

24th Jan, 2024

Most Market OUTLOOK



- Impressive quarterly results announced by domestic corporates, US S&P 500 Index ended on a record high, modest gain in US Future, hope of favourable Union Budget and stable US 10-year bond yield, may open domestic equity bourses on a positive note.
- US stocks ended the day mixed on Tuesday, as corporate earnings results weighed on some companies. Dow Jones Index marginally decline by 0.3%. Both S&P 500 and Nasdaq gained 0.4% each. European market marginally decline with investors back in a risk-off mode ahead of the European Central Bank's highly anticipated monetary policy move on Thursday. Both Germany and France Index decline 0.3% each.
- Results - IOC Bajaj Auto, DLF, Tata Steel, Tech Mahindra, TVS Motor Bharat Dynamic, Canara Bank, Lauras Labs, PNB Housing, Railtel Corporation, Ujjivan Small Finance Bank.

Actionable Idea for the Day

Technical Pick:

Sun Pharma : Buy

(CMP 1378 SL 1348 TP 1440

2-3 Days)

Fundamental Pick:

Cyient DLM : Buy

(CMP: 648 TP: 830)

(Duration 1 Year)

Index Levels :

Nifty Cash	R1	R2	S1	S2
21,238	21,400	21,550	21,000	20,850
BankNifty Cash	R1	R2	S1	S2
45,015	45,350	45,500	44,750	44,444

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Ultratech	Buy	9,842	12000	22%
Union Bank	Buy	139	165	19%
Kaynes	Buy	2,718	3130	15%
Titan	Buy	3,738	4300	15%
ABB	Buy	4,770	5460	14%

Global Market Summary:

- US markets yesterday, gained $\sim +0.5\%$, on the back of impressive quarterly results announced by few heavyweights like Netflix. Currently Dow Fut is trading $+0.1\%$ higher.
- European indices yesterday, fell $\sim -0.3\%$, awaiting cautiously the outcome of ECB meet tomorrow.
- Asian markets today, are mostly trading mixed, on release of mix set of economic data from some Asian countries and ahead of US, Japan and Europe Manufacturing PMI data today
- **Global Cues: Mixed**

Indian Market Summary:

- Nifty yesterday, plunged 333 points (-1.5%) to close at 21239 levels.
- FII: -Rs3115 crore DII: +Rs214 crore.
- Currently GIFT Nifty is trading 0.4% higher (85 points up), as India's Tax-GDP ratio rises to a 15-year high of 6.11% during FY23
- **Domestic Cues: Positive**

News and Impact :

Sona BLW: SONACOMS' 3QFY24 results surpassed our estimates, led by better product mix and lower RM costs, resulting in an EBITDA margin of 29.3% (vs. est. 27.8%). Overall SONACOMS' 3QFY24 revenue/EBITDA/adj. PAT grew $\sim 13\%/22\%/25\%$ YoY to INR7.8b/ INR2.3b/INR1.33b. **Impact: Positive**

United Spirits: Net sales increased 7.5% YoY to INR29.9b (est. of INR29.3b) in 3QFY24, with P&A growth of 10% (88% revenue mix). Consumer engagement was high due to festivals, the Cricket World Cup and the wedding season. **Impact: Positive**

Fundamental Actionable Idea

Cyient DLM: CMP INR648, TP INR830, 28% Upside, Buy

- Cyient DLM (CYIENTDL) reported another strong quarter with a revenue growth of ~50% YoY in 3QFY24, led by significant traction from the Aerospace and Defense verticals.
- However, margins declined 40bp YoY to 9.2%, primarily due to higher SG&A expenses. EBITDA grew 32% YoY to INR294m (est. of INR292m).
- Adjusted PAT grew 3.2x YoY to INR184m (est. of INR146m), on the back of high other income.
- It has completed its investments in SG&A and expects margin improvements from the next quarter.
- Going ahead, we expect CYIENTDL to report a CAGR of 41%/44%/ 81% in revenue/EBITDA/Adj. PAT over FY23-26, aided by: 1) strong order book, coupled with healthy order inflows; 2) high customer stickiness; and 3) strong promoter heritage.

View: Buy

Bharti Airtel: CMP INR1157

- Bharti Airtel has prepaid Rs8,325 crore to the Department of Telecom (DoT) towards partial prepayment of the deferred liabilities pertaining to spectrum acquired in the 2015 auction.
- In March 2015, Bharti Airtel won spectrum worth Rs 29,129.08 crore in the auctions but had paid Rs11,374.7 crore. The upfront amount due was Rs 7,832.20 crore.

View: Buy

Nifty Technical Outlook

Nifty (CMP: 21238): Nifty immediate support at 21000 then 20850 zones while resistance at 21400 then 21550 zones. Now till it holds below 21250 zones weakness could be seen towards 21000 and 20850 zones while on the upside resistances are shifting lower at 21400 and 21550 zones.

