

13th May, 2024

Most
Market
 **OUTLOOK**



- Expect market to open on a flat note in spite of rally in the global markets. Rate cut hope by US Fed and ahead of US Inflation data to be release this week lifted US market nearly 2-month high and European market ended record high on Friday.
- Asian markets are witnessing mixed bag. US market rally in the eighth straight sessions and gained of 0.3% on Friday. Investor hopes of an easing in monetary policy after reported consumer sentiment fell to 6-month low despite hawkish commentary by the US Fed officials.
- Gift Nifty is down 50 points or 0.2%. Traders should be prepared for higher intra-day volatility in the next 3 weeks, and the market may not maintain the global market trend ahead of the election.

Actionable Idea for the Day

Technical Pick:

Bharti Airtel : Buy

(CMP 1301 SL 1270 TP 1360)

2-3 Days)

Fundamental Pick:

ABB : Buy

(CMP : 7178, TP : 8500)

(Duration 1 Year)

Index Levels :

Nifty Cash	R1	R2	S1	S2
22,055	22,222	22,350	21,850	21,700
BankNifty Cash	R1	R2	S1	S2
47,421	47,777	48,000	47,000	46,750

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
ICICI Lombard	Buy	1,662	2100	26%
JSW Infra	Buy	246	300	22%
Bharti Airtel	Buy	1,303	1570	21%
Kirloskar Oil	Buy	1,044	1220	17%
SBI	Buy	818	925	13%

Fundamental Outlook

Global Market Summary:

- US market on Friday rose for the eighth straight session amid increased hopes of an easing in monetary policy after consumer sentiment fell to a 6-month low. S&P 500, and Nasdaq Composite gained 0.3% each. Dow Futures is trading -37 points lower.
- European indices gained between 0.4%-0.6%. Asian markets today, are trading mixed.
- **Global Cues: Mixed**

Indian Market Summary:

- Nifty bounced on the last day of the week to close with gains of 98 points (+0.4%) at 22,055.
- FII: -Rs2118 crore DII: +Rs2710 crore.
- Currently GIFT Nifty is trading -35 points lower.
- **Domestic Cues: Flat**

News and Impact :

JK Cement: The company posted 101% YoY growth in consolidated net profit in Q4FY24. Its revenue surged over 11% during the same period. EBITDA/t was up 44% YoY. **Impact: Positive**

BEML: BEML's Q4 earnings showcased strong growth, with net profit soaring 63% YoY. Revenue also witnessed a healthy uptick of 9.1%. Ebitda surged 29%, with an improvement in margin to 24.5%.

Impact: Positive

Fundamental Actionable Idea

ABB: (CMP INR7178, TP INR8500, 18% Upside, Buy)

- ABB reported revenue growth of 28% in 1QCY24, driven by growth in Electrification (+30% YoY), Process Automation, (+73% YoY), and Robotics & Motion (+8% YoY).
- EBITDA Margin came in all time high at 18.3% (+650bp YoY), benefiting from its pricing advantage, operating leverage gain, improving product mix toward higher-margin segments, and a wide product portfolio.
- This led to PAT growth of 87% YoY at ₹4.6b. Order inflow at ₹36.1b jumped 15% YoY, while the order book stood at ₹89.3b (+25% YoY).
- We expect a PAT CAGR of 30% over CY23-26.

View: Buy

FIVE-STAR BUSINESS FINANCE | INITIATING COVERAGE: Enabling small; Growing big! (CMP INR729, TP INR950, 30% Upside, Buy)

- FIVESTAR provides small business loans (SBL) predominantly to micro-entrepreneurs, self-employed individuals, or informal salaried individuals for working capital, asset creation, or personal expense purposes.
- These loans are secured against collateral, typically a self-occupied residential property. The company has delivered an AUM CAGR of ~25% over FY20-FY24.
- A deep understanding of customer behavior, along with regional dynamics in semi-urban and fast-growing rural areas, positions FIVESTAR well to remain dominant in this product segment.
- We estimate a PAT CAGR of ~23% over FY24-FY26 for a RoA/RoE of 7.2%/18.5% in FY26.
- We initiate coverage on the stock with a BUY rating and a TP of INR950

View: Buy

NIFTY (CMP : 22055) Nifty immediate support at 21850 then 21700 zones while resistance at 22222 then 22350 zones. Now it has to hold above 22000 zones for a bounce towards 22222 then 22350 zones whereas supports are placed at 21850 then 21700 zones.

2-Nifty50 - 10/05/24
EMA(CloseLine:50)



Bank Nifty Technical Outlook

BANK NIFTY (CMP : 47421) Bank Nifty support at 47000 then 46750 zones while resistance at 47777 then 48000 zones. Now till it holds below 47777 zones further weakness could be seen towards 47000 then 46750 zones while on the upside hurdle is seen at 47777 then 48000 levels.

