

2nd May, 2024

Most
Market
 **OUTLOOK**



- Record GST collections over Rs2 lakh cr in April, impressive quarterly results, FIIs net buyers in the last two trading sessions, falling oil price to 2-month low at \$83/bbl, US Fed signalling unlikely to rate hike, IMF raises India's GDP growth forecast to 6.8% and impressive April auto monthly sales data despite higher base, may open domestic market on a positive note.
- US stocks closed mixed on Wednesday after the Federal Reserve left its key interest rate unchanged as expected, but left the timing of any rate cut in doubt.
- Gift Nifty is flat to positive. Expects stock specific action to be continued backed by strong quarterly results and impressive domestic economy data.

Actionable Idea for the Day

Technical Pick:

Ashok Leyland : Buy

(CMP 192 SL 185 TP 205)

2-3 Days)

Fundamental Pick:

TVS Motor : Positive

(CMP : 2064)

(Duration 1 Year)

Index Levels :

Nifty Cash	R1	R2	S1	S2
22,604	22,783	22,850	22,500	22,400
BankNifty Cash	R1	R2	S1	S2
49,396	49,750	49,975	49,000	48,888

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Star Health	Buy	572	730	28%
Cyient DLM	Buy	694	840	21%
Ultratech	Buy	9,971	11500	15%
ICICI Bank	Buy	1,150	1300	13%
Trent	Buy	4,410	4870	10%

Global Market Summary:

- US markets yesterday ended on a mixed note after the US Fed kept rates unchanged.
- Dow Futures is trading 175 points higher.
- European market declined following a global selloff. Asian markets are trading mixed.
- **Global Cues: Mixed**

Indian Market Summary:

- Nifty after recording a fresh high of 22783 levels, witnessed profit booking at a higher zone and closed with loss of 39 points at 22605 levels.
- FIIs: +Rs1072 crore DIIs: +Rs1429 crore. Currently GIFT Nifty is trading 64 points higher.
- **Domestic Cues: Positive**

News and Impact :

Jindal Stainless: The company has announced a three-pronged investment strategy worth Rs5,400 crore as part of its objective to attain global leadership in stainless steel. As part of its expansion strategy, it has entered into a JV for the development & operation of a stainless-steel melt shop (SMS) in Indonesia with a capacity of 1.2 (MTPA). **Impact: Positive**

Rites: Indian Railways has awarded a Rs818 crore wagon manufacturing contract to a JV of SAIL and RITES. These Bogie Open Wagons (BOXNHL) are aimed at transporting coal and iron ore. **Impact: Positive**

Fundamental Actionable Idea

TVS Motor: CMP INR2064

- The company's total sales increased by 25% YoY to 3,83,615 units in April 2024.
- Two-wheeler sales in the domestic market grew by 29% to 3,01,449 units YoY, while total exports registered a growth of 12%.
- Volume growth is likely to be driven by a recovery in the domestic 2W market, new products, and a recovery in exports.
- TVSL is enjoying the benefits of economies of scale and operating leverage, which help it sustain EBITDA margin at the double-digit level.

View: Positive

Tata Power: CMP INR449

- With temperature, power demand too is on a record-breaking spree.
- India's power consumption rose 11% YoY to 144.9bn units in April due to temperature rise.
- The power ministry has estimated around 260 GW of peak demand during summer. This will be positive for power companies like Tata Power
- We are positive about company given capacity additions in the renewable energy segment, strong execution of business, and rising power demand.

View: Positive

NIFTY (CMP : 22604) Nifty immediate support at 22500 then 22400 zones while resistance at 22783 then 22850 zones. Now it has to hold above 22600 for an up move towards 22783 then 22850 zones whereas supports are placed at 22500 then 22400 zones.



BANK NIFTY (CMP : 49396) Bank Nifty support at 49000 then 48888 zones while resistance at 49750 then 49975 zones. Now it has to continue to hold 49250 zones for an up move towards new life time high of 49750 then 49975 marks while on the downside support is seen at 49000 then 48888 levels

3-Niftybank - 30/04/24



Technical Trading Idea

Ashok Leyland : Buy CMP : 192 Target : 205 SL : 185 Duration : 2-3 Days

- Ashok Leyland has given range breakout on weekly chart and managed to close above the same. It is continuously forming higher highs-higher lows from past seven trading sessions and supports are gradually shifting higher.
- It has formed a strong bullish candle on daily scale & momentum indicator RSI is positively placed which may take the prices higher.



Derivative Outlook

- Nifty May future closed at 22,718.30 with a premium of 113.45 point v/s 107.15 point premium in the last session.
- Nifty futures OI increased by 0.96% to 1.19 Cr and Bank Nifty futures OI increased by 5% to 26.10 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 1.23 to 1.11 level.
- India VIX was up by 5.15% from 12.24 to 12.87 levels. Volatility has been on the rise from the last five sessions and creating momentum at record high zones.
- On weekly front, Maximum Call OI is at 23000 then 22800 strike while Maximum Put OI is at 22500 then 22400 strike. Call writing is seen at 22800 then 22750 strike while minor Put writing is seen at 22400 then 22350 strike. Option data suggests a broader trading range in between 22200 to 23000 zones while an immediate range between 22400 to 22800 levels.

- **Option Buying:** Buy Weekly Nifty 22600 Call till it holds above 22600 zones. Buy Weekly Bank Nifty 49600 Call if it holds above 49250 zones.
- **Option Strategy:** Weekly Nifty Bull Call Ladder Spread (Buy 22600 CE, Sell 22700 CE and Sell 22800 CE) at net premium cost of 30-35 points. Weekly Bank Nifty Bull Call Ladder Spread (Buy 49500 CE, Sell 50000 CE and Sell 50500 CE) at net premium cost of 130-150 points.
- **Option Writing:** Sell Weekly Nifty 22400 PE and Sell 22800 CE at inflow of 22-24 points with strict double SL. Sell Weekly Bank Nifty 47300 PE and Sell 51000 CE at inflow of 55-60 points with strict stop loss

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