4-Nifty50 - 23/01/24

EMA(CloseLine:50), EMA(CloseLine:20)



Bank Nifty (CMP: 45015) : Bank Nifty support at 44750 then 44444 zones while resistance at 45350 then 45500 zones. Now till it holds below 45250 zones more weakness could be seen towards 44750 then 44444 zones while on the upside hurdle is seen at 45350 then 45500 levels.

4-Niftybank - 23/01/24

EMA(CloseLine:50), EMA(CloseLine:20)



Technical Trading Idea

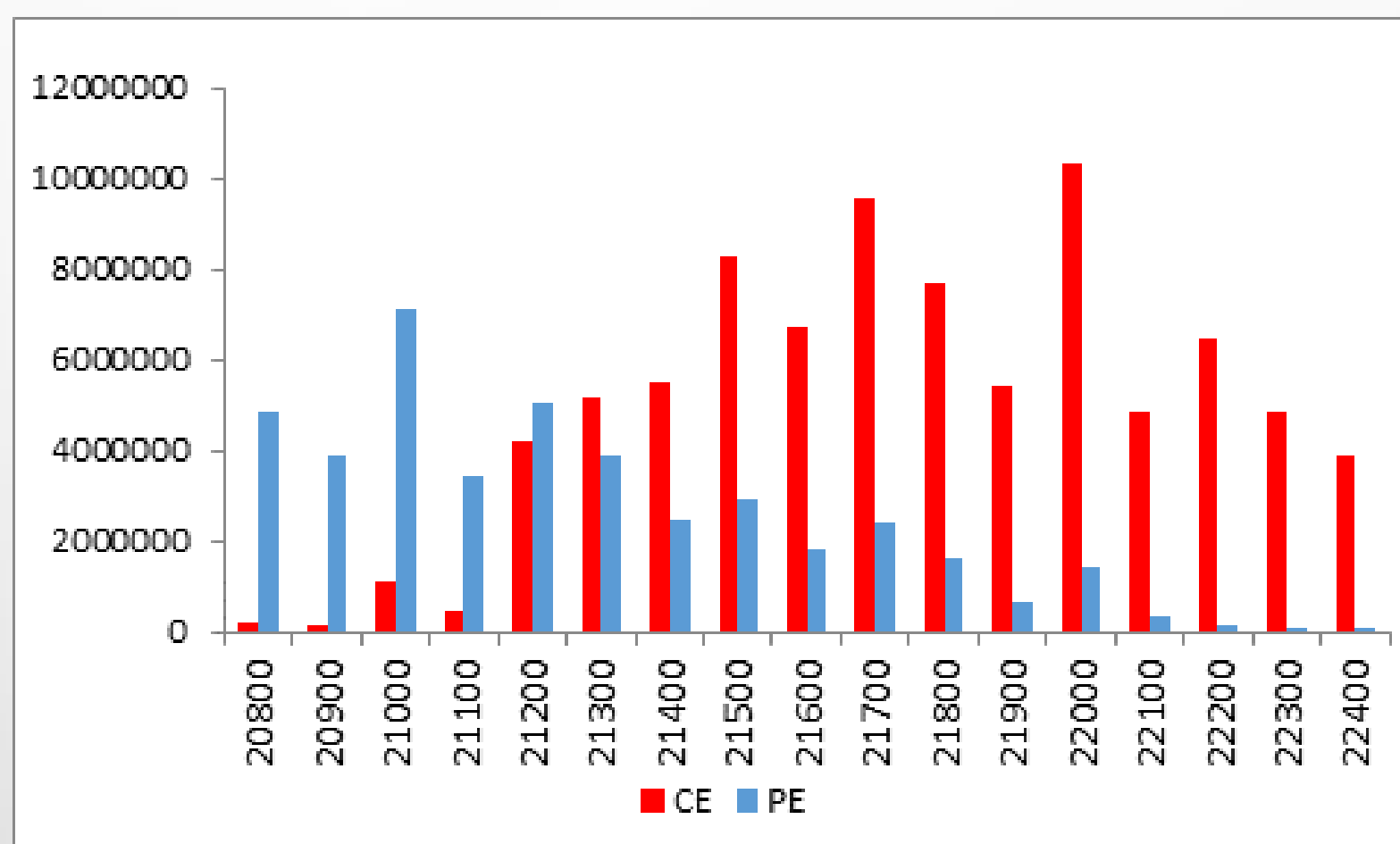
Sun Pharma : Buy CMP : 1378 Target : 1440 SL : 1348 Duration : 2-3 Days

- Sun pharma is in continuous uptrend and given a range breakout on daily chart. It has perfectly respected 20 DEMA and inching higher.
- It has formed a strong bullish candle on daily scale with noticeable volumes which may support the ongoing up move. Momentum indicator RSI is positively placed which may take the prices higher.

