

18th April, 2024

Most
Market
 **OUTLOOK**



- Positive opening in the Asian markets, modest gain US Index Future, sharp decline oil price to \$88/bbl from \$91/bbl, hope of reduce geo-political tension in the gulf region, IMF raised India's growth forecast by 30bps to 6.8% and technically Nifty took support at its 50 DEMA, may open domestic equity on a positive note.
- US market decline third consecutive days on mixed bag quarterly results. US 10-Year bond Yield fell to below 4.60%. Tech leads stock slide, Nvidia falls almost 4% - Nasdaq Composite decline 1%. Brent Crude fell to below \$90/bbl.
- European stocks dropped amid concerns that conflict in the Middle East may escalate, while fresh worries about China's economic growth also weighed on sentiment. UK, Germany and France Index decline over 1% in the last two trading sessions.

Actionable Idea for the Day

Technical Pick:

HAL : Buy

(CMP 3722 SL 3630 TP 3900)

2-3 Days)

Fundamental Pick:

ICICI Lombard : Buy

(CMP : 1649, TP: 2100)

(Duration 1 Year)

Index Levels :

Nifty Cash	R1	R2	S1	S2
22,147	22,222	22,350	22,050	21,950
BankNifty Cash	R1	R2	S1	S2
47,484	48,000	48,250	47,250	47,000

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
KEI	Buy	3,849	5000	30%
TCS	Buy	3,873	4600	19%
Coal India	Buy	453	520	15%
SBI	Buy	752	860	14%
ABB	Buy	6,645	7500	13%

Global Market Summary:

- US market declined for the third consecutive day amid a mixed bag of quarterly results, geo-political tension, and hawkish remarks by the US Fed chairman. Nasdaq Composite slipped over 1% while S&P 500 lost 0.6%. Dow Futures is trading 63 points higher.
- European indices ended in the green. Majority of the Asian markets are trading higher.
- **Global Cues: Mixed**

Indian Market Summary:

- Nifty remained in negative territory for the third consecutive day and closed with a loss of 125 points at 22148 levels.
- IMF raised India's GDP growth forecast to 6.8% (6.5%) due to strong domestic demand and a rising working-age population.
- FIIs: -Rs4468 crore DIIs: +Rs2040 crore. Currently GIFT Nifty is trading 68 points higher.
- **Domestic Cues: Mixed**

News and Impact :

Biocon: Biocon has partnered with Brazil-based Biomm SA for the commercialization of its diabetes drug, Semaglutide (gOzempic) in the Latin American nation. As per the IQVIA MAT data, the total addressable market opportunity of Semaglutide in Brazil is around \$580 million. **Impact: Positive**

Brigade Enterprises: The Bengaluru-headquartered real estate developer, reported a 46% annual rise in its sale bookings to record ₹6,013 crore in FY24 led by better demand for its housing projects. The average realisation for FY24 increased by 23% annually. **Impact: Positive**

Fundamental Actionable Idea

ICICI Lombard: CMP INR1649, TP INR2100, 27% Upside, Buy

- ICICI Lombard reported a 19% YoY growth in net profit to Rs519 crore. The net premium written grew by 18% YoY to Rs4,767 crore.
- The combined ratio stood at 102.2% vs. 103.6% in 3QFY24 (our est. ~104.3). The company has improved its combined ratio guidance to 101.5% as the exit rate for FY25 vs. 102 earlier.
- Scale benefits, a favorable product mix (higher share of retail health), and improvements in efficiencies across channels should help ICICIGI improve its combined ratio and RoE over the next couple of years.

View: Buy

Bharat Dynamics: CMP INR1840

- BDL is likely to export the Akash Air Defence Missile System to Egypt. The contract is expected to be ~Rs5000-6000crore
- We believe BDL is strongly placed to benefit from increasing capital outlay for indigenized defence platforms like missiles, torpedoes & Counter measure dispensing systems.

View: Positive

NIFTY (CMP : 22147) Nifty immediate support at 22050 then 21950 zones while resistance at 22222 then 22350 zones. Now till it holds below 22222 zones, weakness could be seen towards 22050 then 21950 zones whereas hurdles are placed at 22222 then 22350 zones.

3-Nifty50 - 16/04/24
EMA(CloseLine:50)



BANK NIFTY (CMP : 47484) Bank Nifty support at 47250 then 47000 zones while resistance at 48000 then 48250 zones. Now till it holds below 47777 zones some weakness could be seen towards 47250 then 47000 zones while on the upside hurdle is seen at 48000 then 48250 levels.

3-Niftybank - 16/04/24
EMA(CloseLine:50)



Technical Trading Idea

HAL : Buy CMP : 3722 Target : 3900 SL : 3630 Duration : 2-3 Days

- HAL has given consolidation breakout on daily chart and gave highest daily close ever. Breakout is supported by surge in volumes which may support the ongoing up move.
- It has formed a strong bullish candle on daily chart and supports are gradually shifting higher. Momentum indicator RSI is positively placed which may take the prices higher.

3-Hindustan Aeronautics Lim - 16/04/24
EMA(CloseLine:50)



Derivative Outlook

- Nifty March future closed at 22,200.75 with a premium of 52.85 point v/s 82.05 point premium in the last session.
- Nifty futures OI decreased by 2% to 1.38 Cr and Bank Nifty futures OI increased by 1.05% to 23.32 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 0.87 to 0.76 level.
- India VIX was up by 1.20% from 12.47 to 12.62 levels. Volatility rose during the day and paved way for the bears but is comparatively still at lower levels.
- On weekly front, Maximum Call OI is at 22500 then 22700 strike while Maximum Put OI is at 22000 then 22200 strike. Call writing is seen at 22200 then 22300 strike while Put writing is seen at 21900 then 22100 strike. Option data suggests a broader trading range in between 21800 to 22800 zones while an immediate trading range in between 22000 to 22600 zones.

Derivative Outlook

- **Option Buying:** Buy Weekly Nifty 22200 Put till it holds above 22222 zones. Buy Weekly Bank Nifty 47200 Put till it holds below 47777 zones.
- **Option Strategy:** Weekly Nifty Bear Put Ladder Spread (Buy 22200 PE, Sell 22100 PE and Sell 21900 PE) at net premium cost of 20-25 points. Weekly Bank Nifty Bear Put Ladder Spread (Buy 47500 PE, Sell 47000 PE and Sell 46500 PE) at net premium cost of 80-100 points
- **Option Writing:** Sell Weekly Nifty 21850 PE and 22350 CE at inflow of 20-22 points with strict double SL. Sell Weekly Bank Nifty 45300 PE and 49000 CE at inflow of 50-55 points with strict SL.

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