

23rd 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, the word 'OUTLOOK' is written in large, bold, yellow capital letters. Above the word 'Market' in the title, there is a black line graph with an upward-pointing arrow. The entire graphic is enclosed in a thin yellow rectangular border.

Morning Market Outlook

- Impressive quarterly results announced by ICICI Bank, record high closing both in Dow Jones & US S&P 500 Index, hope of US Fed to cut interest rate in March and cooling down US 10-Year bond Yield from 1-month high, may open domestic equity market on a positive note.
- Asian shares rose after US stocks eked out small gains to close at fresh records, with all eyes on Chinese markets' reaction to Beijing's latest pledge to arrest a stock rout and the Bank of Japan's policy decision. Japan, South Korea and Taiwan Index gained up to 0.5%.
- Results today - Axis Bank, Pidilite, REC, Havells and United Spirits.
- Bank of Japan interest rate decision and US GDP data today.

Actionable Idea for the Day

Technical Pick:

Coal India : Buy

(CMP 399 SL 390 TP 420

2-3 Days)

Fundamental Pick:

ICICI Bank : Buy

(CMP: 1008 TP: 1230)

(Duration 1 Year)

Index Levels :

Nifty Cash	R1	R2	S1	S2
21,571	21,750	21,850	21,500	21,400
BankNifty Cash	R1	R2	S1	S2
46,058	46,250	46,500	45,650	45,400

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Ultratech	Buy	10,094	12000	19%
Kaynes	Buy	2,689	3130	16%
Union Bank	Buy	142	165	16%
ABB	Buy	4,780	5460	14%
Titan	Buy	3,786	4300	14%

Fundamental Outlook

Global Market Summary:

- US markets yesterday, gained $\sim +0.3\%$, on hope for US Fed to cut interest rate in March and cool off in US 10-Year bond Yield from 1-month high.
- Currently Dow Fut is trading $+0.1\%$ higher.
- European indices yesterday, bounced $\sim +0.5\%$, awaiting clear signals from the ECB and earnings season.
- Asian markets today, are mostly trading $\sim 0.5\%$ higher, awaiting Bank of Japan's policy decision and US GDP data
- **Global Cues: Positive**

Indian Market Summary:

- Nifty on Saturday, opened on a positive note but ended the session with loss of 50 points (-0.2%) at 21571 levels.
- FII: -Rs546 crore DII: -Rs719 crore. Currently GIFT Nifty is trading $+0.9\%$ higher (185 points up).
- **Domestic Cues: Positive**

News and Impact :

Tata Power: Prime Minister Narendra Modi yesterday announced the 'Pradhan Mantri Suryodaya Yojana', a government scheme under which one crore households will get rooftop solar power systems.

Impact: Positive

Tube Investments: Tube Investments of India (TII) is all set to expand its presence in the EV segment through a series of launches in the coming months, including a three-wheeler cargo, rickshaw, tractors and four variants of electric HCVs. **Impact:** Positive

ICICI Bank: CMP INR1008, TP INR1230, 22% Upside, Buy

- ICICI Bank reported a strong performance in 3QFY24, with 24% YoY growth in net earnings (inline) despite making AIF provisions of INR6.3b. NIMs contracted 10bp QoQ to 4.43% (better than estimate).
- Credit growth was healthy at 19% YoY/4% QoQ, led by continued traction in Retail, SME and BB segments. Deposit growth was also steady at 19% YoY/2.9% QoQ.
- On the asset quality side, slippages were slightly elevated amid seasonally higher slippages from the Kisan Credit Card (KCC) segment. GNPA ratio decreased 18bp QoQ while NNPA remained largely flat.
- We expect ICICIBC to deliver RoA/RoE of 2.3%/18.3% in FY25.

View: Buy

Cipla: CMP INR1313 TP INR1540 Upside 22% Buy

- Cipla 3QFY24 revenues increased 13.7% YoY to INR66bn (our est INR64.8bn). DF sales (43% of sales) grew 11.5% YoY to INR28.6b.
- US sales (29% of sales) grew by 19.8% YoY to INR19b. Growth was supported by volume traction in key assets of Lanreotide and Albuterol coupled with robust demand in base business.
- EBITDA margins expanded 220bp YoY to 26.5% (our est 24%), due to lower raw material & employee cost and other expenses. EBITDA increased by 24.2% YoY to INR17.5bn (our est. INR15.5bn)
- After adjusting for impairment charges and forex gain of INR1.4b, PAT grew 49.4% to INR12b (our est INR9.7b) due to higher other income and lower depreciation.

View: Buy

Nifty Technical Outlook

Nifty (CMP: 21571): Nifty immediate support at 21500 then 21400 zones while resistance at 21750 then 21850 zones. Now it has to hold above 21550 zones for an up move towards 21750 and 21850 zones while on the downside support exists at 21500 and 21400 zones.

4-Nifty50 - 20/01/24
EMA(CloseLine:20)



Bank Nifty (CMP: 46058) : Bank Nifty support at 45650 then 45400 zones while resistance at 46250 then 46500 zones. Now till it holds below 46200 zones more weakness could be seen towards 45650 then 45400 zones while on the upside hurdle is seen at 46200 then 46500 levels.

