

10th May, 2024

Most
Market
 **OUTLOOK**



- Expect market to open on a positive note on account of rally in the global markets. US Fed and Bank of England rate cut hope lifted US, Europe and Asian markets between 1-2%.
- However, in the past few sessions, domestic market not yet participated rally in the global market because traders took cautious approach ahead of Lok Sabha Election outcome.
- Gift Nifty is up nearly 0.5%. Rising India VIX by more than 80% from 10 to 18 levels in last 11 trading sessions is a major concern in the market.
- Continued FII's selling and fear of unfavorable election results outcome have adversely impacted the market sentiments. Expects, intra-day volatility to continue ahead of elections.

Actionable Idea for the Day

Technical Pick:

Hero Motocorp : Buy

(CMP 4765 SL 4670 TP 4950)

2-3 Days)

Fundamental Pick:

SBI : Buy

(CMP : 820, TP : 925)

(Duration 1 Year)

Index Levels :

Nifty Cash	R1	R2	S1	S2
21,957	22,050	22,222	21,850	21,700
BankNifty Cash	R1	R2	S1	S2
47,487	47,777	48,000	47,250	47,000

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Cipla	Buy	1,366	1720	26%
JSW Infra	Buy	244	300	23%
Dabur	Buy	553	650	18%
ICICI Bank	Buy	1,114	1300	17%
Hero Moto	Buy	4,761	5390	13%

Global Market Summary:

- US markets yesterday, gained +0.5%, driven by strong jobs data, reinforcing expectations for US rate cuts. Dow Futures is trading +0.1% higher.
- European indices yesterday gained ~0.5-1%.
- Asian markets today, are mostly trading 0.5-1% higher.
- **Global Cues: Positive**

Indian Market Summary:

- Nifty yesterday, continued its decline for the 5th consecutive day to close below 22000 zone. The index plunged 345 points (-1.6%) to close at 21958 levels.
- FIIs: -Rs6995 crore DIIs: +Rs5643 crore. Currently GIFT Nifty is +0.2% higher (40 points higher).
- **Domestic Cues: Muted**

News and Impact :

Tata Motors: Company is planning to hive off its vehicle financing subsidiaries under Tata Motors Finance Ltd by way of merger with Tata Capital, to streamline its operations and deleverage its balance sheet.

Impact: Positive

DLF: Real estate developer DLF sold all units of its luxury residential project, DLF Privana West, for about Rs5590cr within three days

Impact: Positive

STATE BANK OF INDIA: Strong performance; earnings continue to scale new highs

CMP INR820, TP INR925, 13% Upside, Buy

- SBIN's 4QFY24 PAT grew 24% YoY to INR207b (28% beat), driven by higher other income, lower opex and lower-than-expected provisions.
- NII grew 3.1% YoY/4.6% QoQ (in line). NIMs expanded 8bp QoQ to 3.3%.
- Slippages declined to INR39.8b, which, along with healthy recoveries and write-offs, led to a 18bp/7bp decline in the GNPA/NNPA ratios.
- We believe that SBIN is well positioned to deliver steady earnings, with FY26E RoA/RoE of 1.1%/18.5%.

View: Buy

CAMS: CMP INR3107

- Operating revenue was higher by 24.6% YoY and 7.2% QoQ at INR3.1b, 4% higher than our estimates.
- Cost to Income ratio came in at 53.8% in 4QFY24 vs. 56.2% in 4QFY23 and 55.3% in 3QFY24.
- Thus EBIDTA came at INR1.43b and EBIDTA margin stood at 46.2% v/s 43.8% in 4QFY23. EBIDTA was up 31.4% YoY and 10.8% QoQ (7% higher than estimates).
- PAT stood at INR103m in 4QFY24, a growth of 38.5% YoY and 16.3% QoQ. PAT for the quarter came 11% higher than our estimates.

View: Positive

NIFTY (CMP : 21957) Nifty immediate support at 21850 then 21700 zones while resistance at 22050 then 22222 zones. Now till it hold below 22000 zones, weakness could be seen towards 21850 then 21700 whereas hurdles are placed at 22050 then 22222 zones.

3-Nifty50 - 09/05/24
EMA(CloseLine:50)



BANK NIFTY (CMP : 47487) Bank Nifty support at 47250 then 47000 zones while resistance at 47777 then 48000 zones. Now till it holds below 47777 zones further weakness could be seen towards 47250 then 47000 zones while on the upside hurdle is seen at 47777 then 48000 levels.

3-Niftybank - 09/05/24
EMA(CloseLine:50)



Technical Trading Idea

Hero Motocorp : Buy CMP : 4765 Target : 4950 SL : 4670 Duration : 2-3 Days

- Hero Motocorp has given trend line breakout on daily chart and managed to hold above the same. Breakout is supported by surge in volumes which may support the ongoing up move.
- It has formed a bullish candle on daily scale and supports are gradually shifting higher. Momentum indicator RSI is positively placed which may take the prices higher.

