

4th April, 2024

Most  
**Market**  
 **OUTLOOK**



- Expect market to open on a positive note after the US Fed Chairman Jerome Powell reaffirmed his view to cut rates this year. Asian market surged up to 2% (Hong Kong, China and Taiwan index close today) and modest gained US Future.
- Gold finished at another record high of \$2300 or nearly Rs71000/10gr as the dollar fell. Oil settled at five-month highs at \$90/bbl on geopolitical tensions and expectation of price cut by OPEC+.
- Gift Nifty is up 50 points or 0.3%. Expects rally on PSU bank to be continue ahead of RBI credit policy outcome tomorrow. Tech stocks will be in focus due to favourable risk reward ratio and TCS will announce Q4 results next week.
- Government hiked windfall tax and rising oil price will be positive for upstream oil companies.

## Actionable Idea for the Day

### Technical Pick:

**Canara Bank : Buy**

**(CMP 605 SL 590 TP 640)**

**2-3 Days)**

### Fundamental Pick:

**Avenue Supermart : Buy**

**(CMP : 4461)**

**(Duration 1 Year)**

## Index Levels :

Nifty Cash	R1	R2	S1	S2
22,434	22,650	22,750	22,350	22,222
BankNifty Cash	R1	R2	S1	S2
47,624	48,000	48,250	47,250	47,000

## Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
NMDC	Buy	218	260	19%
GAIL	Buy	189	215	14%
Prestige	Buy	1,301	1535	18%
Titan	Buy	3,713	4300	16%
Adani Ports	Buy	1,397	1600	15%

## Global Market Summary:

- US markets yesterday ended on a positive note with the S&P 500 up 7 points and the Nasdaq Composite up 37 points. However, the advance was limited after Federal Reserve chair Powell reaffirmed his view to cut rates this year but not anytime soon.
- Oil Advances 1% to \$90/bb to 5-month high after OPEC+ Affirms Production Cuts Through June.
- Dow Futures is trading +42 points higher. European indices yesterday gained ~0.3%.
- Majority of the Asian markets today, are trading higher.
- **Global Cues: Positive**

## Indian Market Summary:

- Nifty yesterday traded in a narrow range to close flat at 22435 levels with a negative bias.
- FII: -Rs2214 crore DII: +Rs1102 crore.
- Currently GIFT Nifty is trading +0.3% higher (74 points up).
- **Domestic Cues: Positive**

## News and Impact :

**L&T Finance:** Retail loans grew ~31% YoY in Q4 with Retail Mix now at ~94% and well ahead of Lakshya FY26 retail mix target of over 80%. Sequential improvement in disbursements is positive given that 3Q which was a festive quarter. **Impact: Positive**

**KEC:** The company has received new orders of Rs 816 crore across its various businesses including orders for the supply of towers in the USA, setting up a steel plant in Northern India, and a plant for carbon derivatives in Eastern India. **Impact: Positive**

## Fundamental Actionable Idea

### Avenue Supermart: CMP INR4461

- Standalone revenue in Q4 grew by 20% YoY (inline), driven by a 7% growth in revenue per store and a robust 13% YoY increase in store additions.
- The recovery in revenue/sqft and the reducing gap between revenue/store and revenue/sqft further implied that the share of larger-format stores improved and this remained a key positive.
- This, along with the moderating inflation may help revive discretionary demand and consequently improve the SSSG trend.

**View: Buy**

### Poonawala Fincorp: CMP INR493 TP INR580 Upside 18% Buy

- PFL reported the highest-ever quarterly disbursements of ~INR96.8b which grew ~52% YoY.
- Momentum sustained with AUM growth of 54% YoY in Q4. Asset quality continued to improve with GNPA below 1.2%
- With strong leadership teams across functions, realignment of customer and product segments, and focus on leveraging technology/analytics, PFL is well-positioned to scale up and deliver superior risk-adjusted returns.
- We model a CAGR of ~42%/51% for AUM/PAT over FY23-FY26 and expect PFL to deliver an RoA/RoE of ~5.0%/~20% in FY26.

**View: Buy**

**NIFTY (CMP : 22434)** Nifty immediate support at 22350 then 22222 zones while resistance at 22650 then 22750 zones. Now it has to continue to hold above 22350 zones to witness an up move towards 22650 and 22750 zones while on the downside support exists at 22350 and 22222 zones.

4-Nifty50 - 03/04/24  
EMA(CloseLine:50)



**BANK NIFTY (CMP : 47624)** Bank Nifty support at 47250 then 47000 zones while resistance at 48000 then 48250 zones. Now it has to continue to hold above 47250 zones to extend the move towards 48000 then 48250 zones while on the downside support is seen at 47250 and 47000 zones.

