

15<sup>th</sup> Jan, 2024

# Most Market OUTLOOK

A graphic featuring a magnifying glass with a black handle and a yellow lens. The lens is focused on a small bar chart with yellow bars of varying heights. To the right of the magnifying glass, a large yellow arrow points diagonally upwards and to the right. The entire graphic is set against a light gray background with faint, stylized bar charts and curved lines.

## Morning Market Outlook

- Better than expected IT major HCL Tech and Wipro Q3 results, strong opening in the Asian markets, cooling down of domestic December inflation data, falling down US Wholesales Inflation print, hope of US Fed to cut interest rate and US 10-Year bond yield fell to below 4%, may open domestic bourses on a positive note.
- Shares in Asia advanced ahead of an expected cut to China's 1-year medium-term lending facility and in the wake of Taiwan's election at the weekend. European stocks rallied Friday, led by gains in media and industrials sectors, and reassured by European Central Bank President Christine Lagarde saying interest rates will fall once inflation is under control.
- Oil prices climbed 2% to \$79/bbl after US and UK forces launched strikes against Iran-backed Huthi rebels, while global stocks were mixed following the kickoff of corporate earnings season.

### Actionable Idea for the Day

#### Technical Pick:

**TVS Motors : Buy**

**(CMP 2085 SL 2040 TP 2170**

**2-3 Days)**

#### Fundamental Pick:

**HCL Tech : Buy**

**(CMP: 1541 TP: 1880)**

**(Duration 1 Year)**

### Index Levels :

| Nifty Cash      | R1     | R2     | S1     | S2     |
|-----------------|--------|--------|--------|--------|
| 21,894          | 22,000 | 22,222 | 21,650 | 21,450 |
| BANK Nifty Cash | R1     | R2     | S1     | S2     |
| 47,709          | 48,000 | 48,250 | 47,250 | 47,000 |

### Top 5 Investment Idea

| Stock Name | Rating | CMP  | TP   | Upside |
|------------|--------|------|------|--------|
| Titan      | Buy    | 3724 | 4300 | 15%    |
| Kaynes     | Buy    | 2731 | 3130 | 15%    |
| ABB        | Buy    | 4781 | 5460 | 14%    |
| Lemon Tree | Buy    | 134  | 150  | 12%    |
| Cipla      | Buy    | 1308 | 1450 | 11%    |

## Global Market Summary:

- US markets on Friday, ended mixed, as investors assessed inflation reading and the first batch of fourth-quarter earnings.
- Currently Dow Fut is trading flat.
- European indices on Friday, gained ~1%.
- Asian markets today, are mostly trading ~0.5-1% higher
- **Global Cues: Positive**

## Indian Market Summary:

- Nifty on Friday, made a fresh all-time high of 21928 levels during the session and closed with handsome gains of 247 points (+1.1%) at 21894 levels.
- FII: -Rs340 crore DII: +Rs2911 crore.
- Currently GIFT Nifty is trading +0.3% higher (74 points up).
- **Domestic Cues: Positive**

## News and Impact :

**BHEL:** BHEL has received a Letter of Award (LOA) for the EPC package for the 3x800 MW NLC Talabira Thermal Power Project (NTTPP) in Jharsuguda, Odisha, from NLC India. The project is worth Rs 15,000 crore. **Impact: Positive**

**ONGC:** Oil and Natural Gas Corporation (ONGC) has discovered two significant natural gas reserves in the Mahanadi basin block in the Bay of Bengal. The recent discovery is likely to give an impetus to India's energy security as the country imports nearly half of its gas needs. **Impact: Positive**



## HCL Tech: CMP INR1541, TP INR1880, 22% Upside, Buy

- HCL Technologies (HCLT) delivered a robust 3QFY24 performance, with a 6.0% QoQ revenue growth in constant currency (CC) terms, ahead of our estimate of +4.4%.
- This growth was driven by seasonal gains in HCL Software (P&P), which rose 34% QoQ. HCLT's Services grew 3.1% QoQ in CC terms, with healthy growth in both the IT & ER&D verticals.
- HCLT narrowed its FY24 USD revenue growth guidance to 5.0%-5.5% YoY in CC (vs. 5.0-6.0% YoY earlier, including ASAP) for both consolidated and Services segment. It retained its EBIT margin guidance band of 18-19%.
- However, the implied 4Q guidance for the Services vertical indicates that it will grow next quarter despite lower deal wins and a high base.

