

4th Jan, 2024

Most Market OUTLOOK



Morning Market Outlook

- Hawkish tone from the US Fed in its minutes of meeting against expectations for aggressive monetary easing early in 2024, pulled down the US market up to 1%.
- Most of the Asian markets fell between 1-2% after minutes from the US Fed's December meeting suggested rates could remain at restrictive levels "for some time." due to higher inflation level.
- UK Index slipped 0.6% while both Germany and France Index dropped 1.5% each.
- Gift Nifty is showing to open on a flat note.
- Expects stock specific action to continue and traders buy on decline strategy in the market.

Actionable Idea for the Day

Technical Pick:

Canara Bank : Buy

(CMP 458 SL 449 TP 475

2-3 Days)

Fundamental Pick:

ONGC : Buy

(CMP: 208 TP: 235)

(Duration 1 Year)

Index Levels :

Nifty Cash	R1	R2	S1	S2
21,517	21,680	21,750	21,400	21,300
BankNifty Cash	R1	R2	S1	S2
47,704	48,000	48,250	47,500	47,250

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Canara Bank	Buy	458	550	20%
ITC	Buy	477	535	12%
Lemon Tree Hotels	Buy	129	150	16%
Godrej Properties	Buy	2052	2300	12%
M&M	Buy	1657	2005	21%

Global Market Summary:

- US markets on Wednesday ended on a negative note amid a cautious tone from the US Fed in its minutes of the meeting. The S&P 500 and Nasdaq closed ~1% lower.
- Currently Dow Fut is trading 41 points higher. European indices ended lower.
- Asian markets are mostly trading in red.
- **Global Cues: Mixed**

Indian Market Summary:

- Nifty declined for second consecutive day amid profit booking and closed with loss of 140 points at 21526 levels.
- FIIs: -Rs666 crore DIIs: -Rs863 crore.
- Currently GIFT Nifty is trading flat (33 points higher).
- **Domestic Cues: Flat to Positive**

News and Impact :

Bajaj Auto: The company is scheduling a board meeting on January 8 to consider share buyback.

Impact: **Positive**

PFC: The company has signed an MoU with the Gujarat Government for projects worth Rs.25,000 crore or the state's ambitious generation, transmission, and distribution projects. **Impact:** **Positive**

RVNL: REC signs MoU with RVNL to finance up to Rs35,000cr for infra projects over the next 5 years. Projects to include multi-modal logistics hubs rail infra projects, road, port, & and metro projects

Impact: **Positive**

Fundamental Actionable Idea

ONGC: CMP INR208, TP INR235, Upside 23%

- ONGC wins 7 of 10 oil exploration blocks put up for bidding as part of the eighth round of Open Acreage Licensing Policy (OALP-VIII).
- Petroleos de Venezuela SA has agreed to pay pending \$600 million dividend for a stake in a project in the south American nation through crude oil cargoes
- We like ONGC given its inexpensive valuations & improving volume growth outlook

View: Buy

Ujjivan SFB: CMP INR57

- Ujjivan in its Q3 business update reported 29% YoY growth in Total deposits at Rs 29,869 cr.
- CASA was up 24% at Rs 7,549 Cr Vs Rs 6,070 cr (YoY), while the CASA ratio stood at 25.3%.
- Disbursements grew by 17% at Rs 5,675 cr Vs Rs 4,841cr (YoY). The bank said it is focusing on growing the secured portfolio with the highest ever quarterly disbursement in the affordable housing loan segment.

View: Positive

Nifty Technical Outlook

Nifty (CMP: 21517): Nifty immediate support at 21400 then 21300 zones while resistance at 21680 then 21750 zones. Now till it holds below 21550 zones, weakness could be seen towards 21400 then 21300 zones whereas hurdles are placed at 21680 then 21750 zones.



Bank Nifty (CMP: 47704) : Bank Nifty support at 47500 then 47250 zones while resistance at 48000 then 48250 zones. Now it has to cross and hold above 47777 zones for an up move towards 48000 then 48250 levels while a hold below the same could see some weakness towards 47500 then 47250 zones.