4-Niftybank - 03/04/24  
EMA(CloseLine:50)



# Technical Trading Idea

**Canara bank : Buy      CMP : 606      Target : 640      SL : 590      Duration : 2-3 Days**

- Canara bank is in overall uptrend and gave range breakout on daily chart. It gave highest daily close after eighteen sessions with good surge in volumes.
- The stock is also holding well above to its 50 DEMA and good buying interest is seen across PSU space. Momentum indicator Relative Strength Index (RSI) is also holding at higher zones which indicates overall strength in the stock.

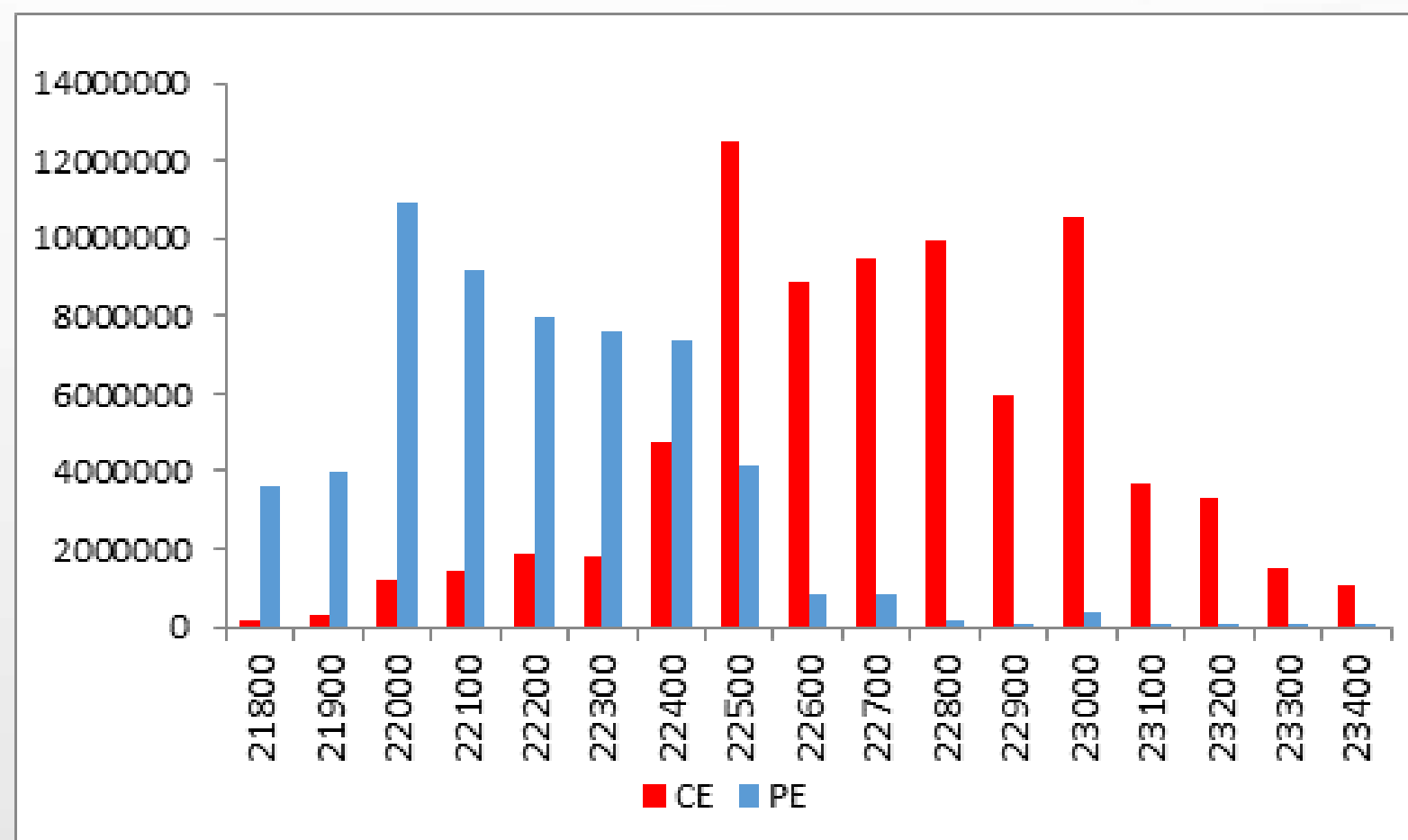


## Derivative Outlook

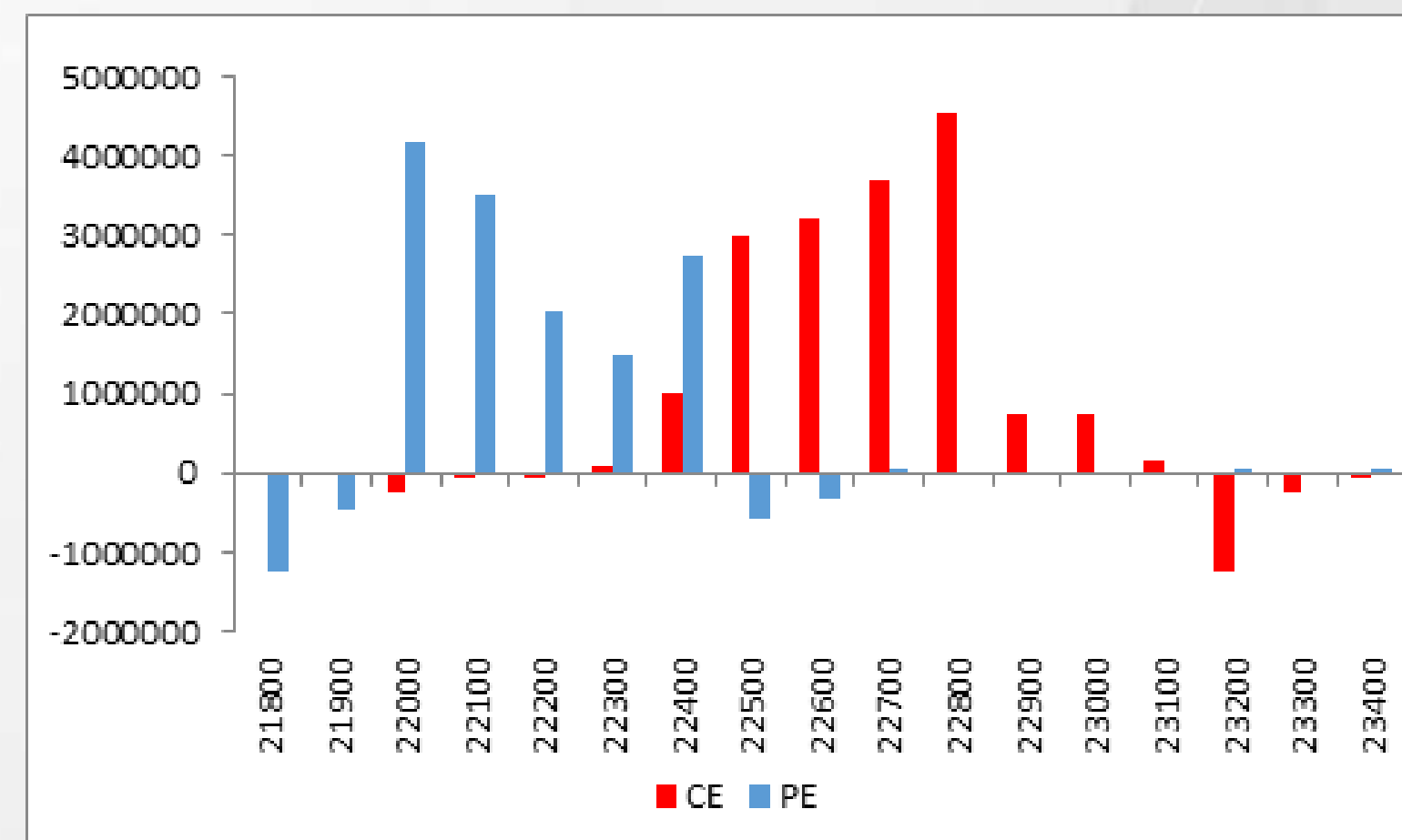
- Nifty March future closed at 22,542.60 with a premium of 107.95 point v/s 124.20 point premium in the last session.
- Nifty futures OI increased by 1.15% to 1.10 Cr and Bank Nifty futures OI increased by 4.14% to 25.06 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 1 to 0.95 level.
- India VIX was down by 2.40% from 11.65 to 11.37 levels. Volatility has been cooling off from the last three sessions and supporting the buy on decline stance in the market.
- On weekly front, Maximum Call OI is at 22500 then 23000 strike while Maximum Put OI is at 22000 then 22200 strike. Minor Call writing is seen at 22500 then 22600 strike while some Put writing is seen at 22400 then 22100 strike. Option data suggests a broader trading range in between 22000 to 22800 zones while an immediate trading range in between 22300 to 22600 zones.



## 1-Day change in Nifty OI



## Nifty OI



- **Option Buying:** Buy Weekly Nifty 22400 Call till it holds above 22350 zones. Buy Weekly Bank Nifty 48000 Call till it holds above 47250 zones.
- **Option Strategy:** Weekly Nifty Bull Call Ladder Spread (Buy 22400 CE, Sell 22500 CE and Sell 22600 CE) at net premium cost of 30-35 points. Weekly Bank Nifty Bull Call Ladder Spread (Buy 47600 CE, Sell 48100 CE and Sell 48500 CE) at net premium cost of 120-150 points.
- **Option Writing:** Sell Weekly Nifty 22300 PE and 22600 CE at inflow of 18-20 points with strict double SL. Sell Weekly Bank Nifty 46200 PE and 49000 CE at inflow of 55-60 points with strict SL.

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