2-Niftybank - 10/05/24
EMA(CloseLine:50)



Technical Trading Idea

Bharti Airtel : Buy CMP : 1301 Target : 1360 SL : 1270 Duration : 2-3 Days

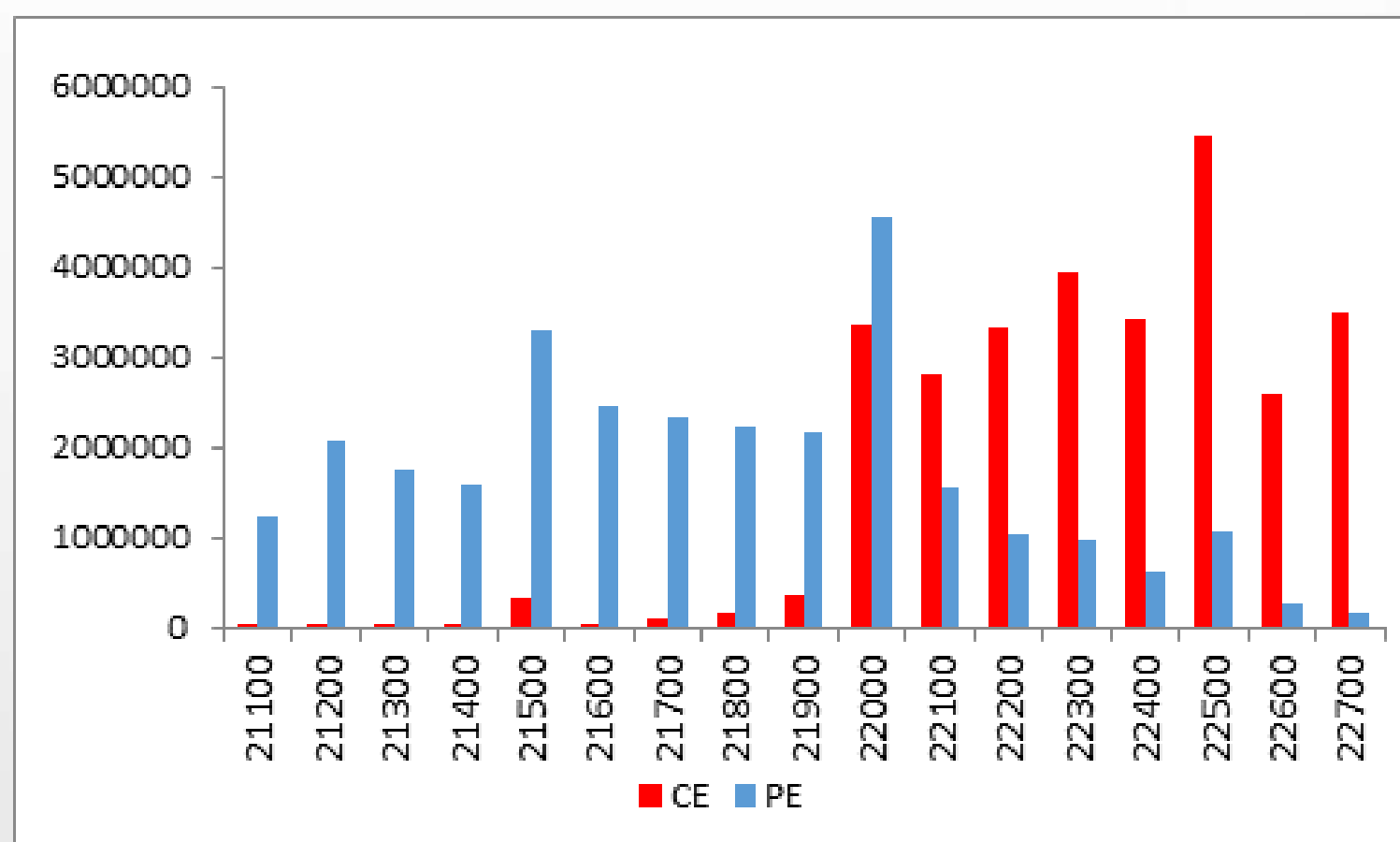
- Bharti Airtel is in overall uptrend and forming higher lows on monthly scale from past eight months. On daily scale the stock is on the verge of giving range breakout after five sessions and formed a strong bullish candle in spite of market weakness.
- It is trading above its short term moving averages and momentum indicator Relative Strength Index (RSI) is also on the verge of Bullish crossover which indicates momentum to pick up in coming sessions.



