

2nd Jan, 2024

Most Market OUTLOOK



Morning Market Outlook

- Strong GST collection during the month of December, passenger vehicle sales zoom past 4mn mark in 2023, encouraging retail participation and persistent foreign buying interest, may open domestic equity on a positive note.
- Among the global markets, US and European market were shut on Monday due to New year holiday while Asian markets are trading flat to positive amid this volume.
- Gift is trading flat to negative. Expects positive for rail stocks after the media report that the government will scale up the production of Amrit Bharat trains and Railways targets too add 300-400 Amrit Bharat Trains a Year. Rally on PSU stocks may continue due to strong order book and capex.
- Tech stocks will be focus as tech majors TCS and Infosys to be announce Q3 results next week

Actionable Idea for the Day

Technical Pick:

ITC : Buy

(CMP 468 SL 456 TP 490

2-3 Days)

Fundamental Pick:

NMDC : Buy

(CMP: 212)

(Duration 1 Year)

Index Levels :

| Nifty Cash | R1 | R2 | S1 | S2 |
|----------------|--------|--------|--------|--------|
| 21,741 | 22,000 | 22,222 | 21,650 | 21,500 |
| BankNifty Cash | R1 | R2 | S1 | S2 |
| 48,234 | 48,500 | 48,636 | 48,000 | 47,750 |

Top 5 Investment Idea

| Stock Name | Rating | CMP | TP | Upside |
|---------------|--------|------|------|--------|
| SBI | Buy | 638 | 800 | 25% |
| Kaynes | Buy | 2673 | 3100 | 16% |
| Ashok Leyland | Buy | 186 | 215 | 16% |
| ITC | Buy | 466 | 535 | 15% |
| ONGC | Buy | 205 | 235 | 15% |

Global Market Summary:

- US markets yesterday, was shut on account of New Year.
- Currently Dow Fut is trading +0.1% higher.
- European indices yesterday, was closed.
- Asian markets today, are mostly trading in red.
- Global Cues: Muted

Indian Market Summary:

- Nifty yesterday, made a fresh high on the first trading session of 2024 before closing flat at 21685 levels on account of profit booking.
- FIIs: -Rs856 crore DIIs: +Rs410 crore.
- Currently GIFT Nifty is trading flat to marginal positive.
- Domestic Cues: Muted

News and Impact :

Tata Motors: TTMT Dec'23 Dispatches was above estimate at 77.85k units (v/s est.73.35k units) and grew 5% YoY. CV dispatches (above est.) remained flat YoY to 34.2k units (v/s est. 31.9k units), wherein HCV grew ~12% YoY while LCV declined 9% YoY. PV dispatches (above est.) grew 8% YoY at 43.7k units (v/s est. 41.4k units); grew 8% YoY **Impact: Positive**

Coal India: The coal production in December 2023 increased by 8.2% YoY to 71.9 mn mt, and by 11% to 531.9 mn mt in FY24YTD. The offtake rose by 6.1% YoY to 66.6mn MT during the month of December 2023, while it grew by 8.7% to 552mn MT in Apr-Dec 2023. **Impact: Positive**

Fundamental Actionable Idea

Zomato: CMP INR124 TP INR135 Upside 9% Buy

- Zomato hiked its platform fees from Rs3 to Rs4 in key markets
- It can add Rs15cr to adjusted EBITDA every quarter i.e. Rs60cr on annualized basis – which is 15% of consolidated adjusted EBITDA

View: **Buy**

NMDC: CMP INR212

- NMDC December production was up 24% at 4.48mt vs 3.61mt (YoY)
- December Sales was up 26% at 4.19mt vs 3.32mt (YoY)
- For the company, 2H is a stronger period with a pick-up in heavy capex infrastructure and construction activities.
- We believe NMDC is very well placed, given the robust demand, capacity additions, and improvement in iron ore prices.

View: **Buy**

Nifty (CMP: 21741): Nifty immediate support at 21650 then 21500 zones while resistance at 22000 then 22222 zones. Now it has to hold above 21650 zones, for an up move towards 22000 then 22222 zones whereas supports are placed at 21650 then 21500 zones.



Bank Nifty (CMP: 48234) : Bank Nifty support at 48000 then 47750 zones while resistance at 48500 then 48636 zones. Now it has to continue to hold above 48000 zones to witness an up move towards 48500 then its recent life high of 48636 zones while on the downside support is seen at 48000 then 47750 levels.



