

21st May, 2024

Most
Market
 **OUTLOOK**



- Telecom stocks positive As Supreme Court grants telcos' interest waiver on tax dues on licence fees.
- Fifth phase voting turnout 60% against 62% in 2019 general election
- Gold hits record high on Fed Rate-Cut Hopes. Oil prices edge lower, giving up early gains from death of Iran's president.
- European stocks hovered near their record highs amid extended optimism about earnings growth and potential interest-rate cuts.

Actionable Idea for the Day

Technical Pick:

IRFC : Buy

(CMP 173 SL 165 TP 190)

2-3 Days)

Fundamental Pick:

BEL : Buy

(CMP : 250, TP: 310)

(Duration 1 Year)

Index Levels :

Nifty Cash	R1	R2	S1	S2
22,502	22,550	22,700	22,350	22,222
BANK Nifty Cash	R1	R2	S1	S2
48,199	48,500	48,888	47,777	47,500

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
LT	Buy	3,464	4400	27%
Dabur	Buy	540	650	20%
Motherson	Buy	130	150	15%
ICICI Bank	Buy	1,131	1300	15%
Cipla	Buy	1,404	1600	14%

Global Market Summary:

- The US markets ended in green on Friday with the S&P 500 ending positive and the Nasdaq Composite up +0.6%. Dow Futures is trading +12 points higher.
- European indices ended in the green.
- Most of the Asian markets are trading red.
- **Global Cues: Mixed**

Indian Market Summary:

- Nifty on the special trading day traded firmly to close with gains of 98 points above 22500 levels.
- FII: -Rs93 crore DII: -Rs153 crore.
- Gift Nifty is currently trading flat.
- **Domestic Cues: Positive**

News and Impact :

Kalpataru Power: The Company has signed three Aramco contracts worth Rs7550cr. **Impact: Positive**

RVNL: The company has received an order worth Rs148 crore from South Eastern Railway for an electric traction system. **Impact: Positive**

BEL: CMP INR259 TP INR310, Upside 20% Buy

- BEL reported a strong set of numbers-driven by better-than-expected EBITDA margin and strong PAT/revenue growth.
- PAT grew by 30% YoY, while revenue grew 32% YoY at Rs8564cr.
- Order inflow grew by 74% to INR354b. FCF grew by 575% to INR40b on improved OCF.
- The share of indigenization in the Indian defense sector has been continuously moving up and we expect BHE's revenue market share to remain high at around 12-13%.
- We expect a CAGR of 19%/20%/22% in sales/EBITDA/PAT over FY24-26.

View: Buy

JSPL: CMP INR1017

- Prices of precious metals have seen a significant run on the back of geopolitical uncertainty, sticky inflation, and hopes of Fed rate cuts.
- Silver prices surged near an 11-year high by 11% ~92k levels, while copper prices rose to all time high
- This is positive for Metal companies like JSPL.
- JSP will increase its total finished steel capacity from 7.25mt to 13.75mt by FY26 at a total capex of INR310b.
- With a higher conversion of semis into VAP, JSP expects realization and profitability to improve ahead.

View: Positive

NIFTY (CMP : 22502) Nifty immediate support at 22350 then 22222 zones while resistance at 22550 then 22700 zones. Now it has to hold above 22400 zones for an up move towards 22550 then 22700 zones whereas supports are placed at 22350 then 22222 zones.

2-Niftybank - 18/05/24
EMA(CloseLine:50)



Bank Nifty Technical Outlook

BANK NIFTY (CMP : 48199) Bank Nifty support at 47777 then 47500 zones while resistance at 48500 then 48888 zones. Now it has to continue to hold above 48000 zones for an up move towards 48500 then 48888 zones while on the downside support is seen at 47777 then 47500 levels.

2-Nifty50 - 18/05/24
EMA(CloseLine:50)