**View:** Buy

## Tata Consumer: CMP INR1159 TP INR1330 Upside 15% Buy

- TATACONS has acquired 100% equity stake in Capital Foods Pvt. Ltd ('Ching's Secret' & 'Smith & Jones' brands) & Organic India Pvt Ltd (a 'better for you' organic brand) for total consideration of INR70b.
- Capital Foods is the market leader of Desi Chinese products in India with an estimated revenue of ~INR7.5b in FY24 (accounting for ~5% of the incremental revenue in FY24E), while Organic India products span across Food & Beverages and Herbal & Traditional Supplements with an estimated revenue of INR3.6b in FY24 (accounting for ~2.4% of the incremental revenue in FY24E).
- The acquisition is expected to be EPS accretive for the company from the third year of operations. It has been executed at industry-standard valuations, with Capital Foods/Organic India acquisition valued at ~6.8x/5.2x EV/sales on FY24E sales vs. ~6.4x for TATACONS.

**View:** Buy

# Nifty Technical Outlook

**Nifty (CMP: 21894):** Nifty immediate support at 21650 then 21450 zones while resistance at 22000 then 22222 zones. Now it has to hold above 21800 zones, for an up move towards 22000 then 22222 zones while on the downside support exists at 21650 and 21450 zones.





**Bank Nifty (CMP: 47709)** : Bank Nifty support at 47250 then 47000 zones while resistance at 48000 then 48250 zones. Now till it holds above 47500 zones, momentum can be seen towards 48000 then 48250 zones while on the downside support is seen at 47250 then 47000 levels.

3-Niftybank - 12/01/24  
EMA(CloseLine:20)



# Technical Trading Idea

**TVS Motors : Buy      CMP : 2085      Target : 2170      SL : 2040      Duration : 2-3 Days**

- TVS Motors have given triangle breakout on daily chart and holding well above the same. It is perfectly respecting 20 DEMA and inching higher. Buying is visible across Auto space which may take the prices higher. Momentum indicator RSI is positively placed which has bullish implications.

3-Tvs Motor Company Limited - 12/01/24  
EMA(CloseLine:20)