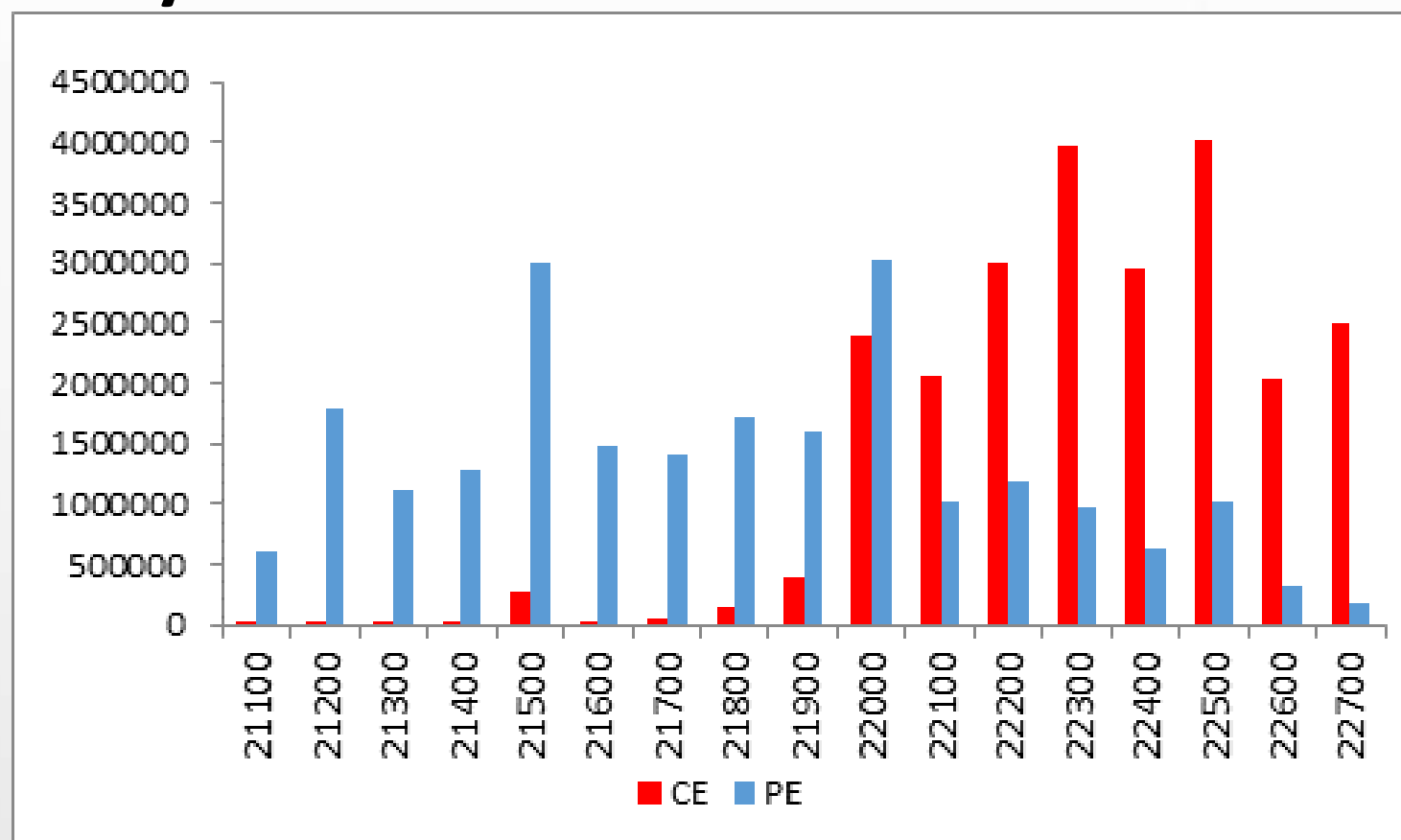
3-Hero Motocorp Limited - 09/05/24
EMA(CloseLine:50)