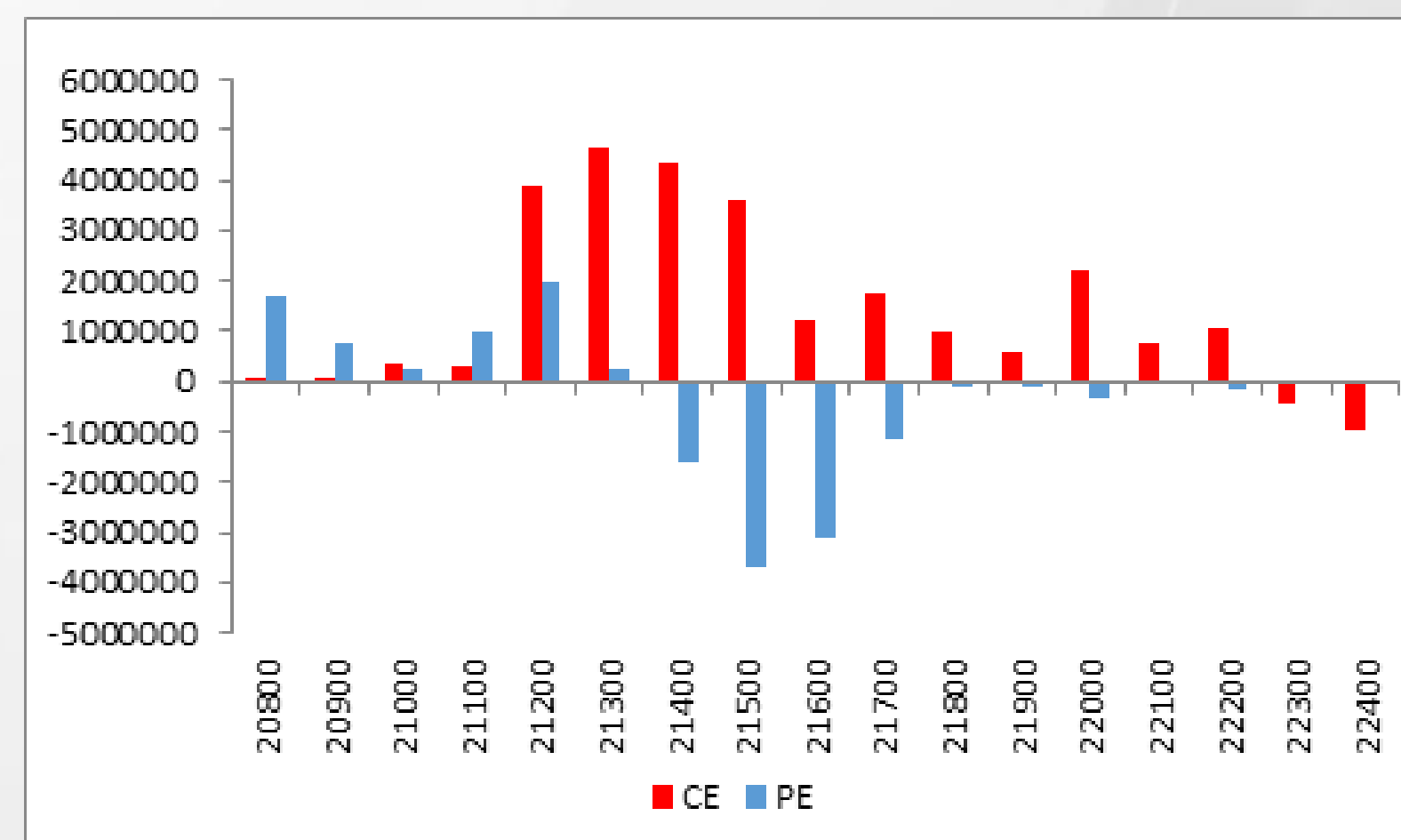


- Nifty January future closed at 21,194.25 with a discount of 44.55 point v/s 32.30 point premium in the last session.
- Nifty futures OI decreased by 5.38% to 1.46 Cr and Bank Nifty futures OI increased by 17.25% to 33.47 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 0.86 to 0.74 level.
- India VIX was up by 7.61% from 13.80 to 14.85 levels. Volatility spiked to 15.4 zones and awakened the bears which led to the weakness across the market.
- On option front, Maximum Call OI is at 21700 strike then 21500 strike while Maximum Put OI is at 21000 strike then 21200 strike. Call writing is seen at 21300 then 21400 strike while minor put writing is seen at 21200 then 21100 strike. Option data suggests a broader trading range in between 20800 to 21600 zones while an immediate trading range in between 21000 to 21400 zones.

Nifty OI



1-Day change in Nifty OI



- **Option Buying:** Buy Nifty 21200 Put till it holds below 21250 zones. Buy Bank Nifty 44800 Put till it holds below 45250 zones.
- **Option Strategy:** Buy Nifty Bear Put Spread (Buy 21200 PE and Sell 21000 PE) at net premium cost of 45-50 points. Buy Bank Nifty Bear Put Spread (Buy 45000 PE and Sell 44700 PE) at net premium cost of 130-140 points
- **Option Writing:** Sell Nifty 21600 CE at inflow of 15-16 points with strict double SL. Sell Bank Nifty 46500 CE at inflow of 30-35 points with strict SL.

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