4-Niftybank - 20/01/24
EMA(CloseLine:20)



Technical Trading Idea

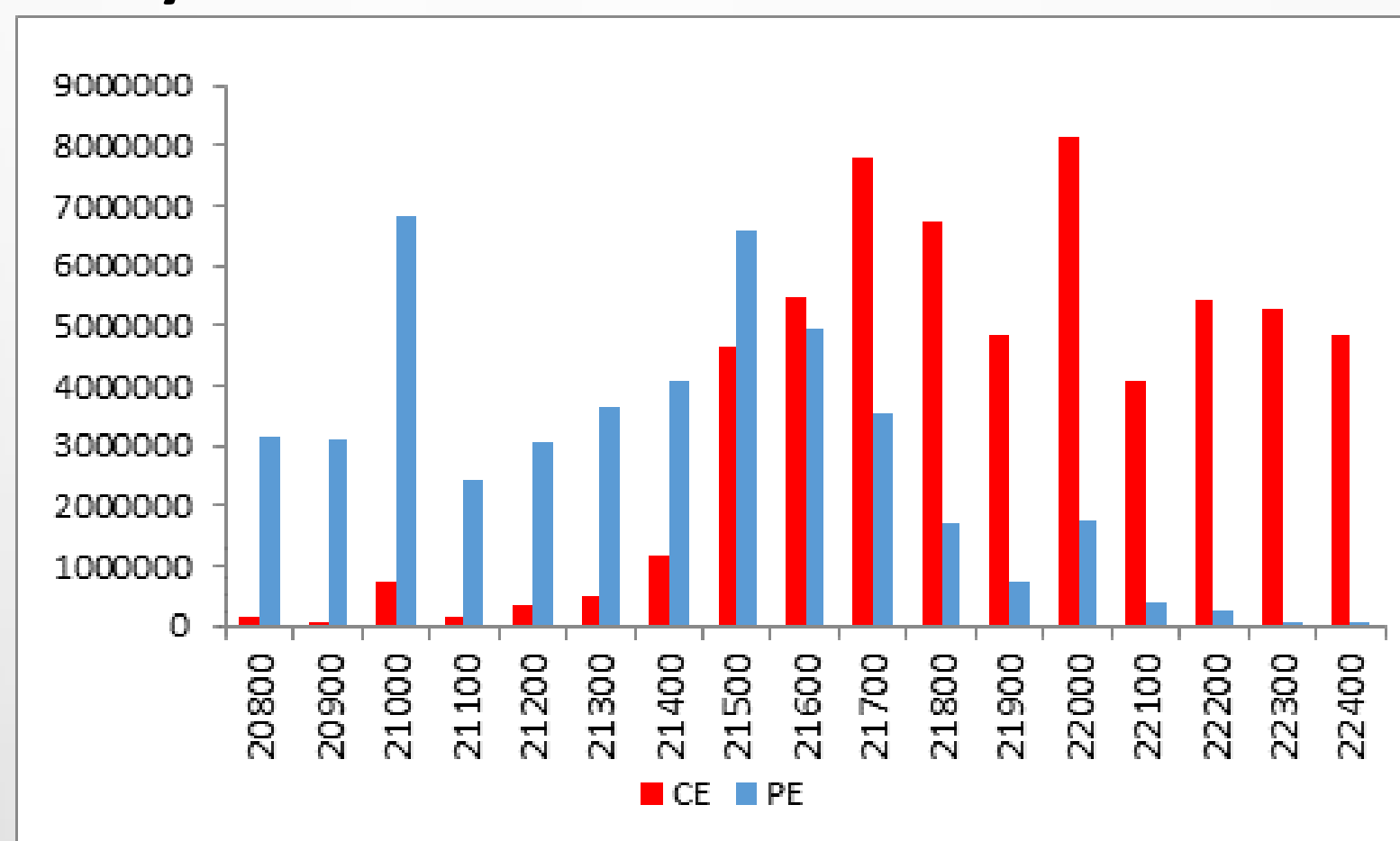
Coal India : Buy CMP : 399 Target : 420 SL : 390 Duration : 2-3 Days

- Coal India gave a consolidation breakout on daily scale after fourteen sessions and formed a strong bullish candle. On weekly scale as well the structure of higher highs higher lows is intact and supports are gradually shifting higher.
- The stock is holding well above its 20 DEMA from past many sessions and Momentum indicator Relative Strength Index (RSI) is also turning higher which indicates strength in the stock. Stock has been outperformer within CPSE space and all set to test higher levels.

