

27th June, 2024

Most
Market
 **OUTLOOK**



Morning Market Outlook

- Lower opening in Asian market, surging US 10-Year bond yield to above 4.3% and fall in US Index future, may open domestic equity on a weak note. US 10-Year bond Yield surged 10bps to 4.33% after hawkish commentary by the US Fed officials and ahead of key GDP data to be release today.
- On domestic front, optimism surrounding the Union Budget, increasing FII inflows, and robust domestic economic data to be support domestic equity.
- Expects rally on telecom stocks to continue on expectations of tariff hikes. Momentum may continue on cement, PSU and Rail stocks.

Actionable Idea for the Day

Technical Pick:

Grasim: Buy

(CMP 2552 SL 2480 TP 2700)

2-3 Days)

Fundamental Pick:

PI Industries : Buy

(CMP : 3775 TP: 4280)

(Duration 1 Year)

Index Levels :

Nifty Cash	R1	R2	S1	S2
23,868	24,000	24,150	23,650	23,550
BankNifty Cash	R1	R2	S1	S2
52,870	53,250	53,500	52,400	52,200

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Titan	Buy	3,373	4150	23%
L&T	Buy	3,603	4400	22%
LIC Housing	Buy	779	930	19%
HUL	Buy	2,446	2900	19%
Senco Gold	Buy	1,114	1300	17%

Global Market Summary:

- US markets ended with marginal gains with the S&P 500 up 0.2% while the Nasdaq Composite up 0.5%.
- Dow Futures is trading 65 points lower.
- European indices were down -0.5%-1%.
- Majority of the Asian markets are trading in red.
- **Global Cues: Weak**

Indian Market Summary:

- Nifty, yesterday extended its rally for the second consecutive day as the index hit new records above the 23800 zone led by strong performance of the banking sector.
- The index closed with gains of 147 points (0.6%) at 23869 levels.
- FII: -Rs3535 crore DII: +Rs5104 crore.
- Currently GIFT Nifty is trading Flat.
- **Domestic Cues: Muted**

News and Impact :

KEC: The company has secured new orders worth ₹1,025 crore in its transmission & distribution (T&D) and cables businesses. **Impact: Positive**

Dr. Reddy's Lab: The company has signed a definitive agreement with Haleon plc, to acquire a global portfolio of consumer healthcare brands outside of the United States for a total consideration of GBP 500 million. **Impact: Positive**

Fundamental Actionable Idea

PI Industries: CMP INR325 TP INR4280, Upside 13%

- The company has announced an offer to acquire Plant Health Care Plc for 32.8mn pounds, proposed to be paid in cash and funded via QIP proceeds.
- The proposed acquisition is expected to be completed by the second quarter of FY25.
- This move aims to enhance PI's capabilities in providing integrated solutions for sustainable agriculture.
- We expect a CAGR of 17%/18%/9% in revenue/EBITDA/adj. PAT over FY24-26.

View: Buy

Bharti Airtel: CMP INR1460 TP INR1640, Upside 12%

- Through the auction, the company acquired 97 MHz spectrum in 900 MHz, 1800 MHz, and 2100 MHz frequency bands for Rs.6,857 crore.
- The spectrum has been secured for 20 years.
- The company has the opportunity to grow its EBITDA by 40-50% & halve its net debt over the next 2-3 yrs.
- Bharti Airtel is well poised to gain from sector tailwinds resulting from market share gains, improved ARPU, tariff hikes, & non-wireless segments like Home & Enterprise.

View: Buy

Nifty Technical Outlook

NIFTY (CMP : 23868) Nifty immediate support at 23650 then 23550 zones while resistance at 24000 then 24150 zones. Now it has to continue to hold above 23750 zones to extend the move towards 24000 and 24150 zones whereas supports are placed at 23650 than 23550 zones.

2-Nifty50 - 26/06/24



BANK NIFTY (CMP : 52870) Bank Nifty support at 52400 then 52200 zones while resistance at 53250 then 53500 zones. Now it has to continue to hold above 52500 zones for an up move towards new life high of 53250 then 53500 zones while on the downside support is placed at 52400 then 52200 levels.

2-Niftybank - 26/06/24



Technical Trading Idea

Grasim: Buy CMP : 2552 Target : 2700 SL : 2480 Duration : 2-3 Days

- Grasim has given trend line breakout on daily chart and holding well above the same. It has also given an Inside bar breakout on weekly scale which has bullish implications.
- Buying is visible across Pvt Cement space which may support the ongoing up move.

2-Grasim Ind Ltd. - 26/06/24



- Nifty June future closed at 23,867.95 with a discount of 0.85 point v/s 9.95 point premium in the last session.
- Nifty futures OI increased by 3.70% to 1.70 Cr and Bank Nifty futures OI decreased by 23.10% to 26.86 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 1.38 to 1.31 level.
- India VIX was down by 1.89% from 14.31 to 14.04 levels. Lower volatility is comforting the bulls at higher zones.
- On option front, Maximum Call OI is at 24000 then 24200 strike while Maximum Put OI is at 23500 then 23700 strike. Call writing is seen at 23900 then 24100 strike while Put writing is seen at 23800 then 23700 strike. Option data suggests a broader trading range in between 23700 to 24000 zones.

- Option Buying: Buy Nifty 23800 Call till it holds above 23750 zones. Buy Weekly Bank Nifty 53500 Call till it holds above 52500 zones.
- Option Strategy: Nifty Bull Call Spread (Buy 23800 CE and Sell 23950 CE) at net premium cost of 60-70 points. Bank Nifty Weekly Bull Call Spread (Buy 53000 CE and Sell 53300 CE) at net premium cost of 100-120 points.
- Option Writing: Sell Nifty 23600 PE and Sell 24050 CE with strict double SL. Sell Weekly Bank Nifty 50000 PE and 55200 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:

- **MMTC**
- **Mahindra Holidays**

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