

24th May, 2024

Most
Market
 **OUTLOOK**

Morning Market Outlook

- Expect market to open on a weak note on account of sharp decline across the global market.
- US and Asian market slipped over 1% each after US PMI data surged to 2-year high and falling US jobless claim data, dampening the market sentiment of rate cut by US Fed
- Service Sector PMI logs third-Strongest Output growth since 2010 and RBI announced a Rs 2.11 Lakh-cr dividend to the government, which will reduce the fiscal deficit and step up infrastructure spending – big positive in the market sentiment

Actionable Idea for the Day

Technical Pick:

Bharti Airtel : Buy

(CMP 1374 SL 1345 TP 1450)

2-3 Days)

Fundamental Pick:

Indigo : Positive

(CMP : 4401)

(Duration 1 Year)

Index Levels :

Nifty Cash	R1	R2	S1	S2
22,967	23,200	23,350	22,850	22,700
BANK Nifty Cash	R1	R2	S1	S2
48,768	49,250	49,500	48,250	48,000

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
MTAR	Buy	2,112	2800	33%
HUL	Buy	2,378	2900	22%
Cipla	Buy	1,487	1720	16%
ICICI Bank	Buy	1,136	1300	14%
Polycab	Buy	6,648	7500	13%

Global Market Summary:

- US markets yesterday, lost ~0.5-1.5%, as robust economic data fueled concerns over tighter-for-longer monetary policy.
- Dow Futures is trading 0.1% higher. European indices yesterday ended on a mixed note.
- Asian markets today, are trading in red.
- **Global Cues: Weak**

Indian Market Summary:

- Nifty yesterday, made a fresh all-time high and closed with gains of 370 points (+1.6%) at 22968 levels.
- FIIs: +Rs4671 crore DIIs: +Rs147 crore.
- Currently GIFT Nifty is +0.1% higher (16 points higher).
- **Domestic Cues: Muted**

News and Impact :

Godrej Properties: Company has sold around 650 flats in Noida for more than Rs 2,000 crore, amid strong consumer demand for residential properties. **Impact: Positive**

ITC: Post obtaining no-objection from stock exchanges, NCLT has directed convening a meeting of shareholders of the company on June 6 for approval of the demerger of its hotels business into a separate listed entity. **Impact: Positive**

Indigo: CMP INR4401

- INDIGO reported EBITDA growth of 45% YoY to INR39.8b in 4QFY24, while PAT more than doubled to INR18.9b.
- Revenue passenger kilometers (RPK) at 30b. Passenger load factor (PLF) was 86.2% with available seat kilometers (ASK) of 34.8b (est. 33.9b) and yield at INR5.2 (vs. est. of INR4.9, +7% YoY) in 4Q.
- Management is confident of adding ~1 aircraft/week in FY25, with capacity and passenger growth guidance intact in mid-teens for FY25. ASK is expected to grow 10-12% YoY in 1QFY25.
- According to our airfare tracker, the 30-day domestic forward prices for INDIGO are up by 1% QoQ at INR6,438 and the 15-day prices are up by 4% QoQ at INR7,123 in 1QFY25 till date.
- The management also announced a tailor-made business product aimed at redefining premium travel in India, details of which would be disclosed in Aug'24.
- INDIGO has increased its fleet size to 367 in FY24 from 306 in FY23. Its long-term guidance of doubling the capacity stays intact, despite short-term headwinds

View: Positive

JK Laxmi Cement: CMP INR795

- EBITDA (consolidated) was at INR3.4b (up 45% YoY) v/s estimated INR2.95b, driven by lower-than-estimated opex/t. OPM surged 6.4pp YoY to ~19% v/s estimated ~15%.
- Sales volume up 1% YoY and realization was down 5% YoY/QoQ. EBITDA/t was at INR1,031 (v/s estimated INR852) against INR719/INR1,021 in 4QFY23/3QFY24.
- Adj. PAT was at INR1.6b v/s estimated INR1.4b.

View: Positive

NIFTY (CMP : 22967) Nifty immediate support at 22850 then 22700 zones while resistance at 23200 then 23350 zones. Now it has to hold above 22850 zones for an up move towards 23200 then 23350 zones whereas supports are shifting higher at 22850 then 22700 zones.

1-Nifty50 - 23/05/24
EMA(CloseLine:50)



BANK NIFTY (CMP : 48768) Bank Nifty support at 48250 then 48000 zones while resistance at 49250 then 49500 zones. Now it has to continue to hold above 48500 zones for an up move towards 49250 then 49500 zones while on the downside the support has shifted higher at 48250 then 48000 levels

1-Niftybank - 23/05/24
EMA(CloseLine:50)



Technical Trading Idea

Bharti Airtel : Buy CMP : 1374 Target : 1450 SL : 1345 Duration : 2-3 Days

- Bharti Airtel has given range breakout on daily chart and managed to close above the same. It has formed a 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.

1-Bharti Airtel Limited - 23/05/24
EMA(CloseLine:20)



Derivative Outlook

- Nifty May future closed at 23,002.70 with a premium of 35.05 point v/s 60.15 point premium in the last session.
- Nifty futures OI increased by 6.05% to 1.67 Cr and Bank Nifty futures OI decreased by 0.53% to 28.81 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 1.20 to 1.37 level.
- India VIX was down by 0.42% from 21.47 to 21.38 levels. Volatility spiked above 24 levels and added momentum at the life time high levels. VIX needs to fall below 16-18 zones for stability and a smoother ride in the market.
- On weekly front, Maximum Call OI is at 23500 then 23000 strike while Maximum Put OI is at 22500 then 22700 strike. Call writing is seen at 23200 then 23000 strike while Put writing is seen at 22800 then 22700 strike. Option data suggests a broader trading range in between 22500 to 23500 zones while an immediate range between 22700 to 23200 levels.

Nifty OI

1-Day change in Nifty OI

- **Option Buying:** Buy Nifty 23050 Call till it holds above 22850 zones. Buy Bank Nifty 49200 Call till it holds above 48500 zones.
- **Option Strategy:** Nifty Bull Call Spread (Buy 23000 CE and Sell 23250 CE) at net premium cost of 110-120 points. Bank Nifty Bull Call Spread (Buy 49000 CE and Sell 49500 CE) at net premium cost of 160 - 180 points.
- **Option Writing:** Sell Nifty 22300 PE and Sell 23600 CE at inflow of 24-26 points with strict double SL. Sell Bank Nifty 47200 PE and Sell 50400 CE at inflow of 55-60 points with strict stop loss due to higher volatility.

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