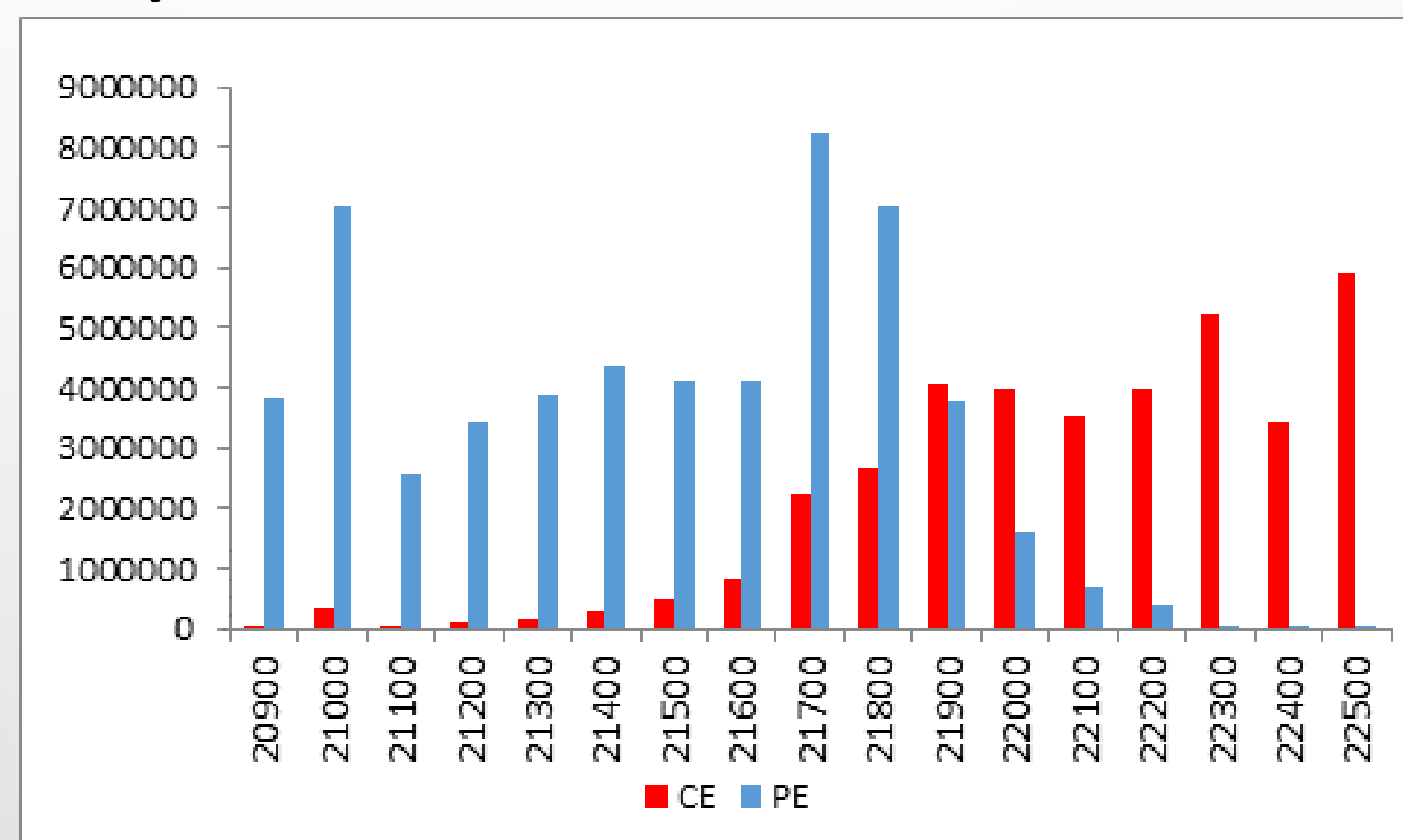




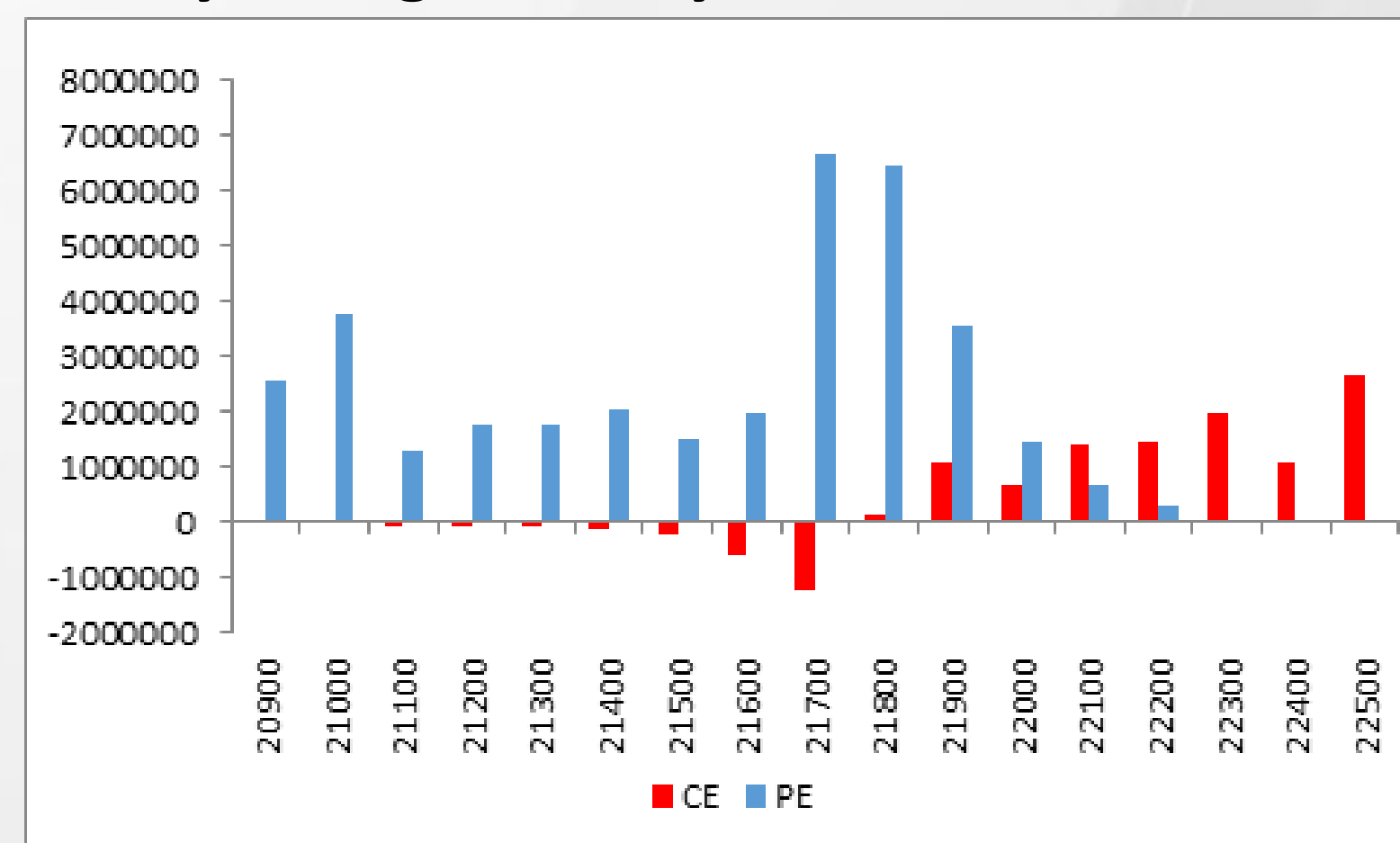
- Nifty January future closed at 21,947.00 with a premium of 52.45 point v/s 31.25 point premium in the last session.
- Nifty futures OI increased by 4.15% to 1.38 Cr and Bank Nifty futures OI decreased by 10.23% to 22.90 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 1.14 to 1.43 level.
- India VIX was up by 2.58% from 12.77 to 13.10 levels. Volatility was slightly on the rise and created momentum at life time high zones.
- On weekly front, Maximum Call OI is at 22500 strike then 22300 strike while Maximum Put OI is at 21700 strike then 21800 strike. Call writing is seen at 22500 strike and put writing is seen at 21700 strike. Option data suggests a broader trading range in between 21500 to 22500 zones while an immediate trading range in between 21700 to 22300 zones.



## Nifty OI



## 1-Day change in Nifty OI



- **Option Buying:** Buy Weekly Nifty 21950 Call till it holds above 21800 zones. Buy Weekly Bank Nifty 47900 Call till it holds above 47500 zones.
- **Option Strategy:** Buy Weekly Nifty Bull Call Spread (Buy 22000 CE, Sell 22100 CE) at net premium cost of 35-40 points. Buy Weekly Bank Nifty Bull Call Spread (Buy 47800 CE, Sell 48100 CE) at net premium cost of 120-130 points
- **Option Writing:** Sell Weekly Nifty 21300 PE and 22300 CE at inflow of 25-28 points with strict double SL. Sell Weekly Bank Nifty 46500 PE and Sell 48800 CE at inflow of 45-50 points with strict SL.

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