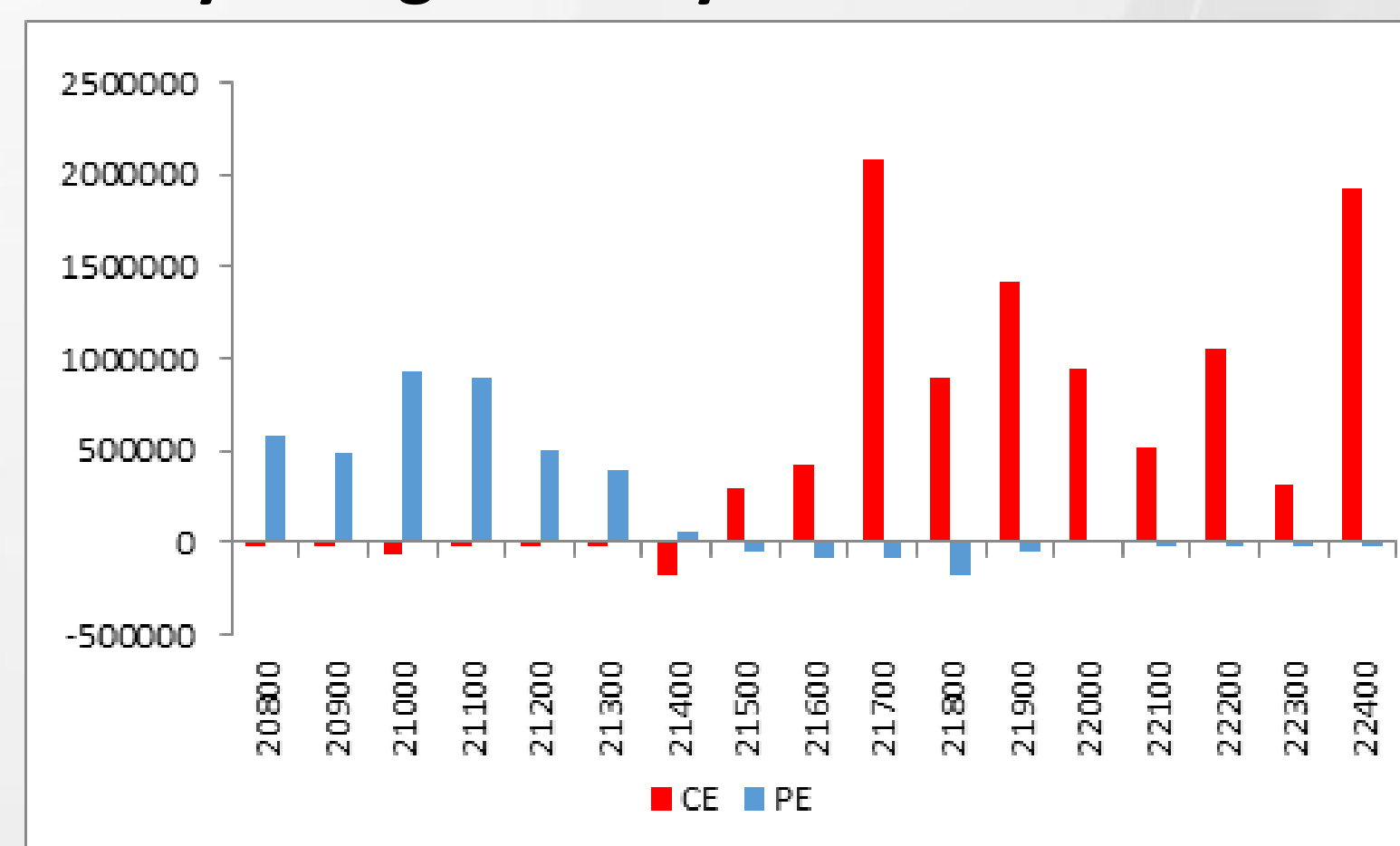


- Nifty January future closed at 21,604.10 with a premium of 32.30 point v/s 49.75 point premium in the last session.
- Nifty futures OI increased by 2.47% to 1.54 Cr and Bank Nifty futures OI decreased by 6.76% to 28.55 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 0.96 to 0.86 level.
- India VIX was down by 1.90% from 13.88 to 13.80 levels. Volatility cooled off after spiking to higher zones during the week.
- On option front, Maximum Call OI is at 21700 strike then 21800 strike while Maximum Put OI is at 21500 strike then 21600 strike. Call writing is seen at 21700 then 21800 strike while minor put writing is seen at 21550 then 21500 strike. Option data suggests a broader trading range in between 21200 to 22000 zones while an immediate trading range in between 21400 to 21800 zones.

Nifty OI



1-Day change in Nifty OI



- **Option Buying:** Buy Nifty 21700 Call till it holds above 21550 zones. Buy Bank Nifty 45700 Put till it holds below 46200 zones. (Mix view in both the indices).
- **Option Strategy:** Buy Nifty Bull Call Ladder Spread (Buy 21600 CE, Sell 21750 CE and Sell 22000 CE) at net premium cost of 45-50 points. Buy Bank Nifty Bear Put Ladder Spread (Buy 46000 PE, Sell 45500 PE and Sell 45000 PE) at net premium cost of 110-120 points
- **Option Writing:** Sell Nifty 22100 CE and Sell 21150 PE at inflow of 24-25 points with strict double SL. Sell Bank Nifty 48000 CE and Sell 44700 PE at inflow of 50-55 points with strict SL.

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