

26th June, 2024

Most
Market
 **OUTLOOK**

- After crossing the crucial psychological levels, with Nifty above 23,700 and Bank Nifty above 52,500, expect the rally to continue in the domestic bourses. The US market had a mixed closing, led by Nvidia shares, while the Asian market opened marginally higher.
- Expect stock and sector-specific action to continue. Any decline will present a good buying opportunity. The underlying bullish sentiment in the market is supported by a rally in global markets, strong domestic economic data, and optimism ahead of the Union Budget.
- Housing finance stocks are expected to perform well after media reports suggested that the government might introduce an interest subvention scheme in the upcoming Budget.

Actionable Idea for the Day

Technical Pick:

ICICI Bank : Buy

(CMP 1198 SL 1167 TP 1265)

2-3 Days)

Fundamental Pick:

LIC Housing Finance: Buy

(CMP : 770 TP: 930)

(Duration 1 Year)

Index Levels :

Nifty Cash	R1	R2	S1	S2
23,721	23,850	24,000	23,500	23,350
BankNifty Cash	R1	R2	S1	S2
52,606	52,850	53,150	52,250	52,000

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
L&T	Buy	3,588	4400	23%
JK Cement	Buy	4,332	5300	22%
Bharti Airtel	Buy	1,415	1640	16%
Lemon Tree	Buy	151	175	16%
JSW Steel	Buy	930	1070	15%

Global Market Summary:

- US markets yesterday, ended on a mixed note, cautiously awaiting US Core PCE data due for release later this week
- Dow Futures is trading flat.
- European indices yesterday fell ~0.5%.
- Asian markets today, are trading mixed.
- **Global Cues: Mixed**

Indian Market Summary:

- Nifty yesterday, steadily inched upwards to make a fresh high of 23754 levels. The index closed with handsome gains of 183 points at 23721 levels.
- FIIs: +Rs1175 crore DIIs: -Rs150 crore.
- Currently GIFT Nifty is trading -0.1% lower (15 points down).
- **Domestic Cues: Muted**

News and Impact :

Tata Motors/ Bajaj Finance: Company has partnered and signed a MoU with financial services provider Bajaj Finance to offer financing services across its entire commercial vehicle portfolio, according to a Tuesday company statement. **Impact: Positive**

CE Info System: Promoter Rakesh Kumar Verma is likely to sell a 0.9% stake in the company via block deal, as per media reports. The floor price of the deal is Rs 2,293.20 per share, with an offer size of Rs 114.6 crore. **Impact: Buying Opportunity at lower levels**

Fundamental Actionable Idea

LIC Housing Finance: CMP INR770, TP INR930, 21% Upside, Buy

- As per media reports, the Government might introduce the interest subvention scheme in the upcoming Budget, raising the current limit of Rs18 lakhs to Rs50 lakhs. This will benefit housing finance companies and we like LIC Housing Finance.
- Over the last four to five quarters, LICHF's earnings predictability has improved, with fewer surprises on asset quality, credit costs, and operating expenses.
- We expect LICHF to deliver stronger disbursement/AUM CAGR of ~18%/10% over FY24-FY26, which can offset NIM compression.
- We also expect RoA/RoE of 1.6%/14% in FY26.
- A low volatility in earnings and better loan growth can potentially translate into a re-rating of the valuation multiples for LICHF.

View: Buy

Mazgaon Dock Shipbuilders: CMP INR3974

- Mazagon Dock Shipbuilders has been granted "Navratna" status by the Department of Public Enterprises, making it country's 18th PSU to have been accorded this status.
- As a Navratna company, Mazagon Dock can undertake investments worth up to ₹1,000 crore, without needing approval from the central government.
- Apart from this, Company is in advanced talks for a potential ₹35,000-crore deal to acquire three larger, modern Kalvari-class submarines for the Indian Navy.

View: Positive

NIFTY (CMP : 23721) Nifty immediate support at 23500 then 23350 zones while resistance at 23850 then 24000 zones. Now it has to continue to hold above 23650 zones to extend the move towards 23850 and 24000 zones whereas supports are placed at 23500 than 23350 zones.



BANK NIFTY (CMP : 52606) Bank Nifty support at 52250 then 52000 zones while resistance at 52850 then 53150 zones. Now it has to continue to hold above 52250 zones for an up move towards 52850 then 53150 zones while on the downside support is placed at 52250 then 52000 levels.

