

22nd May, 2024

Most  
**Market**  
 **OUTLOOK**

- Expect market to open on a positive note on account of US market ended on a record high, falling oil price and expectation of short covering in the F&O segment as less than 2-week left for the outcome ahead of union election results.
- U.S. stocks rose modestly on Tuesday, as investor anticipation runs high for upcoming earnings results from Nvidia Corp and US Fed Minutes of meeting outcome today.
- Gift Nifty is marginally up by 0.2%. Expect rally on PSU stocks - PSU Banks, PSU shipbuilding stocks, PSU rail stocks, and PSU defense stocks due to good quarter results announcement, strong order book and the government emphasis more focus on PSU sectors.

## Actionable Idea for the Day

### Technical Pick:

**SBI : Buy**

**(CMP 830 SL 810 TP 870)**

**2-3 Days)**

### Fundamental Pick:

**Vedanta : Positive**

**(CMP : 492)**

**(Duration 1 Year)**

## Index Levels :

Nifty Cash	R1	R2	S1	S2
22,529	22,650	22,794	22,400	22,300
BankNifty Cash	R1	R2	S1	S2
48,048	48,500	48,888	47,777	47,500

## Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
MTAR	Buy	2,100	2800	33%
Cipla	Buy	1,443	1720	19%
Dmart	Buy	4,696	5310	13%
Polycab	Buy	6,690	7500	12%
SBI	Buy	830	925	11%

## Global Market Summary:

- US markets yesterday, gained .25%, as investors assessed the latest comments from Federal Reserve officials for clues on the timing of a rate cut
- Dow Futures is trading 0.1% higher.
- European indices yesterday lost 0.5%. Asian markets today, are trading mixed.
- **Global Cues: Positive**

## Indian Market Summary:

- Nifty yesterday, traded sideways to close with minor gains of 27 points at 22529 levels.
- FII: -Rs1875 crore DII: +Rs3549 crore.
- Currently GIFT Nifty is +0.1% higher (25 points higher).
- **Domestic Cues: Muted**

## News and Impact :

**GAIL:** Company plans to set up around 26 Bio CNG plants over the next two to three years, both as producers as well as joint venture partners with raw material suppliers or biogas producers

**Impact: Positive**

**HG Infra:** The company emerged as the lowest bidder for two MSRDC projects worth Rs 4,142 crore.

**Impact: Positive**



## Fundamental Actionable Idea

### Vedanta: CMP INR492

- Metal prices of copper, Silver hit further record high which would benefit Vedanta, who along with subsidiary Hindustan Zinc is an integrated producer of various metals
- The suspension order on mining operations at Vedanta's iron ore plant at Chitradurga in Karnataka has been revoked

**View: Positive**

### Hitachi Energy: CMP INR10832

- Revenue at INR16.9b (+27% YoY) came in ahead of our estimates, led by robust execution of the opening order book of INR75.5b.
- EBITDA margin expanded by 360bp to 10.7% on the back of cost control initiatives on the other expenses front. Accordingly, EBITDA grew by 91% YoY to INR1.8b.
- PAT at INR1.1b clocked in a YoY growth of 124% on the back of strong operational performance.
- Order inflows during the quarter came in at INR14b, up 11% YoY. The order book stood at INR72b, up 2% YoY.
- Electrification and digitalization of energy networks significantly contributed to orders, and the transmission segment was healthy. Service orders were up 43% YoY.
- Export order inflow grew 43% YoY, aided by transformers and power quality technologies.

**View: Positive**

**NIFTY (CMP : 22529)** Nifty immediate support at 22400 then 22300 zones while resistance at 22650 then 22794 zones. Now it has to hold above 22400 zones for an up move towards 22650 then 22794 zones whereas supports are shifting higher at 22400 then 22300 zones.





**BANK NIFTY (CMP : 48048)** 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.

3-Niftybank - 21/05/24  
EMA(CloseLine:50)



# Technical Trading Idea

**SBI : Buy      CMP : 830      Target : 870      SL : 810      Duration : 2-3 Days**

- SBI is in overall uptrend and holding gains at higher zones. It is on the verge of giving consolidation breakout on daily scale & perfectly resecting 50 DEMA. Buying is visible across Psu Stocks which may support the ongoing up move.
- It has formed a bullish candle on daily chart and supports are gradually shifting higher. Momentum indicator Relative Strength Index (RSI) is positively placed which may support the ongoing up move.



