

From Research Desk

02, August 2023

Equity Corner:

- Nifty 50 index:** The index opened on a positive note with a gap-up of 31 points on the back of favourable global cues. Post opening; profit booking was seen in stocks such as RELIANCE (-1.41%), APOLLOHOSP (-2.73%) and POWERGRID (-5.36%) which led the index take support at 19,700. As the session progressed, the index traded in a range of 50 points. Market breadth remained positive as buying was seen in COALINDIA (4.84%), TECHM (2.51%) and EICHERMOT (1.50%) which indicated overall strength. The index has formed a higher high and higher low pattern on daily scale as the session ended on a flat note with a loss of 20 points
- Bank Nifty:** The index opened with a similar setup when compared to Nifty 50. Profit booking was seen in INDUSINDBK (-1.63%) and SBIN (-1.35%). However as the session progressed; heavyweights such as HDFCBANK (0.67%) and AXISBANK (0.63%) kept the sector in line as the index closed with a loss of 59 (-0.13%) points.
- Market breadth:** The market breadth was positive, indicating overall strength in stock price during the session.
- Sectorial performance:** The sectorial performance was mixed as IT (1.20%) and METALS (0.18%) were strong; whereas, REALTY (-1.77%) and PSUBANK (-0.52%) showed weakness.
- Nifty Midcaps:** The midcaps have been outperforming for consecutive sessions as buying in NAVINFLUOR (6.45%), UBL (4.26%) led the index close marginally up +0.03%.
- Advance/Decline Ratio:** Advance/Decline ratio at close for NSE stood at 1223/834 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. 92.85 crores while DIIs bought around Rs. 1035 crores.

Derivative corner:

- Nifty OI Put/Call ratio:** Nifty OI Put/Call ratio has come down from 1.01 to 0.92 levels
- Options data:** The maximum Call OI is seen at 19,800 and 19,900 while maximum Put OI is seen at 19,700 and 19,600. This indicates that the market is expecting a trading range of 19,600 to 19,800 zones.
- FII Activity in Derivatives:** Marginal liquidation of long and shorts is seen in index futures. On options buying front; there are more call buyers and on option writing front; net call-put writing is indicating dominance of call writers. FII Long/Short ratio in index futures has remained unchanged at 51%.

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	66,459.3	66,527.7	-0.10%
Nifty	19,733.6	19,753.8	-0.10%
BANK Nifty	45,592.5	45,651.1	-0.13%
DJIA (Dow)	35,630.7	35,559.5	0.20%
NASDAQ	14,283.9	14,346.0	-0.43%
S&P 500	4,576.7	4,589.0	-0.27%
DAX	16,240.4	16,446.8	-1.26%
CAC 40	7,406.1	7,497.8	-1.22%

Sector Index	Close	Previous close	Change %
PSU Bank	4,596.4	4,620.6	-0.52%
Nifty IT	30,288.7	29,928.5	1.20%
Nifty FMCG	52,501.2	52,636.9	-0.26%
Nifty Pharma	15,001.3	14,992.2	0.06%
Nifty Energy	26,783.5	26,853.7	-0.26%
Nifty Metal	6,770.2	6,758.2	0.18%
Nifty Commodity	6,405.1	6,360.3	0.70%
Nifty PSE	5,512.2	5,511.1	0.02%

Bond Yields	Percentage
US 10 year	4.03%
US 2 year	4.89%
India 10 year	7.16%

FII Flows (Cash market - In Crores)		
Current	MTD	YTD
-92.85	-544.2	140781.26

Top 8 Nifty Gainers	Chg. %	Top 8 Nifty Losers	hg. %
COALINDIA	5.21	POWERGRID	-5.17
NTPC	3.05	HEROMOTOCO	-3.24
TECHM	2.38	APOLLOHOSP	-2.64
HCLTECH	1.91	ADANIPOINTS	-1.65
LTIM	1.70	BAJAJFINSV	-1.58
EICHERMOT	1.44	INDUSINDBK	-1.50
M&M	1.00	DIVISLAB	-1.47
TCS	0.84	SBIN	-1.26

Currencies	D/D	MTD	YTD
DXY	0.36%	0.33%	-2.19%
INR	0.12%	0.12%	-0.49%

Participant wise Open Interest	01/08/2023	31/07/2023	01/08/2023	31/07/2023
Client Type	Net Position Index Futures	Net Position Index Futures	Net Position Stock Futures	Net Position Stock Futures
FII	5,420	5,667	75,302	80,666
Pro	2,628	-2,280	1,88,974	1,87,804

Participant wise Open Interest	01/08/2023	31/07/2023	01/08/2023	31/07/2023
Client Type	Net Position Long Call - Put	Net Position Long Call - Put	Net Position Short Call - Put	Net Position Short Call - Put
FII	1,22,158	1,39,185	2,03,212	2,05,811
Pro	-1,13,314	-22,039	76,803	1,559