2-Niftybank - 25/06/24



Technical Trading Idea

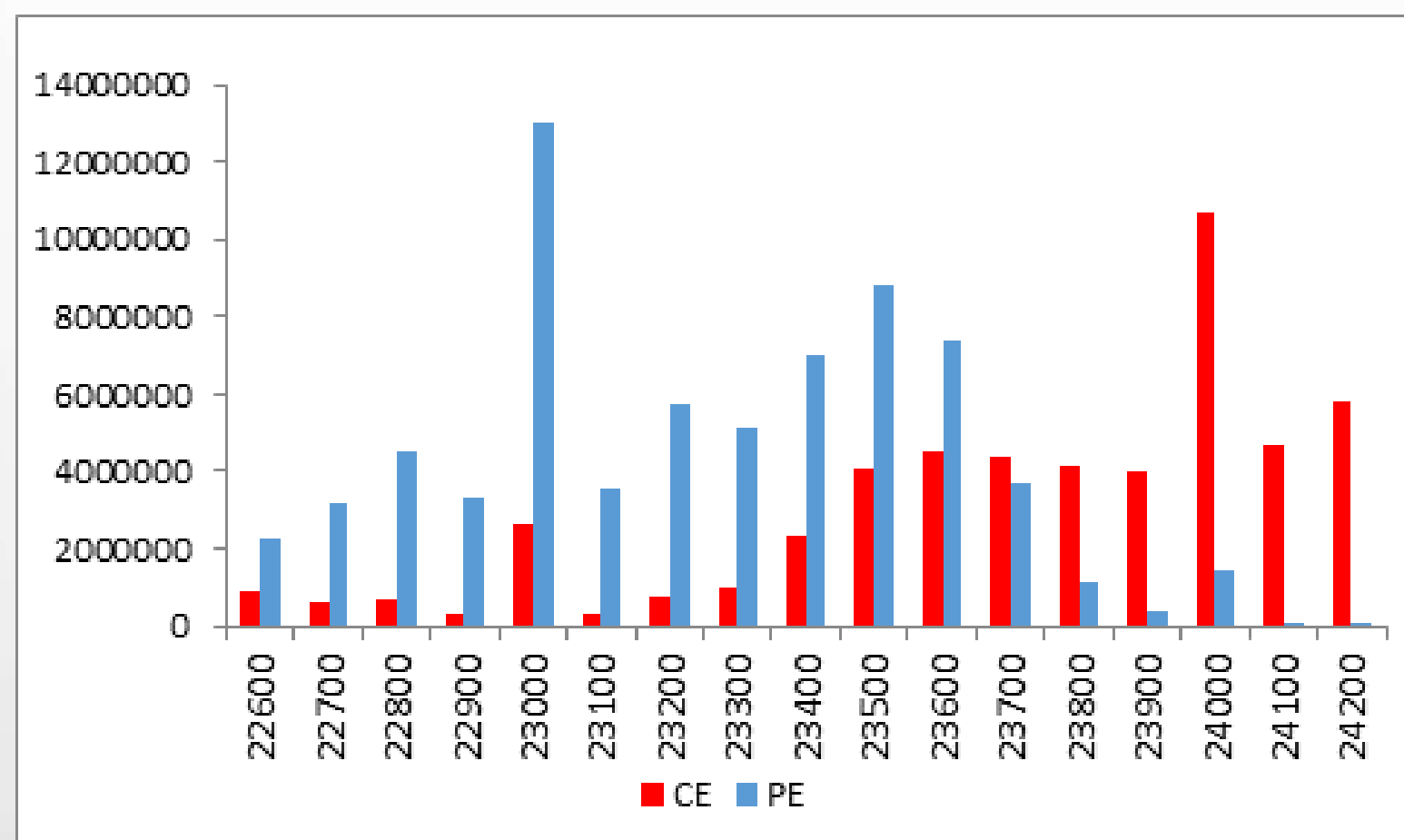
ICICI Bank : Buy CMP : 1198 Target : 1265 SL : 1167 Duration : 2-3 Days

- ICICI Bank has given range breakout on daily chart and holding well above the same. It has formed a strong bullish candle on daily scale and base is shifting higher. Buying is visible across Pvt Banks which may support the ongoing up move.

