

10th June, 2024

Most
Market
 **OUTLOOK**



- The market is expected to open on a flat note due to mixed openings in the Asian markets and a marginal decline in the US market on Friday after nonfarm payrolls and wage growth for May exceeded Wall Street's expectations. This week will be important as the US Fed rate decision will be announced on Wednesday, and the allocation of Cabinet portfolios will take place today.
- Narendra Modi was sworn in as Prime Minister at Rashtrapati Bhavan on Sunday along with the 72-member Union Council of Ministers.
- The US 10-year bond yield spiked to 4.42%, and the Dollar Index surged to the 105 level after strong May job data.

Actionable Idea for the Day

Technical Pick:

Balkrishna Ind : Buy

(CMP 3201 SL 3100 TP 3400)

2-3 Days)

Fundamental Pick:

KEC International: Positive

(CMP : 770)

(Duration 1 Year)

Index Levels :

Nifty Cash	R1	R2	S1	S2
23,290	23,500	23,700	23,100	23,000
BankNifty Cash	R1	R2	S1	S2
49,803	50,000	50,500	49,500	49,250

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
L&T	Buy	3,528	4400	25%
KEI Ind	Buy	4,213	5000	19%
ICICI Bank	Buy	1,121	1300	16%
Bharti Airtel	Buy	1,420	1640	15%
HUL	Buy	2,574	2900	13%

Global Market Summary:

- US markets yesterday, fell marginally upto 0.25%, after stronger-than-expected U.S. jobs data pointed to a robust economy but prompted worries the Federal Reserve may wait longer to cut interest rates than many investors had hoped. Dow Futures is trading -0.1% lower.
- European indices yesterday ended with loss of ~0.5%.
- Asian markets today, are mostly trading in red, ahead of Fed, BoJ policy this week
- **Global Cues: Positive**

Indian Market Summary:

- Nifty yesterday, opened flat but soon rallied to close near day's high at 23290 levels with gains of 469 points (+2.1%).
- FII: +Rs4391 crore DII: -Rs1290 crore. Currently GIFT Nifty is trading -0.1% lower (25 points down).
- **Domestic Cues: Muted**

News and Impact :

Mphasis: Blackstone Group company offers to sell 2cr share or 15% equity at Rs2,350 per share, a 4.9% discount. **Impact: Buying opportunity at lower levels**

Bajaj Finance: Bajaj Housing Finance, a subsidiary of parent Bajaj Finance has filed draft papers with market regulator Securities and Exchange Board of India (SEBI) to raise upto Rs 7,000 crores via an initial public offer. **Impact: Positive**

KEC International: CMP INR770

- The company has secured new orders worth ₹1,061 crore across various sectors – T&D, Railways & Cables. This brings the Year-to-Date order intake to ₹3,000 crore.
- KECI in its annual analyst meet also highlighted a strong addressable market for T&D and improving opportunities for the civil segment.
- The company is continuously focusing on profitable growth and targeting reduction in NWC cycle on improved collections.
- We expect a CAGR of 12%/33% in revenue/EBITDA over FY24-26 for KECI. This will be driven by: 1) order inflow growth of 29%, led by a strong prospect pipeline, 2) a gradual recovery in EBITDA margin to 7.3%/8.5% by FY25/26, and 3) control over working capital due to improved customer advances, improved debtor collections from railways and Afghanistan projects.
- With margin improvement and stable working capital, we expect RoE and RoCE to improve to 20.6% and 17.1% by FY26, respectively.

View: Positive

TCS: CMP INR3888

- TCS launches artificial intelligence platform to hasten GenAI adoption
- We maintain our positive stance on TCS given its size, order book and exposure to long-duration orders and portfolio.
- TCS is well positioned to withstand the weakening macro environment and ride on the anticipated industry growth.
- Owing to its steadfast market leadership position and best-in-class execution, the company has been able to maintain its industry-leading margin and demonstrate superior return ratios.

View: Buy

NIFTY (CMP : 23290) Nifty immediate support at 23100 then 23000 zones while resistance at 23500 then 23700 zones. Now it has to hold above 23200 zones for an upside move towards 23500 then 23700 zones whereas supports are placed at 23100 then 23000 zones.

2-Nifty50 - 07/06/24
EMA(CloseLine:200)



BANK NIFTY (CMP : 49803) Bank Nifty support at 49500 then 49250 zones while resistance at 50000 then 50500 zones. Now it has to continue to hold above 49500 zones for an up move towards 50000 then 50500 zones while on the downside support shift higher at 49500 then 49250 levels.

2-Niftybank - 07/06/24
EMA(CloseLine:200)



Technical Trading Idea

Balkrishna Ind : Buy CMP : 3201 Target : 3400 SL : 3100 Duration : 2-3 Days

- Balkrishna Ind has given trend line breakout on daily chart and managed to close above the same. It has also retested breakout on monthly scale and inched higher.
- Momentum indicator RSI is on the verge of giving bullish cross over which may take prices higher.

2-Balkrishna Ind. Ltd - 07/06/24



Derivative Outlook

- Nifty June future closed at 23,325.15 with a premium of 35 point v/s 78.10 point premium in the last session.
- Nifty futures OI decreased by 0.81% to 1.45 Cr and Bank Nifty futures OI increased by 0.88% to 29.35 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 1.03 to 1.15 level.
- India VIX was slightly up by 0.48% from 16.55 to 16.88 levels. Volatility crashed during the second half of the week after the event euphoria and settled at lower zones which comforted the bulls.
- On option front, Weekly Maximum Call OI is at 24000 then 23500 strike while Maximum Put OI is at 23000 then 22800 strike. Call writing is seen at 23700 then 23500 strike while Put writing is seen at 23000 then 23200 strike. Option data suggests a broader trading range in between 22500 to 23700 zones while an immediate range between 23000 to 23500 levels.

- **Option Buying:** Buy Weekly Nifty 23450 Call till it holds above 23200 zones. Buy Weekly Bank Nifty 50500 Call till it holds above 49500 zones.
- **Option Strategy:** Nifty Weekly Bull Call Spread (Buy 23300 CE and Sell 23500 CE) at net premium cost of 80-90 points. Bank Nifty Weekly Bull Call Spread (Buy 50000 CE and Sell 50400 CE) at net premium cost of 120-140 points.
- **Option Writing:** Sell Weekly Nifty 22200 PE and Sell 24000 CE with strict double SL. Sell Weekly Bank Nifty 47500 PE and 52500 CE with strict double sl. (Liquidity and intraday volatility to be kept in mind for strike selection).

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