Commodity Corner	Currency/Per Unit	Price	Week on Week	MTD	YTD
Copper	USD/Lbs	3.8876	-0.11%	-0.75%	3.12%
Aluminium	USD/T	2256.5	0.74%	1.12%	-2.36%
Zinc	USD/T	2556	2.73%	2.28%	-14.89%
Tin	USD/T	28637	0.13%	-1.29%	14.43%
Rubber	USD Cents/Kg	130	-0.08%	-0.84%	-1.89%
Coal	USD/T	135	0.75%	0.75%	-65.59%
Steel	CNY/T	3766	0.13%	0.08%	-6.15%
Gold	USD/t.Oz	1947.59	-1.18%	-0.57%	6.66%
Crude Oil	USD/Bbl	82.309	4.51%	2.15%	6.44%
Agriculture					
Cotton	USD/Lbs	86.63	-2.17%	1.85%	4.28%
Wheat	USD/Bu	679.29	-5.59%	-3.54%	-12.57%
Rice	USD/cwt	15.8	-0.28%	1.12%	-14.14%
Sugar	USD/Lbs	24.39	-1.22%	1.96%	23.78%

What's in the news !

▲ Positive ■ Neutral ▼ Negative

Escorts: It reported revenue of Rs 2,355 Crores, +15.9% Y/Y & +6.37% Q/Q, EBITDA stood at Rs 331 Crores, +62.25% Y/Y & +42.06% Q/Q, EBITDA margin came at +14.06%, +4.02% Y/Y & +3.53% Q/Q and PAT of Rs 290 Crores, +105.67% Y/Y & +34.26% Q/Q. Total number of vehicles sold in the period was 26,582 units which seen a decline 0.8% Y/Y basis, but growth of 7.3% Q/Q basis. Segment Revenue agri machinery products went up by 4.5% to Rs 1667 cr, construction equipment went up by 46.3% to Rs 360 cr and railway equipment went up by 71.8%. In addition to our domestic business growth, we are strategically aligning our efforts to leverage on our export network for further impetus and open new opportunities. In the Agri business, overall sentiments were mixed last quarter as markets with good rainfall and crop prices showed good momentum, and markets with a delayed monsoon had a slightly dampened demand. Going forward, with further advancement of monsoon across the country, adequate reservoir levels, better liquidity, and consumer credit availability, we expect the demand momentum to improve.

JULY AUTO Numbers:

Hero Motocorp: In the month of July, the sales totaled to 391,310 units. Compared to June 2023, there was a decrease of 10.5% in sales volume on a M/M basis from 436,993 units, and compared to July 2022, there was a decrease of 12.2% on a Y/Y basis from 445,580 units.

Eicher Motors: In the month of July, the sales totaled to 78,994 units. Compared to June 2023, there was a decrease of 5.8% in sales volume on a M/M basis from 83,824 units, and compared to July 2022, there was an increase of 28.4% on a Y/Y basis from 61,537 units.

Escorts Kubota: In the month of July, the sales totaled to 5,570 units. Compared to June 2023, there was a decrease of 43.5% in sales volume on a M/M basis from 9,850 units, and compared to July 2022, there was an increase of 3.9% on a Y/Y basis from 5,360 units.

Maruti: In the month of July, the sales totaled to 181,630 units. Compared to June 2023, there was an increase of 13.9% in sales volume on a M/M basis from 159,418 units, and compared to July 2022, there was an increase of 3.2% on a Y/Y basis from 175,916 units.

TataMotors: In the month of July, the sales totaled to 80,572 units. Compared to June 2023, there was a decrease of 1.2% in sales volume on a M/M basis from 81,549 units, and compared to July 2022, there was a decrease of 1.3% on a Y/Y basis from 81,659 units.

Ashok Leyland: In the month of July, the sales totaled to 15,068 units. Compared to June 2023, there was a decrease of 1% in sales volume on a M/M basis from 15,221 units, and compared to July 2022, there was an increase of 10.6% on a Y/Y basis from 13,625 units.

Bajaj Auto: In the month of July, the sales totaled to 319,747 units. Compared to June 2023, there was a decrease of 6.2% in sales volume on a M/M basis from 340,981 units, and compared to July 2022, there was a decrease of 9.8% on a Y/Y basis from 354,670 units.

TVS Motors: In the month of July, the sales totaled to 325,977 units. Compared to June 2023, there was an increase of 3% in sales volume on a M/M basis from 316,411 units, and compared to July 2022, there was an increase of 3.6% on a Y/Y basis from 314,639 units.

M&M: In the month of July, the sales totaled to 91,299 units. Compared to June 2023, there was a decrease of 14.6% in sales volume on a M/M basis from 106,907 units, and compared to July 2022, there was an increase of 14.9% on a Y/Y basis from 79,455 units.

Open Fundamental Calls (12 months)

Company Name	Entry Price*	Target	M to M	Potential return
Muthoot Finance	1091	1550	23%	15%
Maruti Suzuki	8641	10629	12%	9%
Eicher Motors	3161	4375	8%	28%

*Price at which call was generated

From Technical Analyst's Desk

NIFTY (19,734)

Support - 19,550
Resistance - 19,900

• Nifty closed flat and is expected to consolidate between 19,550 - 19,900.