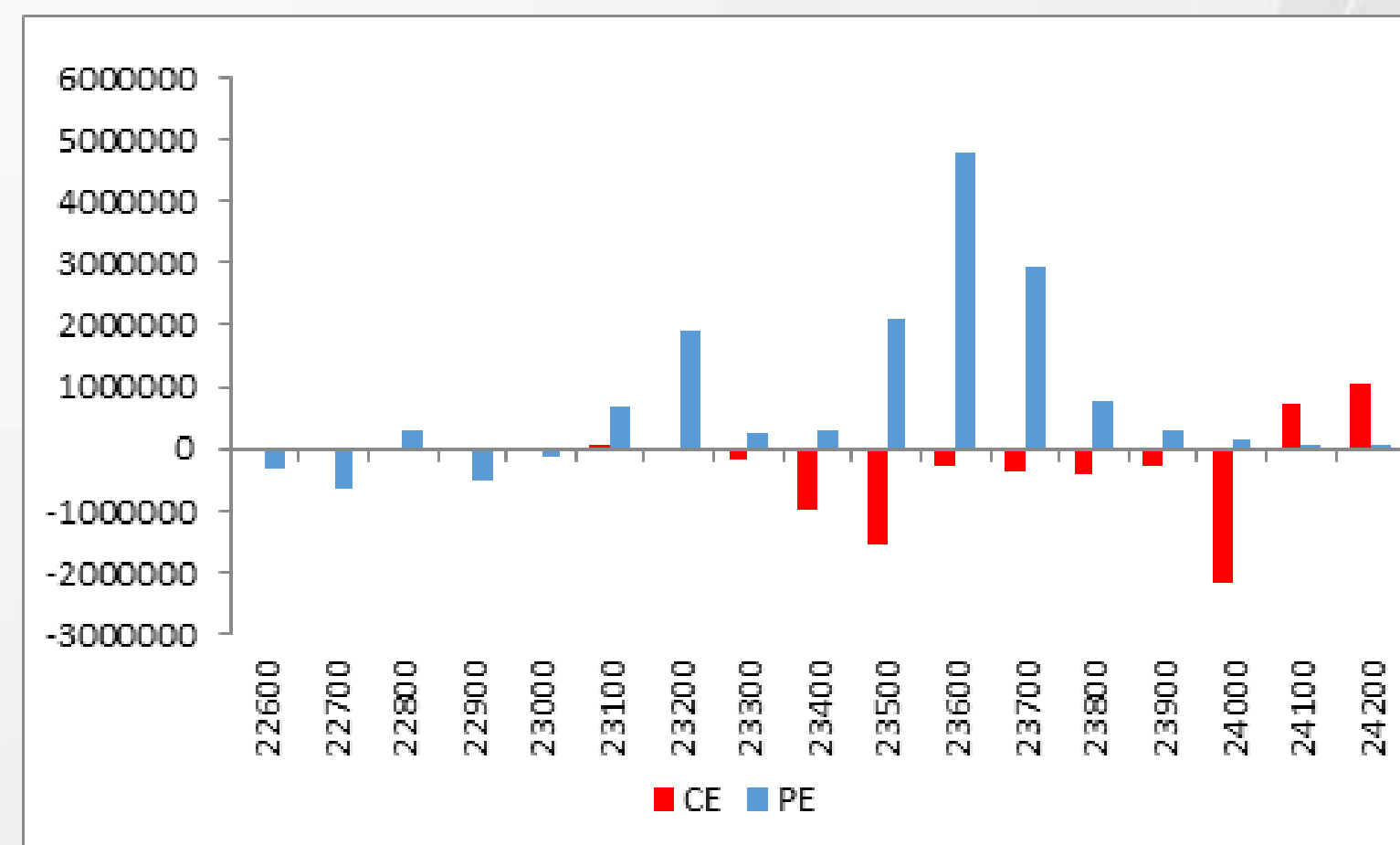


- Nifty June future closed at 23,731.25 with a premium of 9.95 point v/s 5.35 point premium in the last session.
- Nifty futures OI increased by 5.44% to 1.64 Cr and Bank Nifty futures OI increased by 18.66% to 34.93 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 1.14 to 1.38 level.
- India VIX was up by 1.81% from 14.06 to 14.31 levels. Volatility has been slightly on the rise which is causing a momentum to build for fresh highs.
- On option front, Maximum Call OI is at 24000 then 23600 strike while Maximum Put OI is at 23000 then 23500 strike. Call writing is seen at 23900 then 23700 strike while Put writing is seen at 23400 then 23500 strike. Option data suggests a broader trading range in between 23200 to 24000 zones while an immediate range between 23300 to 23700 levels.

Nifty OI



1-Day change in Nifty OI



- **Option Buying:** Buy Nifty 23700 Call till it holds above 23650 zones. Buy Bank Nifty 52800 Call till it holds above 52250 zones.
- **Option Strategy:** Nifty Bull Call Spread (Buy 23700 CE and Sell 23900 CE) at net premium cost of 70-80 points. Bank Nifty Bull Call Spread (Buy 52700 CE and Sell 53000 CE) at net premium cost of 100-120 points.
- **Option Writing:** Sell Nifty 23250 PE and Sell 24050 CE with strict double SL. Sell Bank Nifty 51600 PE and 53500 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:

- **Escorts**
- **Finolex Cables**

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