The project involves creating approximately 50,000 metric tons of modules to be delivered within 32 months. These modules will be manufactured at L&T's Kattupalli Modular Fabrication Facility.

**Bharat Forge:** Shares of Bharat Forge gained 2% as Kalyani Strategic Systems Limited, a wholly owned defence subsidiary of Bharat Forge, has bagged two export orders aggregating to approximately Rs 850 crore from friendly countries for supply of components and armoured vehicle chassis to be executed over 18 months. The company is placed well in the global automotive forgings industry, especially in the commercial vehicles chassis and engine component space.

**BHEL:** Bharat Heavy Electricals (BHEL) shares were up by 2% on August 21st after the company announced an order win from Adani-group subsidiary Mahan Energen worth approximately Rs 4,000 crore. The state-owned company is expected to supply power generating equipment to the latter for an upcoming 2x800 power project at Bandhaura. The company will be supplying heavy equipment's such as boiler, turbine, generator and associated auxiliaries along with control and instrumentation mechanism. Apart from supplying the said equipment's, it will also be supervising and commissioning of the upcoming power project which is based on supercritical technology.

**ABB:** ABB India in an exchange filing on August 21 announced that it has secured an order from Reliance Life Sciences (RLS) to deploy automation and control solutions for new biosimilars and plasma protein manufacturing facilities in Nashik. The scope of the project involves complete automation of manufacturing processes through ABB's distributed control system (DCS) ability system 800xA. By harnessing ABB's advanced technology, RLS aims to enhance its manufacturing processes, meet regulatory standards, and elevate the quality of its products.

**NHPC:** State-owned hydro power giant NHPC has inked an initial pact with RITES to construct railway siding for a 2,880 MW Dibang multipurpose project in Arunachal Pradesh. NHPC signed an MoU with RITES for Construction of Railway Siding at Pasighat. NHPC's total installed capacity is 7,097.2 MW of renewable power (including wind and solar) through its 25 power stations, including 1,520 MW through its subsidiary. RITES Ltd is a leading player in the transport consultancy and engineering sector in India, having diversified services across sectors and geographical reach. The strategic partnership between NHPC and RITES complements the expertise of both organisations.

**Tata Power:** Tata Power Renewable Energy Limited (TPREL), a leading player in the renewable energy sector and a subsidiary of Tata Power, signed a Power Purchase Agreement (PPA) for 9MWp on campus solar plant with Tata Motors Limited Pantnagar plant in Uttarakhand. This solar plant will be the largest on campus solar facility in the State. The solar installation includes an effective approach towards Tata Motors sustainable future goals, with an estimated carbon emission reduction of 25 tonnes of CO<sub>2</sub>/kWp in Uttarakhand. The project will be commissioned within 6 months from the PPA execution date. The solar installation will utilize both rooftop and ground mounted units for installation.

### Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	16%	23%
Maruti Suzuki	8641	10629	9%	13%
Eicher Motors	3161	4375	6%	30%

\*Price at which call was generated

## From Technical Analyst's Desk

### NIFTY (19,394)

Support - 19,250  
Resistance - 19,650

• Nifty closed positive and is expected to consolidate between 19,250 - 19,650.

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 19,450	20,000	19,300

### BANK NIFTY (44,002)

Support - 43,500  
Resistance - 44,500

• BankNifty closed positive for the day and is expected to consolidate between 43,500 - 44,500.

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 44,200	45,000	43,900

### Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
INFY	Buy	Call	1,400	31Aug, 2023	16.00	28.00	10.00
TITAN	Sell	Put	3,060	31Aug, 2023	28.70	10.00	36.00

### Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
TVS Motor	1355	1470	1298	0%	9%

### Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
L&T Technology Services	4325	4520	4230	0%	4%
Bharat Forge	980	1060	940	0%	8%
Dixon Technologies	4840	5085	4720	1%	4%
NTPC	213.5	220	210.3	2%	1%
Cipla	1262	1395	1195	-2%	13%
Lupin	1100	1200	1050	-1%	10%
Indian Bank	400	440	380	2%	8%
Piramal Enterprises	1035	1150	980	3%	8%
Titan	3020	3180	2940	2%	3%
Mahindra & Mahindra	1515	1650	1450	2%	7%
Tata Motors	613	658	590	1%	6%
Reliance	2545	2675	2480	-1%	6%
HDFC AMC	2510	2640	2445	-2%	7%
SBI Life Insurance Company	1300	1400	1249	-2%	9%
Polycab	4743	4970	4630	2%	2%
KPIT Technologies	1155	1250	1108	-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
ADANIEMT	2540	2523	2598	2615	2672
ADANIPTS	823	818	844	849	869
APOLLOHSP	4796	4765	4871	4901	4976
ASIANPAINT	3146	3131	3167	3181	3202
AXISBANK	938	936	946	948	956
BAJAJ-AUTO	4597	4576	4613	4634	4651
BAJAJFINSV	1443	1430	1464	1477	1497
BAJFINANCE	6731	6635	6897	6993	7159
BHARTIARTL	846	840	860	866	880
BPCL	351	349	353	355	357
BRITANNIA	4504	4471	4532	4566	4594
CIPLA	1229	1222	1237	1244	1252
COALINDIA	226	224	228	229	232
DIVISLAB	3636	3623	3660	3674	3697
DRREDDY	5839	5811	5882	5910	5953
EICHERMOT	3321	3290	3347	3378	3403
GRASIM	1779	1773	1796	1802	1819
HCLTECH	1164	1156	1176	1184	1196
HDFC	1584	1579	1592	1598	1606
HDFCBANK	623	620	626	629	632
HDFCLIFE	2911	2896	2928	2943	2960
HEROMOTOCO	434	431	442	445	453
HINDALCO	2537	2520	2556	2573	2592
HINDUNILVR	945	941	952	956	963
ICICIBANK	1355	1344	1377	1389	1411
INDUSINDBK	1379	1373	1393	1399	1413
INFY	438	436	443	445	450
ITC	255	246	259	268	272
JSWSTEEL	782	780	790	792	800
KOTAKBANK	1739	1732	1756	1763	1780
LT	2620	2600	2643	2664	2687
M&M	5037	4998	5095	5133	5191
MARUTI	1542	1527	1547	1563	1568
NESTLEIND	9428	9393	9449	9484	9504
NTPC	21610	21452	21893	22050	22334
ONGC	213	213	216	217	220
POWERGRID	174	173	175	176	177
RELIANCE	238	237	243	244	249
SBILIFE	2537	2506	2546	2577	2586
SBIN	1275	1267	1282	1290	1298
SUNPHARMA	571	568	573	575	578
TATACONSUM	1127	1118	1135	1143	1152
TATAMOTORS	838	835	844	847	852
TATASTEEL	612	609	617	620	626
TCS	115	115	116	116	117
TECHM	3348	3341	3379	3386	3417
TITAN	1201	1193	1212	1221	1232
ULTRACEMCO	3034	3026	3058	3067	3091
UPL	8178	8155	8229	8252	8302
WIPRO	574	572	582	583	592

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