Recommendation	Trigger level	Target	Stoploss
Nifty Futures	Buy above 19,870	20,200	19,700

BANK NIFTY (45,593)

Support - 45,000
Resistance - 46,300

• BankNifty closed flat for the day and is expected to consolidate between 45,000 - 46,300.

Recommendation	Trigger level	Target	Stoploss
Bank Nifty Futures	Buy above 45,800	46,500	45,500

Options recommendation

Stock/Index	Recommendation	Type	Strike	Expiry	Premium	Target	Stop loss
HDFCAMC	Buy	Call	2,560	31Aug, 2023	74.00	115.00	60.00
TCS	Sell	Put	3,440	31Aug, 2023	47.50	20.00	60.00
EICHERMOT	Buy	Call	3,400	31Aug, 2023	106.00	150.00	85.00
COFORGE	Buy	Call	5,000	31Aug, 2023	95.00	135.00	70.00

Top Pick for the day

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Exide Industries	259	287	245	2%	9%

Positional Calls (15 days)

Company Name	Entry Price*	Target	Stop Loss	M to M	Potential Return
Granules	325.25	346	315	0%	6%
Berger Paints	700	750	675	0%	7%
India Cements	219	237	210	0%	8%
Bharat Forge	912	996	870	2%	7%
Bharat Dynamics	1206	1300	1160	2%	6%
Ultratech Cement	8360	8680	8200	-1%	5%
Indian Bank	335	355	325	4%	2%
National Aluminium Company	94.7	103	91	1%	8%
Muthoot Finance	1330	1450	1270	1%	8%
Manappuram Finance	135.2	150	128	0%	10%
Bajaj Auto	4900	5200	4750	0%	6%
Balkrishna Industries	2442	2630	2350	3%	4%
Grasim	1843	1930	1800	0%	5%
Jindal Steel	647	700	620	4%	4%
SBI	603	650	580	1%	6%
Divi's laboratories	3720	4000	3580	-2%	10%
Dabur	577	605	563	-1%	6%
Lic Housing Finance	404	432	390	3%	3%
ICICI prudential Life Insurance Company	573	620	550	0%	8%
Hindalco	460	480	450	1%	3%
Lupin	990	1075	948	0%	9%
Apollo Tyre	427.5	453	415	0%	6%

*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
ADANIENT	2463	2430	2488	2522	2547
ADANIPTS	768	755	775	788	794
APOLLOHOSP	5079	4956	5145	5268	5333
ASIANPAINT	3354	3322	3369	3401	3416
AXISBANK	948	944	956	960	968
BAJAJ-AUTO	4892	4856	4935	4971	5015
BAJAJFINSV	1583	1561	1592	1613	1622
BAJFINANCE	7257	7208	7294	7343	7380
BHARTIARTL	885	882	891	895	901
BPCL	375	372	377	380	383
BRITANNIA	4747	4702	4795	4841	4889
CIPLA	1165	1157	1176	1185	1196
COALINDIA	223	220	232	235	245
DIVISLAB	3637	3583	3679	3732	3774
DRREDDY	5589	5547	5649	5692	5752
EICHERMOT	3332	3315	3383	3399	3451
GRASIM	1834	1814	1845	1865	1875
HCLTECH	1102	1092	1122	1132	1152
HDFC	1642	1638	1655	1660	1672
HDFCBANK	642	636	645	651	653
HDFCLIFE	3098	2959	3171	3310	3383
HEROMOTOCO	458	455	465	467	474
HINDALCO	2546	2531	2560	2575	2589
HINDUNILVR	992	984	998	1005	1011
ICICIBANK	1401	1378	1412	1435	1446
INDUSINDBK	1350	1347	1359	1362	1371
INFY	463	461	466	468	471
ITC	813	811	819	821	827
JSWSTEEL	1846	1834	1856	1867	1877
KOTAKBANK	2665	2643	2677	2698	2710
LT	4842	4822	4921	4941	5019
M&M	1458	1447	1481	1492	1515
MARUTI	9700	9554	9796	9942	10038
NESTLEIND	22421	22290	22555	22686	22820
NTPC	214	213	221	222	228
ONGC	176	174	176	178	179
POWERGRID	260	250	261	272	273
RELIANCE	2522	2487	2541	2576	2594
SBILIFE	1270	1254	1278	1294	1302
SBIN	615	608	618	625	628
SUNPHARMA	1135	1127	1144	1152	1161
TATACONSUM	854	849	859	864	869
TATAMOTORS	639	635	646	650	657
TATASTEEL	122	122	123	124	125
TCS	3399	3384	3429	3444	3474
TECHM	1098	1092	1126	1133	1161
TITAN	2984	2966	3006	3024	3046
ULTRACEMCO	8269	8221	8319	8367	8416
UPL	616	605	622	633	639
WIPRO	403	402	406	407	409

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