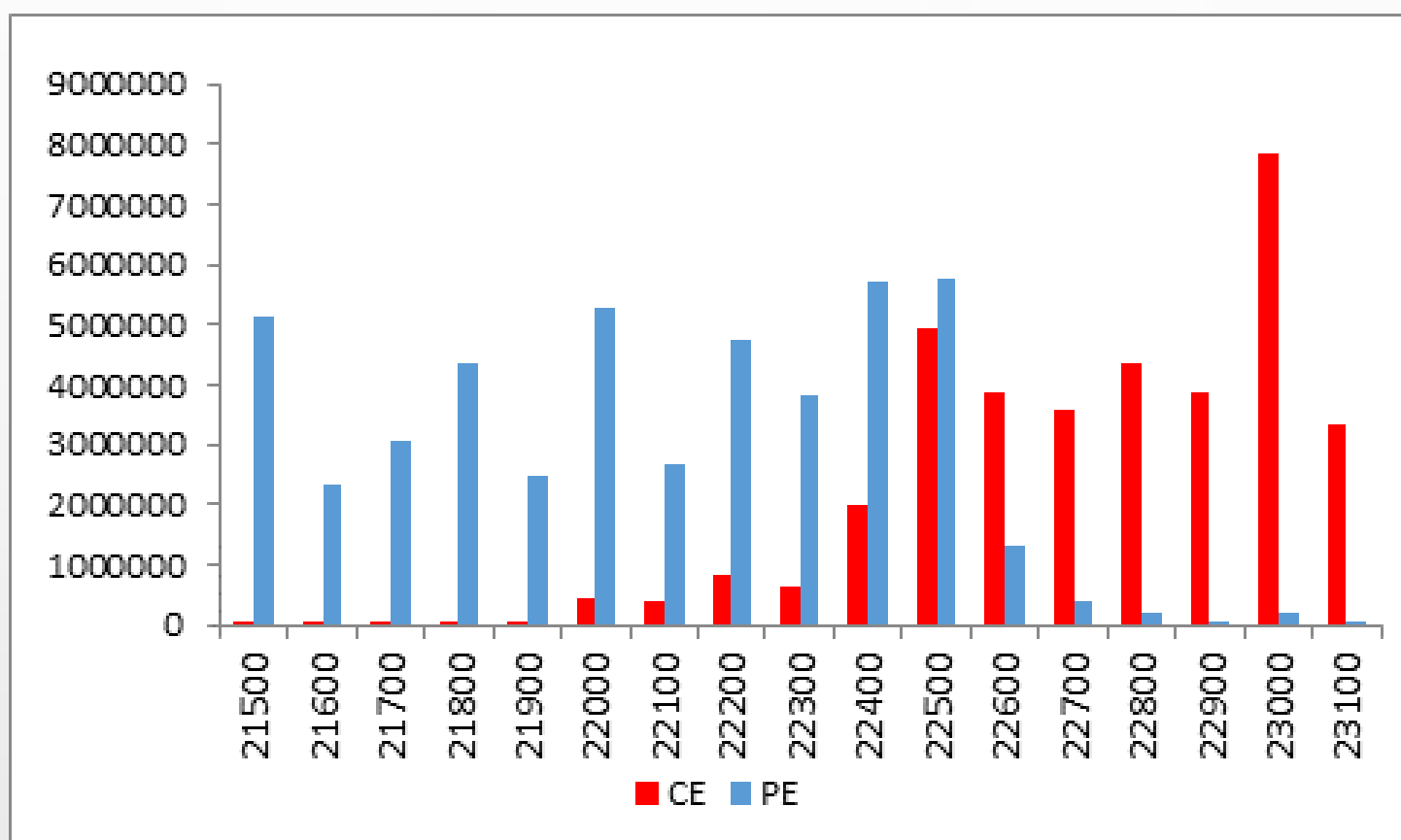


## Derivative Outlook

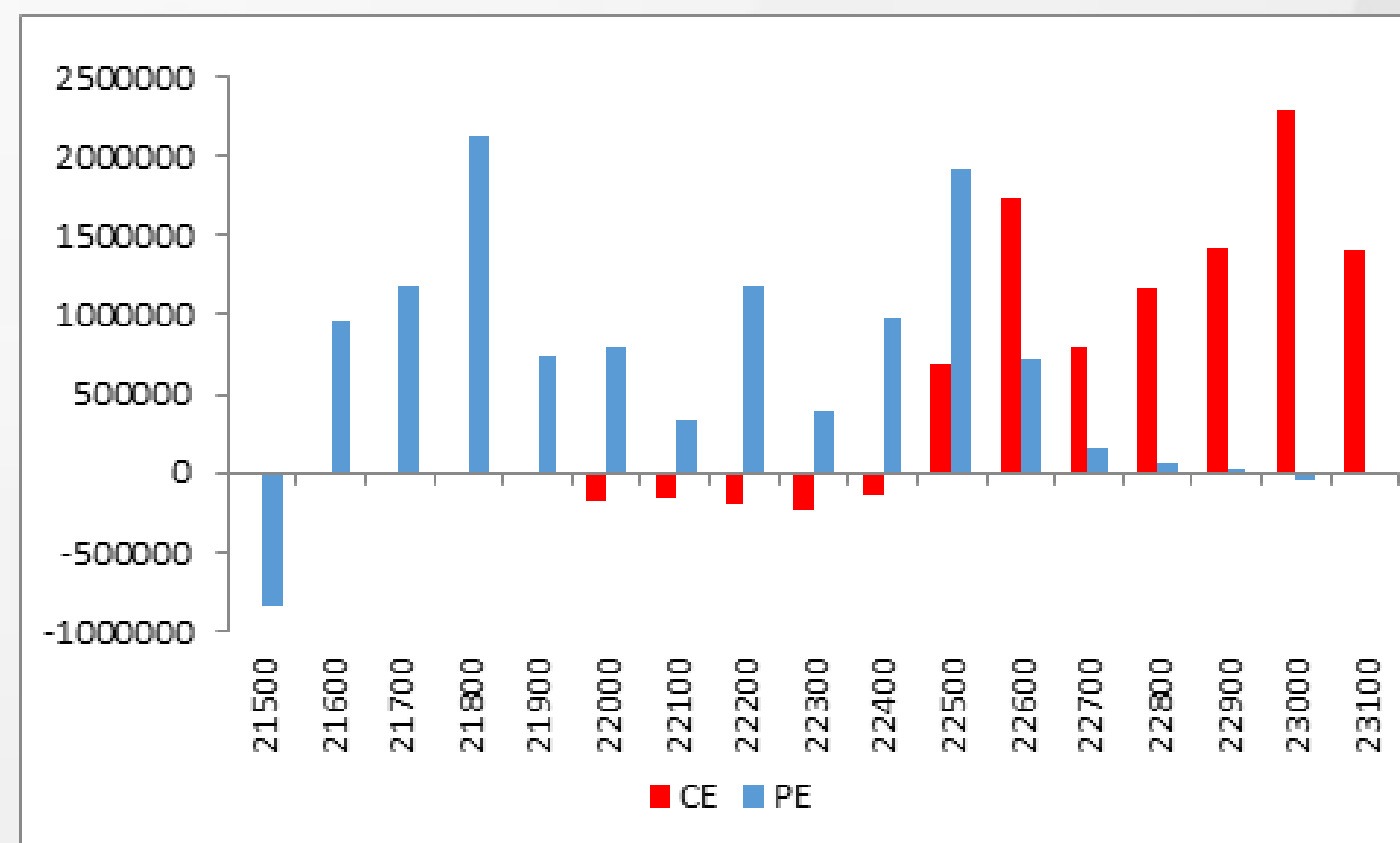
- Nifty May future closed at 22,605.90 with a premium of 76.85 point v/s 31.60 point premium in the last session.
- Nifty futures OI increased by 1.42% to 1.55 Cr and Bank Nifty futures OI increased by 1.35% to 29.28 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 1.23 to 1.15 level.
- India VIX was up by 6.26% from 20 to 21.81 levels. 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 23000 then 22500 strike while Maximum Put OI is at 22500 then 22400 strike. Call writing is seen at 23000 then 22600 strike while Put writing is seen at 22500 then 21800 strike. Option data suggests a broader trading range in between 22000 to 23000 zones while an immediate range between 22300 to 22700 levels.



## Nifty OI



## 1-Day change in Nifty OI



- **Option Buying:** Buy Weekly Nifty 22500 Call till it holds above 22400 zones. Buy Weekly Bank Nifty 48000 Call till it holds above 48000 zones.
- **Option Strategy:** Weekly Nifty Bull Call Ladder Spread (Buy 22500 CE, Sell 22650 CE and 22750 CE) at net premium cost of 45-50 points. Weekly Bank Nifty Bull Call Ladder Spread (Buy 48000 CE, Sell 48300 CE and Sell 48500 CE) at net premium cost of 70-90 points.
- **Option Writing:** Sell Weekly Nifty 22150 PE and Sell 22800 CE at inflow of 24-25 points with strict double SL. Sell Weekly Bank Nifty 47400 PE and Sell 48600 CE at inflow of 40-45 points with strict stop loss due to higher volatility.

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