2-Niftybank - 03/01/24
EMA(CloseLine:20)



Technical Trading Idea

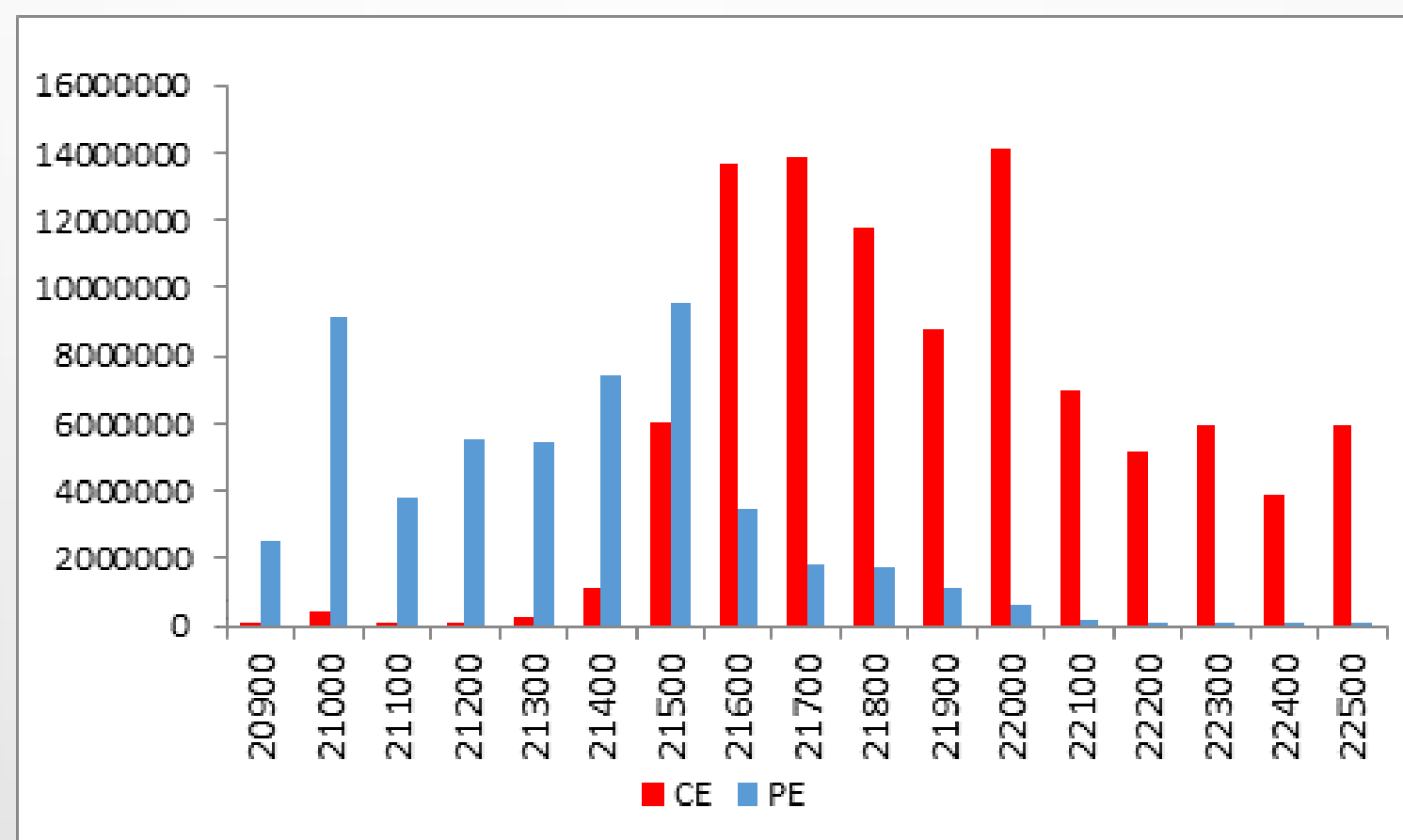
Canara bank : Buy CMP : 458 Target : 475 SL : 449 Duration : 2-3 Days

- Canara bank has given range breakout on daily chart with noticeable volumes and managed to close above the same. It has formed a strong bullish candle on daily chart and supports are gradually shifting higher.
- Buying is visible across PSU Banks which may support the ongoing up move. Momentum indicator Relative Strength Index (RSI) is positively placed which indicates strength in the stock.

