

4th June, 2024

Most
Market
 **OUTLOOK**



- Market is expected to open on a positive note ahead of the Lok Sabha election results announcement today, bolstered by FIIs being net buyers to the tune of nearly Rs 7000 crore yesterday, on the expectation that the ruling party will return to power.
- Intra-day equity market volatility is anticipated, but historical data suggests minimal long-term impact on investors.
- The market will keenly watch the BJP-led NDA's total seat count during the results announcement. Exit polls have suggested that the BJP-led NDA would secure between 350 and 400 seats.
- Focus on PSU stocks due to the BJP's emphasis on the Make in India and PLI initiatives to encourage domestic players. Gift Nifty is up 100 points above the 23,500 mark.

Actionable Idea for the Day

Technical Pick:

Axis Bank: Buy

(CMP 1230 SL 1190 TP 1280)

2-3 Days)

Fundamental Pick:

Coal India : Buy

(CMP : 512)

(Duration 1 Year)

Index Levels :

Nifty Cash	R1	R2	S1	S2
23,263	23,500	23,700	23,000	22,795
BankNifty Cash	R1	R2	S1	S2
50,980	51,500	52,500	50,500	50,000

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
LIC	Buy	1,066	1270	19%
KEI Ind	Buy	4,214	5000	19%
Bharti Airtel	Buy	1,400	1640	17%
L&T	Buy	3,900	4400	13%
NMDC	Buy	269	300	12%

Global Market Summary:

- US markets yesterday, ended on a mixed note, amid weak manufacturing data, NYSE tech glitches.
- Dow Futures is trading flat. European indices yesterday ended on a mixed note.
- Asian markets today, are trading mixed.
- **Global Cues: Mixed**

Indian Market Summary:

- Nifty yesterday, opened gap up and touched new high of 23,338 levels, before closing the session near day's high at 23263 levels with gains of 733 points (+3.3%).
- FIIs: +Rs6850 crore DIIs: +Rs1914 crore. Currently GIFT Nifty is trading +0.1% higher (33 points up).
- **Domestic Cues: Positive**

News and Impact :

MOIL: It recorded a new peak of 2.15 lakh tonnes monthly sales of manganese ore in May 2024, marking a 41 per cent growth over May 2023. It recently raised the price of all ferro grades of manganese ore for the second straight month in June

Impact: Positive

RVNL: The company has secured an engineering, procurement and construction order worth Rs 440 crore from South Central Railway.

Impact: Positive

Fundamental Actionable Idea

Coal India: CMP INR512

- Coal India's coal production rose by 7.46% to 64.40 MT in May compared to 59.93 MT in the year-ago period. Coal India accounts for over 80% of domestic coal output.
- CIL dispatched 69.08 MT of coal, with a growth of 8.50% compared to the corresponding period of the previous fiscal when it was 63.67 MT.
- With a robust volume outlook, healthy e-auction premiums, and lower costs, the outlook for COAL remains positive.

View: Buy

HPCL: CMP INR585

- U.S. crude falls more than 3% as OPEC+ plans to phase out voluntary production cuts. This will benefit OMCs especially HPCL as it has the highest leverage in marketing and would benefit the most due to an uptick in marketing margins.
- Further MG Motor India and HPCL have entered into a strategic partnership to significantly enhance India's EV charging infrastructure, by installing 50kW/60kW DC fast chargers throughout the country.
- It remains our preferred pick among the three OMCs given 1) demerger and potential listing of lubricant business, 2) the commissioning of its bottom upgrade unit, and 3) the start of Rajasthan refinery in 4QFY25.

View: Buy

NIFTY (CMP : 23263) Nifty immediate support at 23000 then 22795 zones while resistance at 23500 then 23700 zones. Now it has to hold above 23110 zones for an upside move towards 23500 then 23700 zones whereas supports are placed at 23000 then 22795 zones.

3-Nifty50 - 03/06/24
EMA(CloseLine:50)



BANK NIFTY (CMP : 50980) Bank Nifty support at 50500 then 50000 zones while resistance at 51500 then 52500 zones. Now it has to continue to hold above 50500 zones for a new all-time high of 51500 then 52500 zones while on the downside support is seen at 50500 then 50000 levels.