Technical Trading Idea

IRFC : Buy CMP : 173 Target : 190 SL : 165 Duration : 2-3 Days

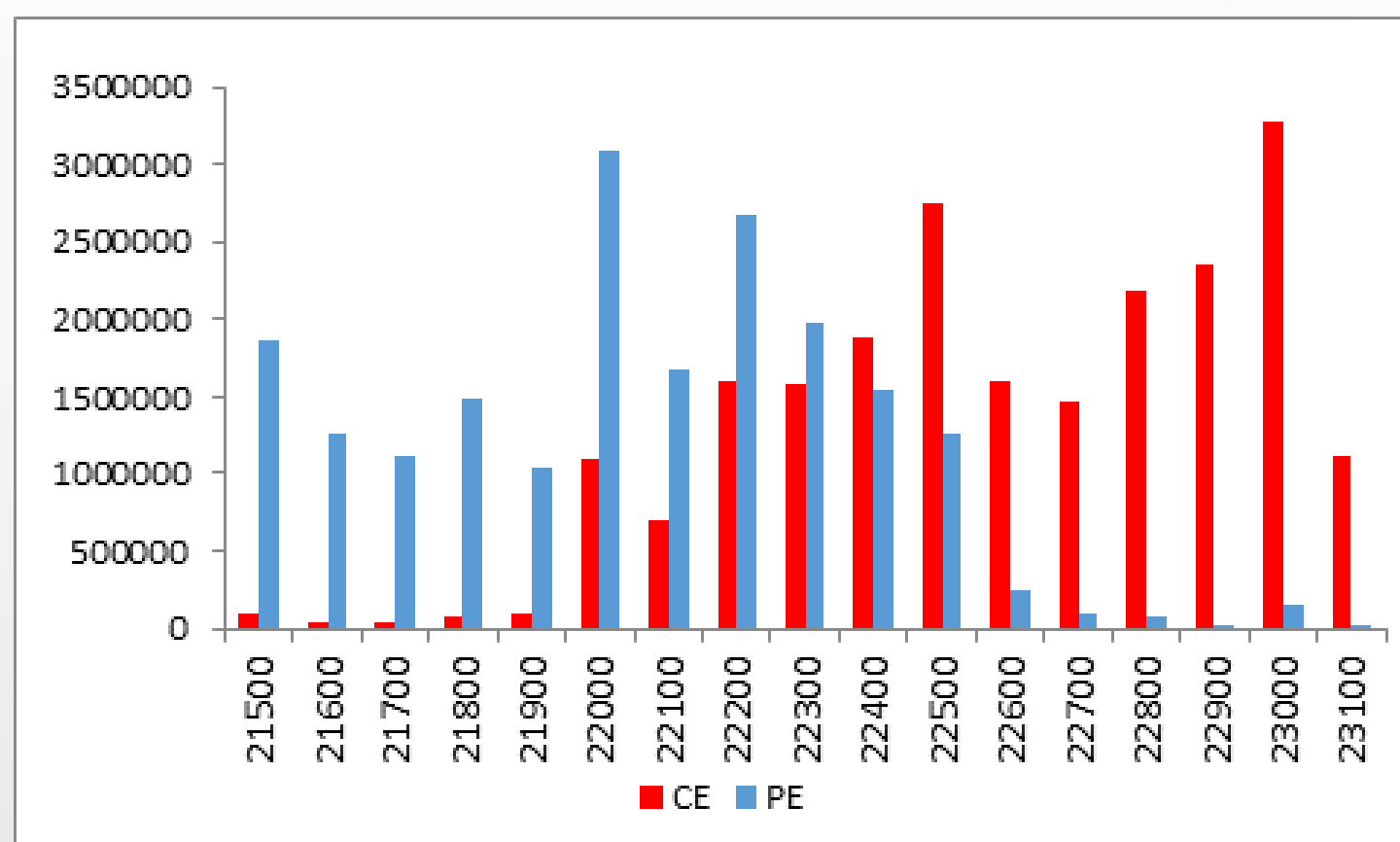
- IRFC has given range breakout on daily chart and managed to close above the same. Buying is visible across Rail Psu Stocks which may support the ongoing up move.
- It has formed a strong bullish candle on daily scale and supports are gradually shifting higher. Momentum indicator Relative Strength Index (RSI) is positively placed which may take prices higher.