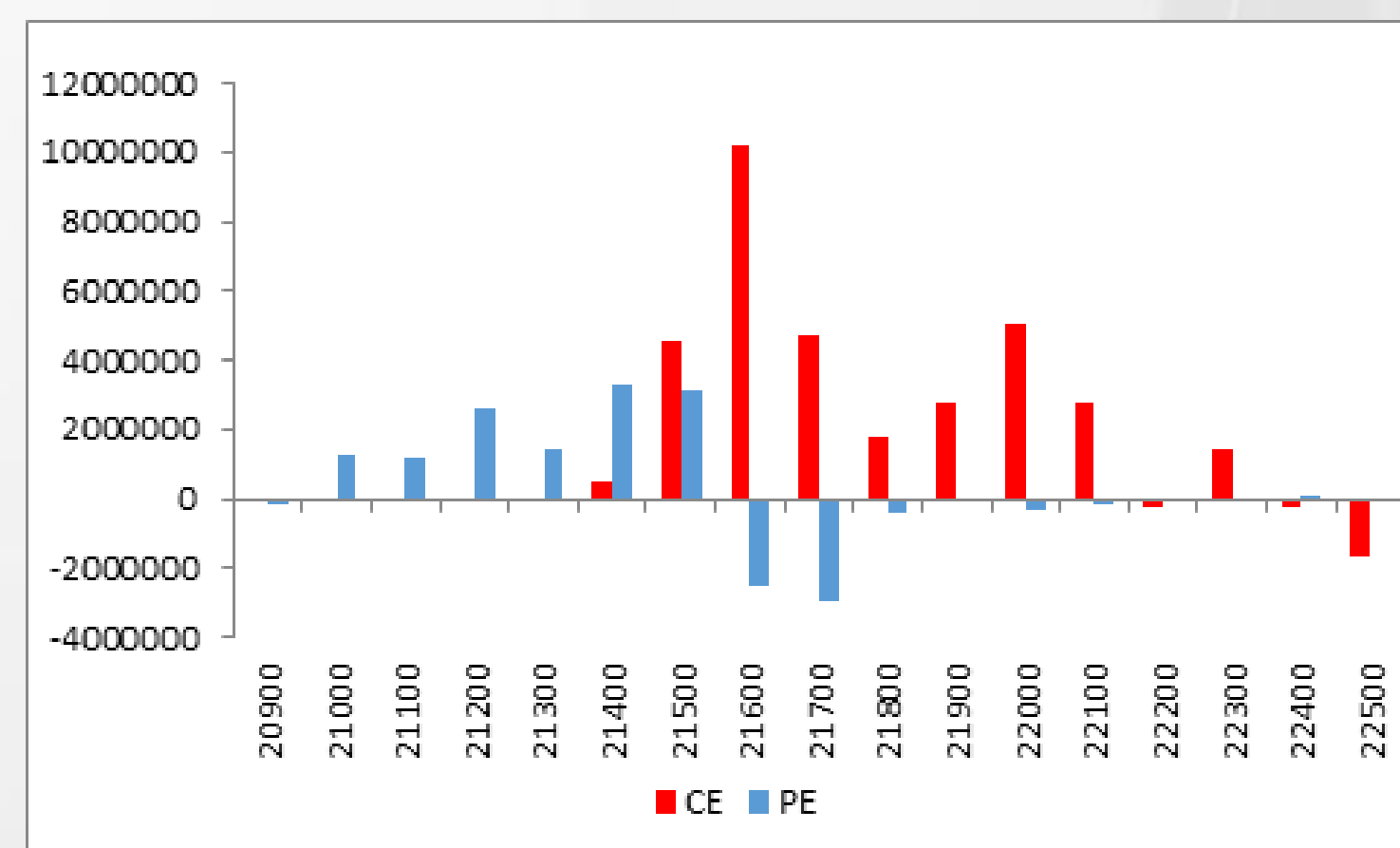


- Nifty January future closed at 21,600 with a premium of 82.65 point v/s 90.95 point premium in the last session.
- Nifty futures OI increased by 0.46% to 1.30 Cr and Bank Nifty futures OI decreased by 10.65% to 22.54 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 0.92 to 0.77 level.
- India VIX was down by 3.31% from 14.58 to 14.09 levels. Volatility has been cooling off from the last four sessions.
- On weekly front, Maximum Call OI is at 21600 then 21800 strike while Maximum Put OI is at 21500 then 21400 strike. Call writing is seen at 21600 then 21550 strike while some Put writing is seen at 21500 then 21400 strike. Option data suggests a broader trading range in between 21200 to 22200 zones while an immediate trading range in between 21400 to 21800 zones.

Nifty OI



1-Day change in Nifty OI



- **Option Buying:** Buy Weekly Nifty 21600 Put till it holds below 21550 zones. Wait for Option buying in Bank Nifty and need to watch 47777 zones for any directional set up
- **Option Strategy:** Buy Weekly Nifty Bear Put Ladder Spread (Buy 21550 PE, Sell 21450 PE and Sell 21350 PE) at net premium cost of 30-35 points. Buy Weekly Bank Nifty Bull Call Ladder Spread (Buy 47700 CE, Sell 48200 CE and Sell 48700 CE) at net premium cost of 140-160 points
- **Option Writing:** Sell Weekly Nifty 21350 PE and 21650 CE at inflow of 18-20 points with strict double SL. Sell Weekly Bank Nifty 46200 PE and Sell 49000 CE at inflow of 55-60 points with strict SL

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