Technical Trading Idea

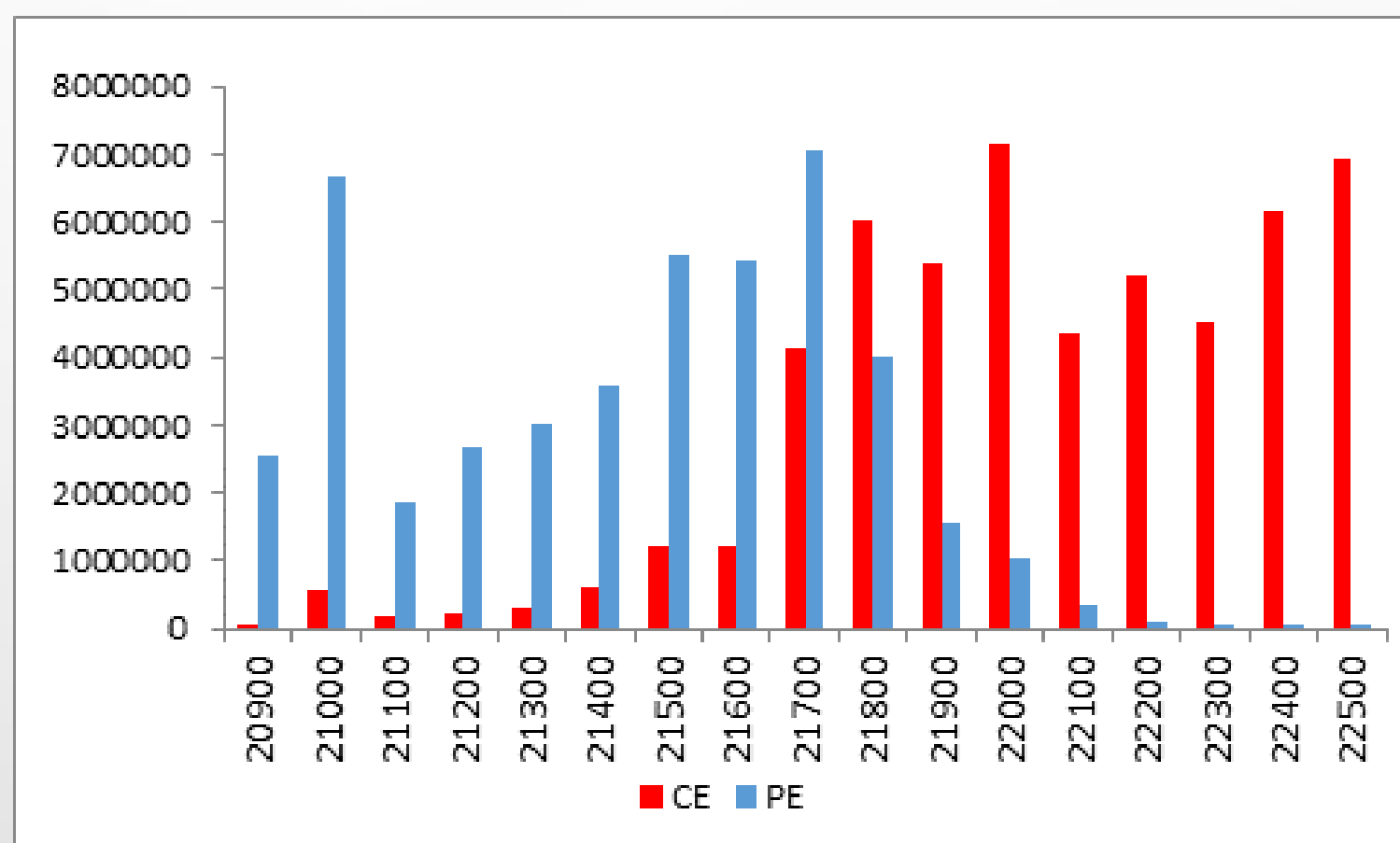
ITC : Buy CMP : 468 Target : 490 SL : 456 Duration : 2-3 Days

- ITC has given trend line breakout on daily chart and managed to close above the same. Buying is visible across FMCG space which will support the ongoing up move. It has formed a bullish candle on daily scale and supports are gradually shifting higher. Momentum indicator Relative Strength Index (RSI) is positively placed which indicates strength in the stock.

