

20th June, 2024

Most  
**Market**  
 **OUTLOOK**



- Expect the market to open on a flat note due to a mixed opening in the Asian markets and ahead of key rate decisions from the People's Bank of China and the Bank of England, both to be announced today.
- Domestically, attention will be on the GST Council meeting on 22nd June, with a major focus on resolving the inverted duty structure affecting sectors such as textiles, natural gas, footwear and fertilizers. Additionally, there will be keen interest in whether petrol and diesel will be included under GST.
- Expect momentum to continue in fertilizer and auto stocks. Metal stocks may also rise due to increasing base metal prices on the LME. Gift Nifty is flat to positive.

## Actionable Idea for the Day

### Technical Pick:

**Zomato : Buy**

**(CMP 198 SL 192 TP 210)**

**2-3 Days)**

### Fundamental Pick:

**DCB Bank : Buy**

**(CMP : 138, TP: 175)**

**(Duration 1 Year)**

## Index Levels :

Nifty Cash	R1	R2	S1	S2
23,516	23,660	23,750	23,400	23,350
BankNifty Cash	R1	R2	S1	S2
51,398	51,957	52,250	51,133	50,750

## Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
JK Cement	Buy	4,300	5300	23%
Tata Consumer	Buy	1,105	1350	22%
L&T	Buy	3,607	4400	22%
ICICI Bank	Buy	1,144	1300	14%
Bharti Airtel	Buy	1,394	1640	18%

## Global Market Summary:

- US markets yesterday, were closed on account of the Juneteenth holiday.
- Dow Futures is trading -0.2% lower.
- European indices yesterday were trading mixed.
- Asian markets today, are trading lackluster.
- **Global Cues: Mixed**

## Indian Market Summary:

- Nifty yesterday, snapped its 5-day winning streak to close with a minor loss of 36 points at 23522 levels.
- FIIs: +Rs7908 crore DIIs: +Rs7108 crore.
- Currently GIFT Nifty is trading 14 points higher.
- **Domestic Cues: Positive**

## News and Impact :

**Sun Pharma:** The company has received a warning letter from the USFDA for its Dadra facility, for violations concerning Current Good Manufacturing Practice (cGMP) regulations.

**Impact: Negative**

**Coal India:** India's demand for coal-based power has risen by 7.3% this fiscal year to an all-time high. Cumulative coal production stood at 207.48 million tonnes as of June 16, a growth of 9.27% from the same period last year

**Impact: Positive**

## Fundamental Actionable Idea

### DCB Bank: CMP INR138, TP INR175, 27% Upside, Upgrade to Buy

- DCB Bank has seen a healthy recovery in loan growth over the past two years after reporting tepid trends over FY20-22. The bank continues to focus on granular retail loans, with the share of mortgages rising to 45% from 41% in Mar'22.
- It has maintained NIMs within a healthy range of 3.6-4.0%, aided by a granular liability profile.
- We expect a healthy 19% CAGR in revenue over FY24-26E amid stable margins and steady loan growth. We estimate RoA/RoE to reach 1%/14% by FY26 (FY24 RoA: 0.9%).
- With a recovery in loan growth and anticipated improvements in operating leverage, we estimate a 21% earnings CAGR over FY24-26E.

**View: Buy**

### Tata Power: CMP INR443

- Cabinet has approved Viability Gap Funding (VGF) scheme for Wind Energy projects with a total outlay of ₹7,453 crs.
- This is a giant leap towards India's energy transition targets, aiming to develop an initial 37 GW of offshore wind energy with an investment of around ₹4,50,000 crore. Tata Power is among the companies to benefit from this project
- Further, peak power demand in Delhi and other states too benefit the company.
- The company's subsidiary Tata Power Renewable Energy, has deployed over 850 electric vehicle charging points in key metropolitan areas

**View: Positive**

# Nifty Technical Outlook

**NIFTY (CMP : 23516)** Nifty immediate support at 23400 then 23350 zones while resistance at 23660 then 23750 zones. Now it has to continue to hold above 23500 zones to extend the move towards 23660 and 23750 zones whereas supports are placed at 23400 than 23350 zones.

1-Nifty50 - 19/06/24



# Bank Nifty Technical Outlook

**BANK NIFTY (CMP : 51398)** Bank Nifty support at 51133 then 50750 zones while resistance at 51957 then 52250 zones. Now it has to continue to hold above 51250 zones for an up move towards 51957 then 52250 zones while on the downside support shifts higher to 51133 then 50750 levels.

1-Niftybank - 19/06/24



# Technical Trading Idea

**Zomato : Buy      CMP : 198      Target : 210      SL : 192      Duration : 2-3 Days**

- Zomato has given range breakout on daily chart and holding well above the same. It has formed a strong bullish candle on daily scale and supports are gradually shifting higher.
- It is respecting 50 DEMA and Momentum indicator RSI is positively placed which may support the ongoing up move.

