

23rd May, 2024

Most  
**Market**  
 **OUTLOOK**

- Better than expected NVidia quarterly results, smart gained US Index future, modest gain Asian markets and falling crude oil price to 2-month low, may open domestic bourses on a positive note. Federal Reserve officials says that the US interest rates will need to stay higher for longer to combat stubborn inflation. However, interesting factor that the US 10-year bond yield traded flat at 4.42% and US Vix closed at its lowest level since 2019.
- Technically, Nifty yesterday ended nearly 22600 level to form a bullish candle with a long tail, indicating strong buying interest. RBI announced Rs 2.11lakh cr dividend to the government – may big support to the government and it may reduce fiscal deficit. FMCG stocks rally may continue after RBI says improved demand in the rural area. Falling oil price may positive on oil marketing stocks. Expects positive for IT stocks after Chip maker NVidia announced strong quarterly results.

## Actionable Idea for the Day

### Technical Pick:

**Auro Pharma : Buy**

**(CMP 1222 SL 1195 TP 1275)**

**2-3 Days)**

### Fundamental Pick:

**HDFC Life : Buy**

**(CMP : 560, TP: 700)**

**(Duration 1 Year)**

## Index Levels :

Nifty Cash	R1	R2	S1	S2
22,597	22,794	22,900	22,450	22,350
BANK Nifty Cash	R1	R2	S1	S2
47,781	48,250	48,500	47,500	47,250

## Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
MTAR	Buy	2,136	2800	31%
Cipla	Buy	1,482	1720	16%
Dmart	Buy	4,799	5310	11%
Polycab	Buy	6,562	7500	14%
SBI	Buy	819	925	13%

# Fundamental Outlook

## Global Market Summary:

- US markets yesterday, ended lower after US Fed meeting minutes suggested hawkish commentary by US Fed officials. Both S&P 500 & Nasdaq were down 0.2%
- Dow Futures is trading 30 points lower.
- European indices yesterday ~lost 0.2% to 0.6%.
- Asian markets today, are trading mixed.
- **Global Cues: Weak**

## Indian Market Summary:

- Nifty continued to trade sideways to close with marginal gains of 69 points at 22598 levels.
- FII: -Rs686 crore DII: +Rs962 crore.
- Currently GIFT Nifty is trading flat.
- **Domestic Cues: Muted**

## News and Impact :

**GAIL:** Company plans to invest up to ₹50,000 crore to build a 1.5 million tonnes per annum ethane cracking unit in Madhya Pradesh. The new facility is expected to help Gail meet the robust domestic petrochemicals demand, which is expected to triple to \$ 1 trillion by 2040. **Impact: Positive**

**RailTel Corporation of India:** Company has received a work order worth Rs17.21cr from Defence Research And Development Organisation. **Impact: Positive**



## Fundamental Actionable Idea

### HDFC Life: CMP INR560 TP INR700, Upside 25% Buy

- HDFC Life is strategically positioned to capitalize on market demand trends while balancing VNB margins.
- For FY25, the company expects the industry to grow at a historical average rate of 12-15% and HDFCLIFE expects to grow at a higher end of that range.
- The key reason for HDFCLIFE's premium to other players has been its ability to weather adverse regulations relatively better than other players through its product innovation and a strong distribution network.
- Over FY24-26, we expect HDFCLIFE to report a CAGR of 15.2/16% in APE/VNB.

**View: Buy**

### Oil India: CMP INR656

- Oil India signed an agreement with Numaligarh Refinery for transportation of additional petroleum products through the Numaligarh-Siliguri Product Pipeline.
- The company reported 16%/18% growth in revenue/net profit in the fourth quarter on the back of higher crude oil prices.
- We are positive on the company given it is a unique play to benefit from the strong multi-year upcycle in both upstream and refining.

**View: Buy**

**NIFTY (CMP : 22597)** Nifty immediate support at 22450 then 22350 zones while resistance at 22794 then 22900 zones. Now it has to hold above 22500 zones for an up move towards 22794 then 22900 zones whereas supports are shifting higher at 22450 then 22350 zones.





# Bank Nifty Technical Outlook

**BANK NIFTY (CMP : 47781)** Bank Nifty support at 47500 then 47250 zones while resistance at 48250 then 48500 zones. Now it has to continue to hold above 47777 zones for an up move towards 48250 then 48500 zones while on the downside support is seen at 47500 then 47250 levels.

3-Niftybank - 22/05/24  
EMA(CloseLine:50)



# Technical Trading Idea

**Auro Pharma : Buy      CMP : 1222      Target : 1275      SL : 1195      Duration : 2-3 Days**

- Auro Pharma has given channel breakout on daily chart and managed to close above the same. Buying is visible across Pharma Stocks which may support the ongoing up move.
- Momentum indicator Relative Strength Index (RSI) is positively placed which may take prices higher.