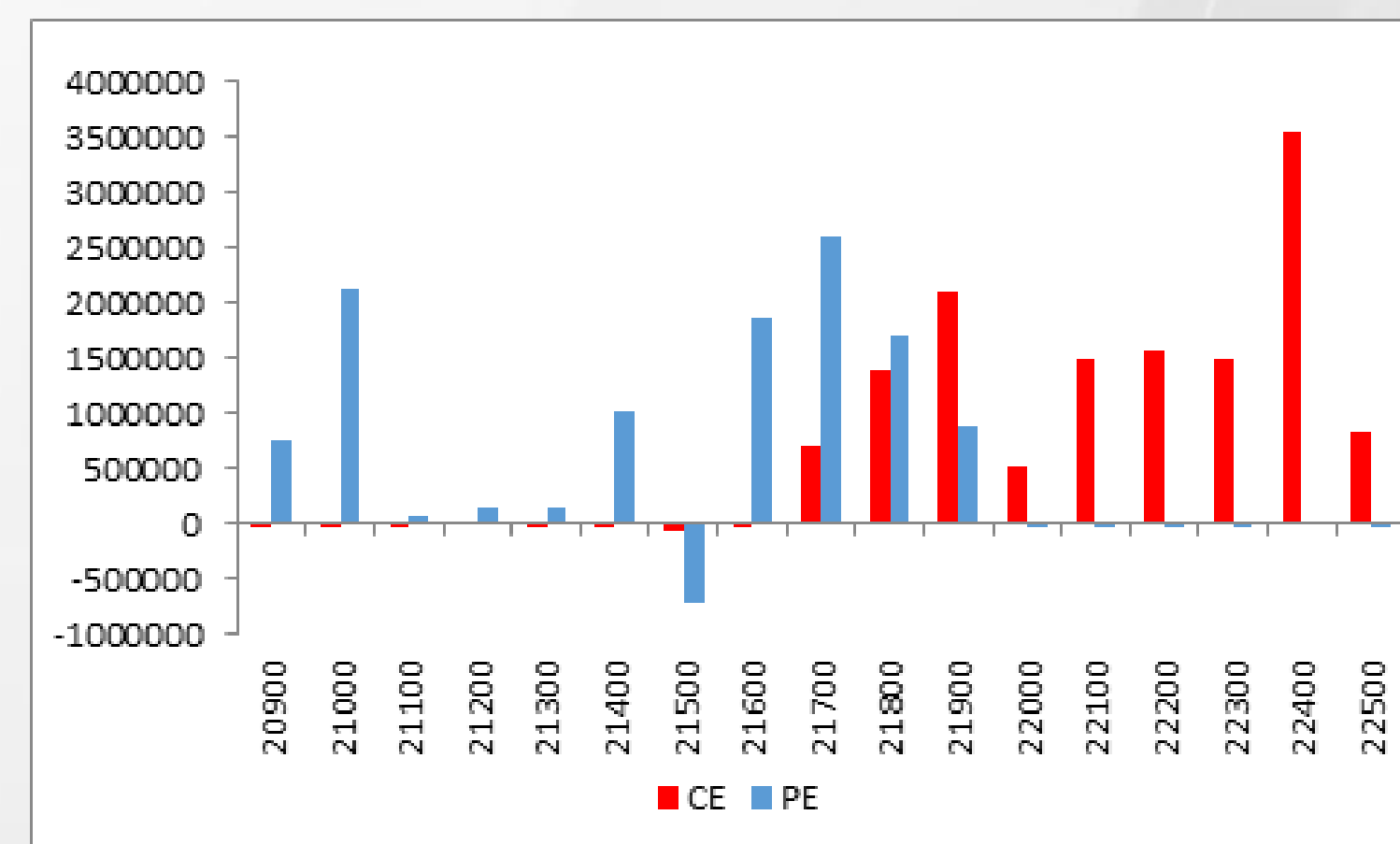


- Nifty January future closed at 21,888.90 with a premium of 147 point v/s 154.55 point premium in the last session.
- Nifty futures OI decreased by 0.51% to 1.37 Cr and Bank Nifty futures OI decreased by 1.03% to 22.78 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 1.12 to 1.14 level.
- India VIX was up by 1.24% from 14.50 to 14.68 levels. Volatility was slightly down and has been cooling off from the last three sessions.
- On weekly front, Maximum Call OI is at 22000 then 21800 strike while Maximum Put OI is at 21700 then 21600 strike. Minor Call writing is seen at 21850 then 21900 strike while some Put writing is seen at 21700 then 21600 strike. Option data suggests a broader trading range in between 21300 to 22500 zones while an immediate trading range in between 21500 to 22000 zones.

Nifty OI



1-Day change in Nifty OI



- **Option Buying:** Buy Weekly Nifty 21750 Call till it holds above 21650 zones. Buy Bank Nifty 48300 Call till it holds above 48000 zones.
- **Option Strategy:** Buy Weekly Nifty Bull Call Spread (Buy 21750 CE and Sell 21900 CE) at net premium cost of 60-70 points. Buy Weekly Bank Nifty Bull Call Spread (Buy 48200 CE and Sell 48600 CE) at net premium cost of 140-160 points
- **Option Writing:** Sell Weekly Nifty 21350 PE at inflow of 14-16 points with strict double SL and avoid Call writing. Sell Weekly Bank Nifty 47300 PE at inflow of 25-30 points with strict SL and avoid Call writing

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