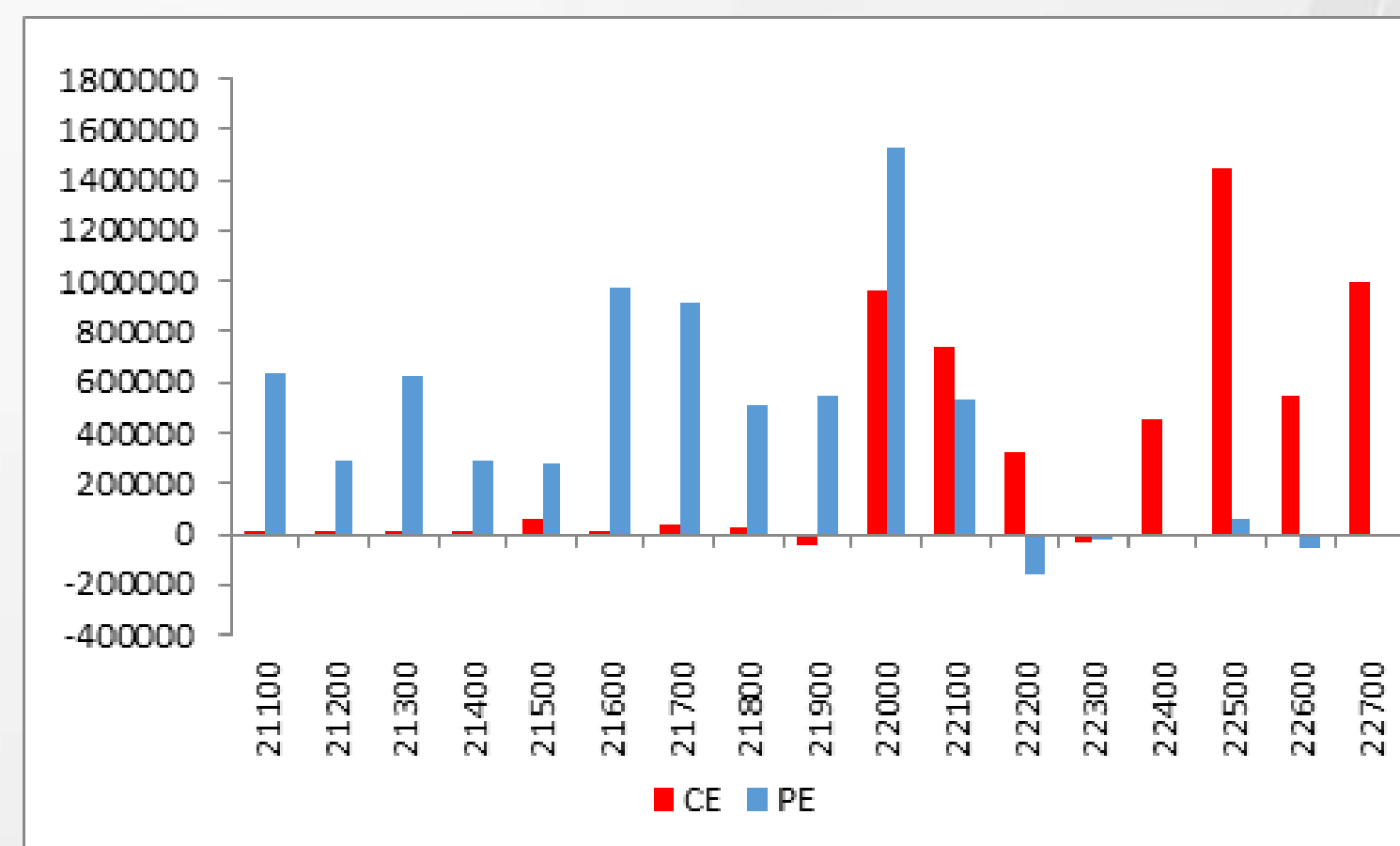
Derivative Outlook

- Nifty May future closed at 22,140.60 with a premium of 85.40 point v/s 118.30 point premium in the last session.
- Nifty futures OI decreased by 1.15% to 1.49 Cr and Bank Nifty futures OI increased by 0.28% to 27.59 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 0.90 to 0.91 level.
- India VIX was up by 1.48% from 18.20 to 18.47 levels. Volatility spiked above 19 zones at its sixteen months high and paved a smooth way for the bears to create swings in the market.
- On weekly front, Maximum Call OI is at 22500 then 22400 strike while Maximum Put OI is at 22000 then 21600 strike. Call writing is seen at 22500 then 22100 strike while Put writing is seen at 22000 then 21700 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:** Wait for Option buying in Nifty and need to watch 22050 for any directional set up. Buy Weekly Bank Nifty 47200 Put till it holds below 47777 zones.
- **Option Strategy:** Weekly Nifty Bear Put Ladder Spread (Buy 22050 PE, Sell 21850 PE and 21700 PE) at net premium cost of 45-50 points. Weekly Bank Nifty Bear Put Spread (Buy 47400 PE and Sell 47000 PE) at net premium cost of 130-150 points.
- **Option Writing:** Sell Weekly Nifty 21500 PE and Sell 22550 CE at inflow of 24-25 points with strict double SL. Sell Weekly Bank Nifty 46100 PE and Sell 48700 CE at inflow of 50-60 points with strict stop loss due to higher volatility

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