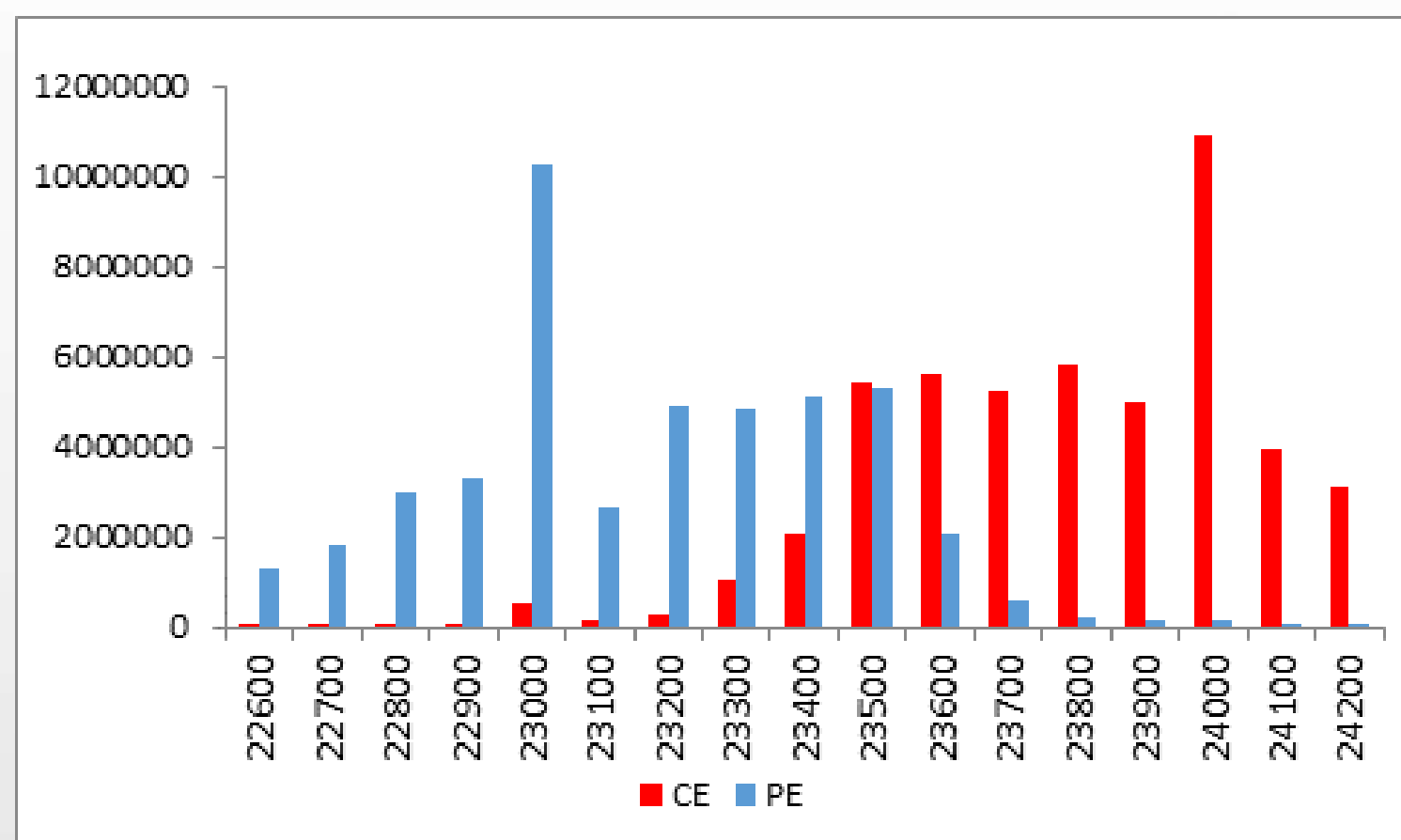


- Nifty June future closed at 23,503.60 with a discount of 12.40 point v/s 10.20 point premium in the last session.
- Nifty futures OI increased by 0.91% to 1.53 Cr and Bank Nifty futures OI increased by 8.96% to 31.24 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 1.26 to 1.10 level.
- India VIX was up by 5.79% from 12.96 to 13.71 levels. Volatility has been on the rise from the last two sessions which is causing momentum to the market at record highs.
- On option front, Weekly Maximum Call OI is at 24000 then 23600 strike while Maximum Put OI is at 23000 then 23300 strike. Call writing is seen at 23600 then 23700 strike while Put writing is seen at 23200 then 23300 strike. Option data suggests a broader trading range in between 23200 to 24000 zones while an immediate range between 23400 to 23700 levels.