3-Aurobindo Pharma Ltd. - 22/05/24



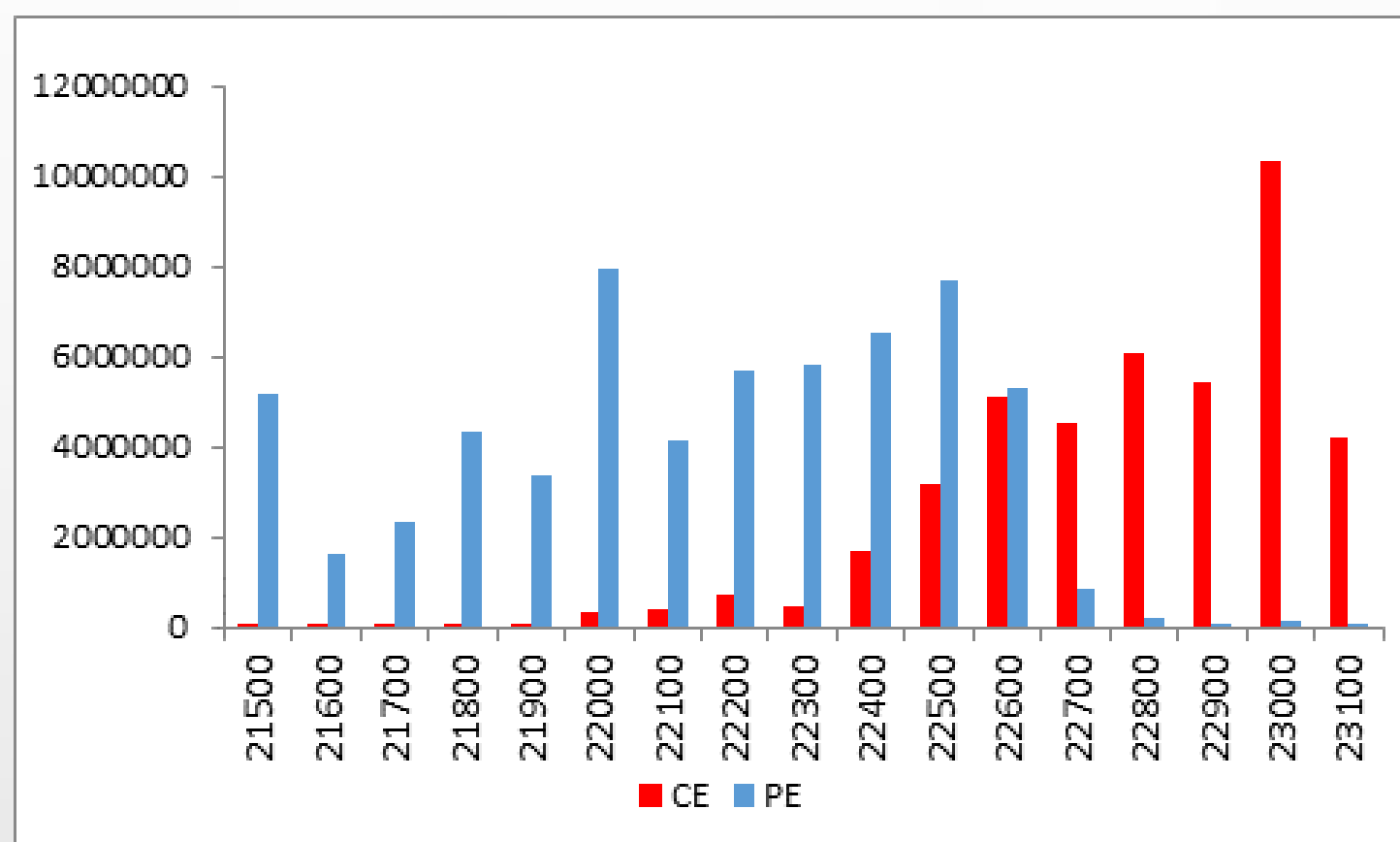


## Derivative Outlook

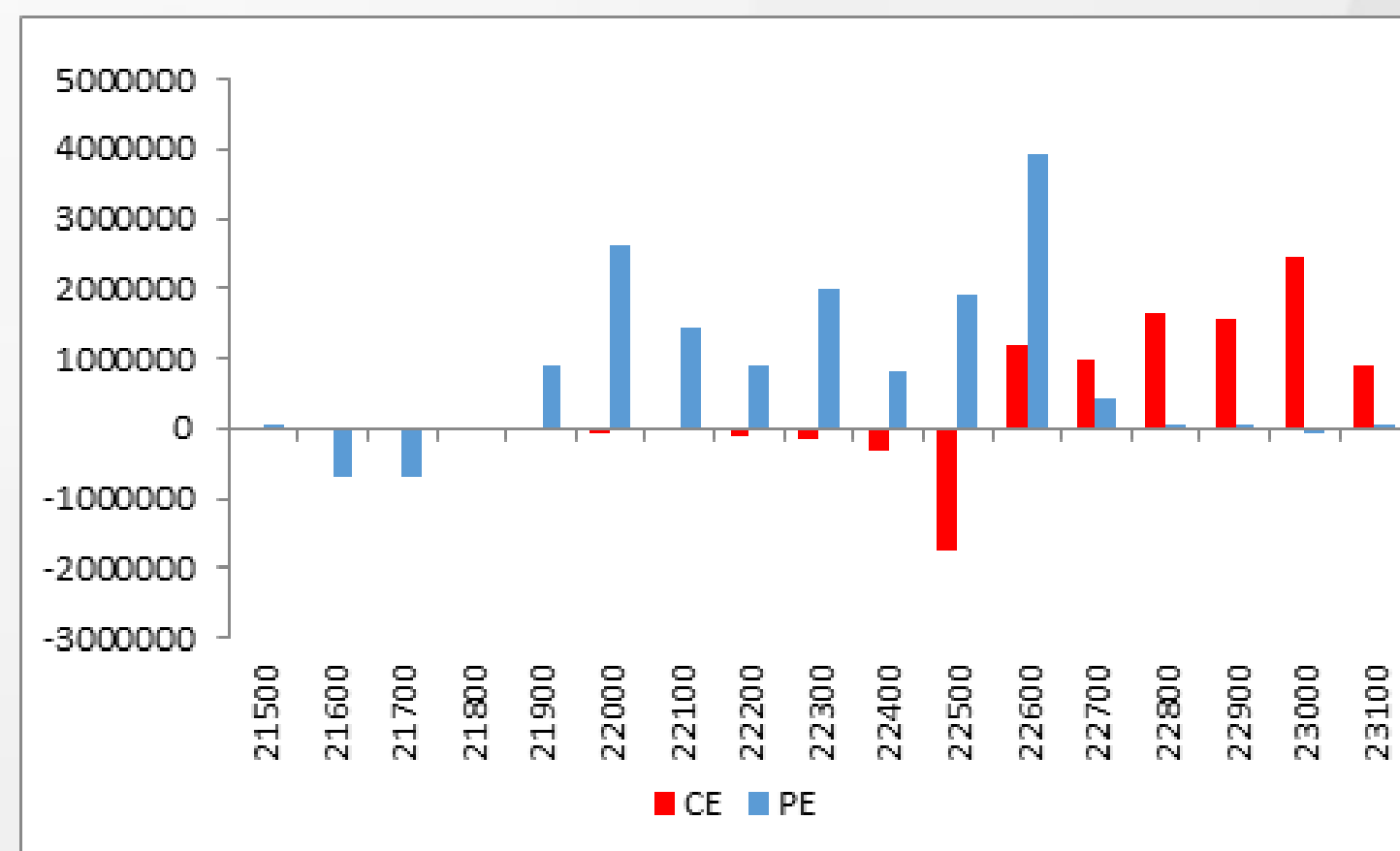
- Nifty May future closed at 22,657.95 with a premium of 60.15 point v/s 76.85 point premium in the last session.
- Nifty futures OI increased by 1.09% to 1.57 Cr and Bank Nifty futures OI decreased by 1.08% to 28.97 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 1.15 to 1.20 level.
- India VIX was down by 1.56% from 21.81 to 21.47 levels. Volatility is still hovering at its twenty 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 22800 strike while Maximum Put OI is at 22500 then 22000 strike. Call writing is seen at 23000 then 22650 strike while Put writing is seen at 22600 then 22000 strike. Option data suggests a broader trading range in between 22000 to 23000 zones while an immediate range between 22400 to 22800 levels.



## Nifty OI



## 1-Day change in Nifty OI



- **Option Buying:** Buy Weekly Nifty 22550 Call till it holds above 22500 zones. Buy Bank Nifty 48300 Call till it holds above 47777 zones.
- **Option Strategy:** Weekly Nifty Bull Call Ladder Spread (Buy 22600 CE, Sell 22700 CE and 22750 CE) at net premium cost of 30-35 points. Bank Nifty Bull Call Ladder Spread (Buy 47800 CE, Sell 48300 CE and Sell 48700 CE) at net premium cost of 100 - 120 points.
- **Option Writing:** Sell Weekly Nifty 22350 PE and Sell 22800 CE at inflow of 20-22 points with strict double SL. Sell Bank Nifty 46400 PE and Sell 49600 CE at inflow of 55-60 points with strict stop loss due to higher volatility.

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