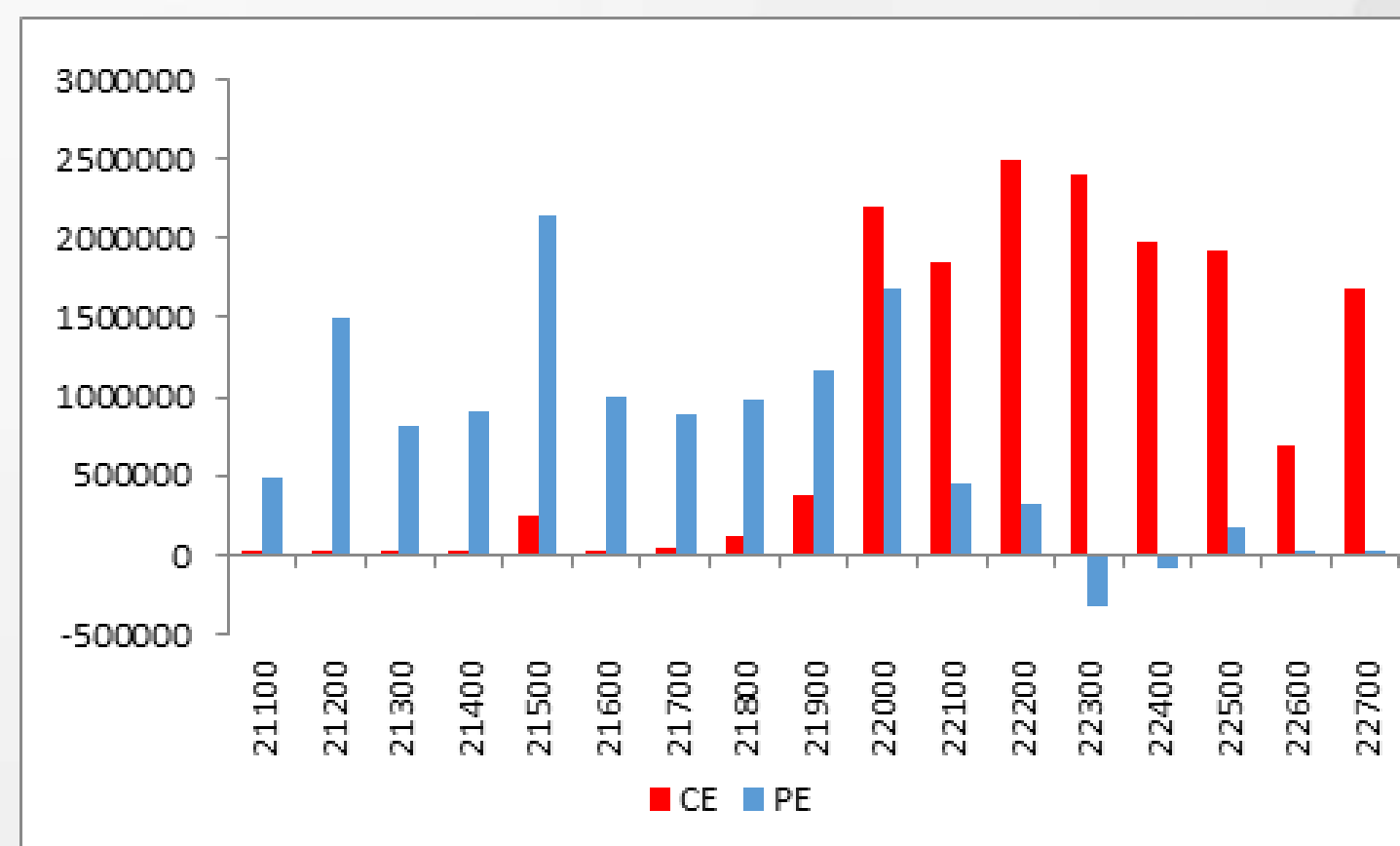
Derivative Outlook

- Nifty May future closed at 22,075.80 with a premium of 118.30 point v/s 91.35 point premium in the last session.
- Nifty futures OI increased by 19.07% to 1.51 Cr and Bank Nifty futures OI increased by 9.19% to 27.51 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 0.77 to 0.90 level.
- India VIX was up by 6.56% from 17.08 to 18.20 levels. Volatility spiked above 19 zones at its sixteen months high and paved a smooth way for the bears in the market.
- On weekly front, Maximum Call OI is at 22500 then 22300 strike while Maximum Put OI is at 22000 then 21500 strike. Call writing is seen at 22200 then 22300 strike while marginal Put writing is seen at 21500 then 21800 strike. Option data suggests a broader trading range in between 21500 to 22500 zones while an immediate range between 21800 to 22300 levels.

Nifty OI



1-Day change in Nifty OI



- **Option Buying:** Buy Weekly Nifty 21900 Put till it holds below 22000 zones. Buy Weekly Bank Nifty 47200 Put till it holds below 47777 zones.
- **Option Strategy:** Weekly Nifty Bear Put Spread (Buy 21950 PE and Sell 21750 PE) at net premium cost of 60-80 points. Weekly Bank Nifty Bear Put Spread (Buy 47500 PE and Sell 47000 PE) at net premium cost of 170-200 points.
- **Option Writing:** Sell Weekly Nifty 21200 PE and Sell 22600 CE at inflow of 24-25 points with strict double SL. Sell Weekly Bank Nifty 45700 PE and Sell 49200 CE at inflow of 50-60 points with strict stop loss due to higher volatility

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