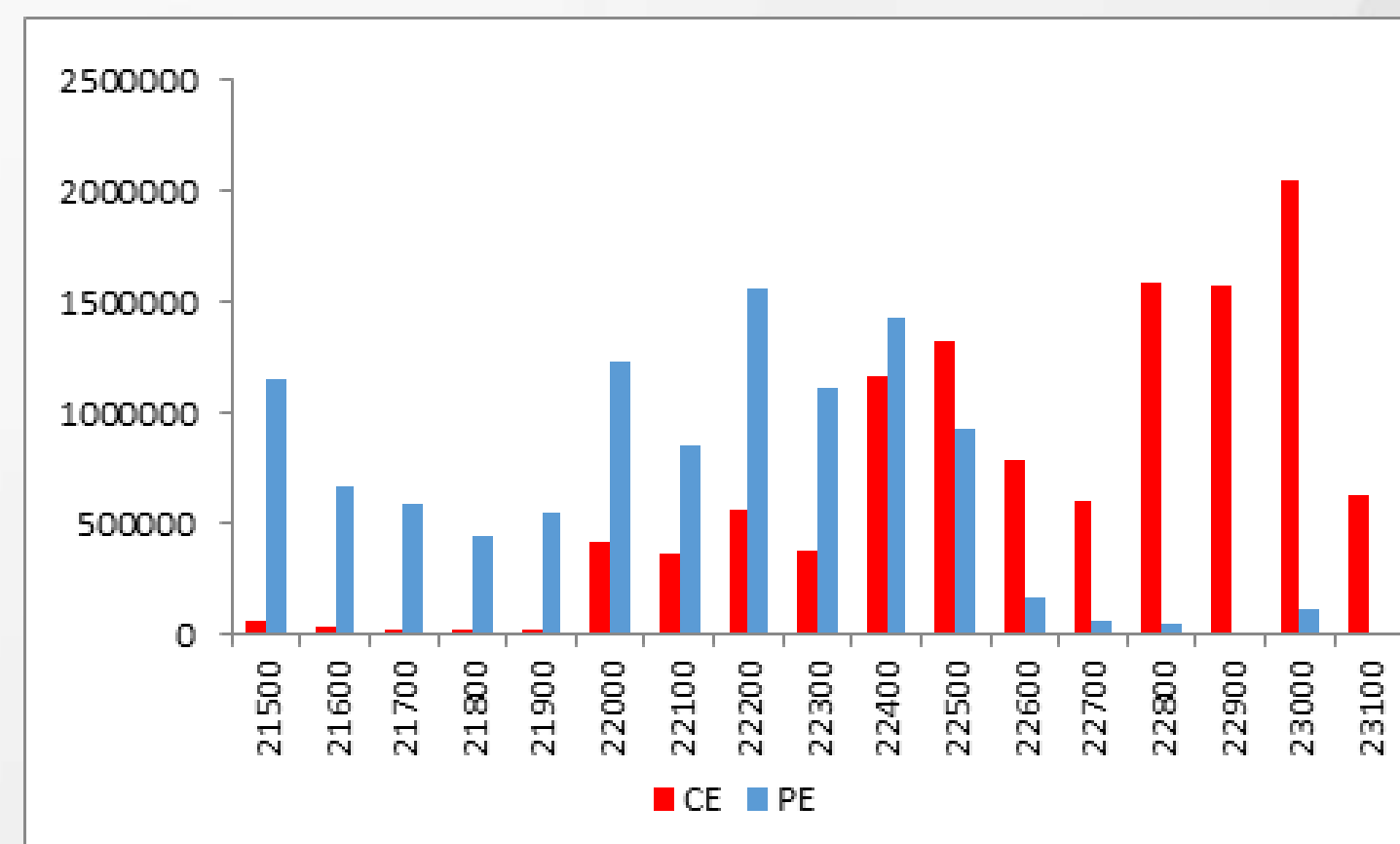
Derivative Outlook

- Nifty May future closed at 22,497.70 with a premium of 31.60 point v/s 48.50 point premium in the last session.
- Nifty futures OI increased by 0.83% to 1.53 Cr and Bank Nifty futures OI increased by 1.40% to 29.03 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 1.19 to 1.23 level.
- India VIX was down by 1% from 20 to 19.80 levels on Friday's session. Volatility is still hovering at its nineteen months high and created swings in the market. VIX needs to fall below 16-18 zones for stability and smoother ride in the market.
- On weekly front, Maximum Call OI is at 22500 then 22800 strike while Maximum Put OI is at 22000 then 22400 strike. Minor Call writing is seen at 22700 then 22800 strike while Put writing is seen at 22400 then 22300 strike. Option data suggests a broader trading range in between 22000 to 23000 zones while an immediate range between 22300 to 22600 levels.

Nifty OI



1-Day change in Nifty OI



- **Option Buying:** Buy Weekly Nifty 22550 Call till it holds above 22400 zones. Buy Weekly Bank Nifty 48300 Call till it holds above 48000 zones.
- **Option Strategy:** Weekly Nifty Bull Call Ladder Spread (Buy 22500 CE, Sell 22700 CE and 22800 CE) at net premium cost of 50-60 points. Weekly Bank Nifty Bull Call Ladder Spread (Buy 48200 CE, Sell 48600 CE and Sell 48800 CE) at net premium cost of 120-130 points.
- **Option Writing:** Sell Weekly Nifty 22000 PE and Sell 22900 CE at inflow of 24-25 points with strict double SL. Sell Weekly Bank Nifty 47100 PE and Sell 49000 CE at inflow of 45-50 points with strict stop loss due to higher volatility.

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