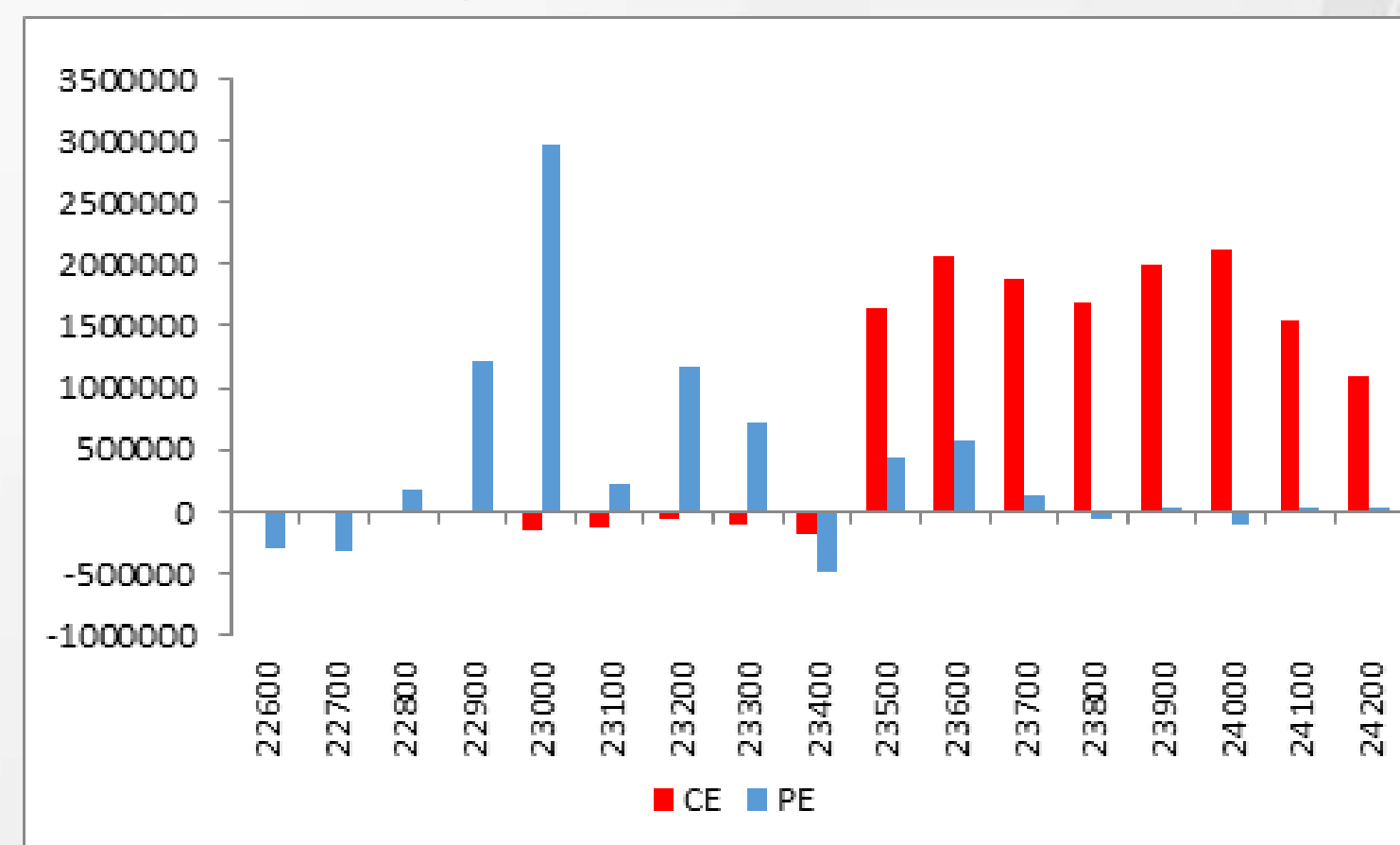


# Derivative Outlook

## Nifty OI



## 1-Day change in Nifty OI



- Option Buying: Buy Weekly Nifty 23450 Call till it holds above 23500 zones. Buy Bank Nifty 51900 Call till it holds above 51250 zones.
- Option Strategy: Nifty Weekly Bull Call Spread (Buy 23500 CE and Sell 23650 CE) at net premium cost of 50-60 points. Bank Nifty Bull Call Spread (Buy 51500 CE and Sell 52000 CE) at net premium cost of 180-200 points.
- Option Writing: Sell Weekly Nifty 23250 PE and Sell 23700 CE with strict double SL. Sell Bank Nifty 49000 PE and 53300 CE with strict double SL

## What is this?

- Based on technical indicators this strategy gives 2 stocks that have a high likelihood to fall during the day (from open to close). This is an intraday Sell strategy which can provide a good cushioning during a black swan event.

## What are the rules?

- Stock names will be given at market open (9:15 am)
- Recommended time to entry: between 9:15 to 9:30 am.
- Entry: We short 2 stocks daily (intraday)
- Exit: we will exit at 3:15 as this is an intraday call
- SL: is placed at 0.5% of the open.
- Book profit: At 1% fall since open.
- In special situations the book profit might be delayed if the stock is in free fall.

## Today's Ideas:

- **HUDCO**
- **Alok Industries**

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