3-Niftybank - 03/06/24
EMA(CloseLine:50)



Technical Trading Idea

Axis bank : Buy CMP : 1230 Target : 1280 SL : 1190 Duration : 2-3 Days

- Axis bank has given consolidation breakout on weekly chart and holding well above the same. Buying is visible across Banking space which has bullish implications.
- Momentum indicator RSI is positively placed which may support the ongoing up move.

3-Axis Bank Limited - 03/06/24

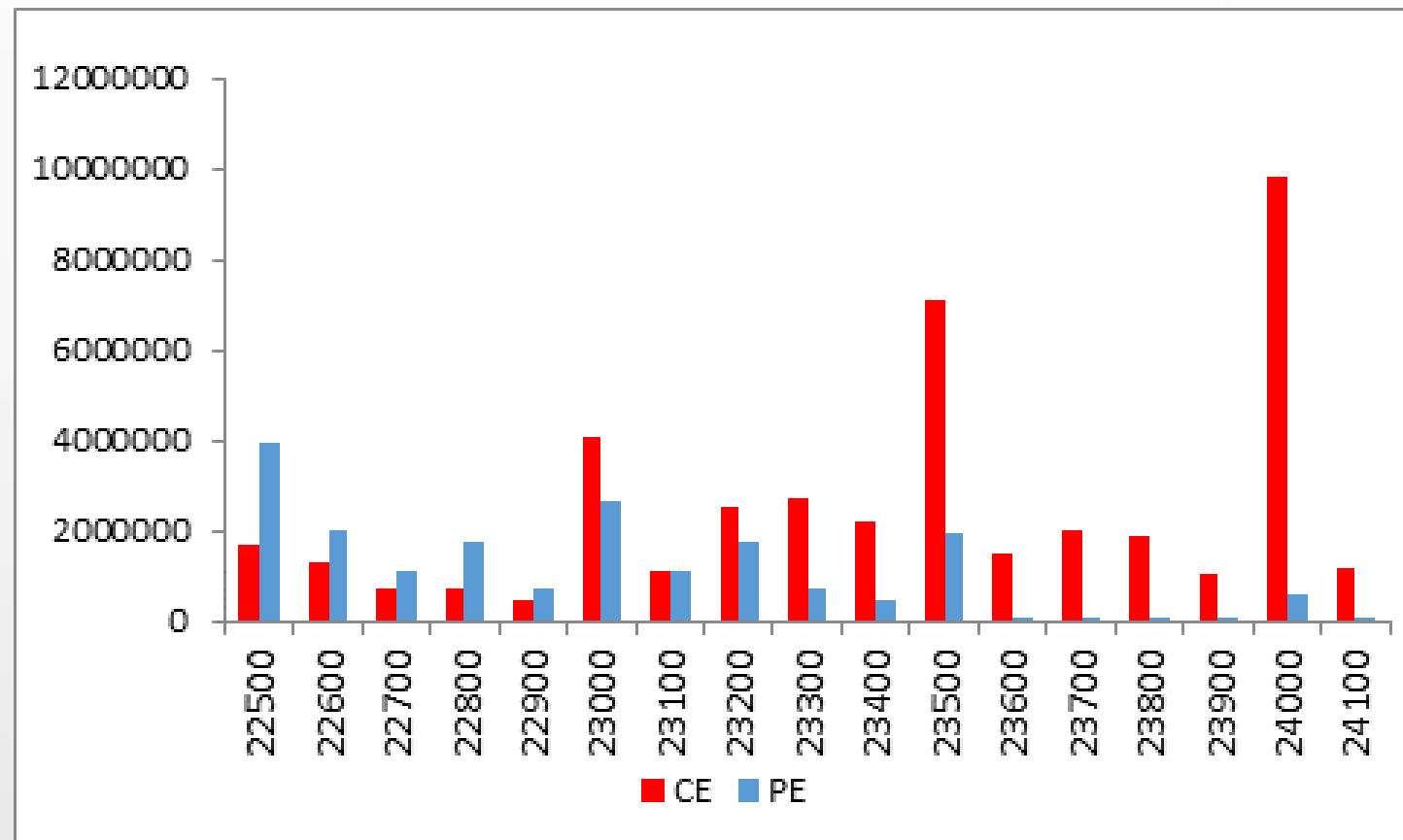
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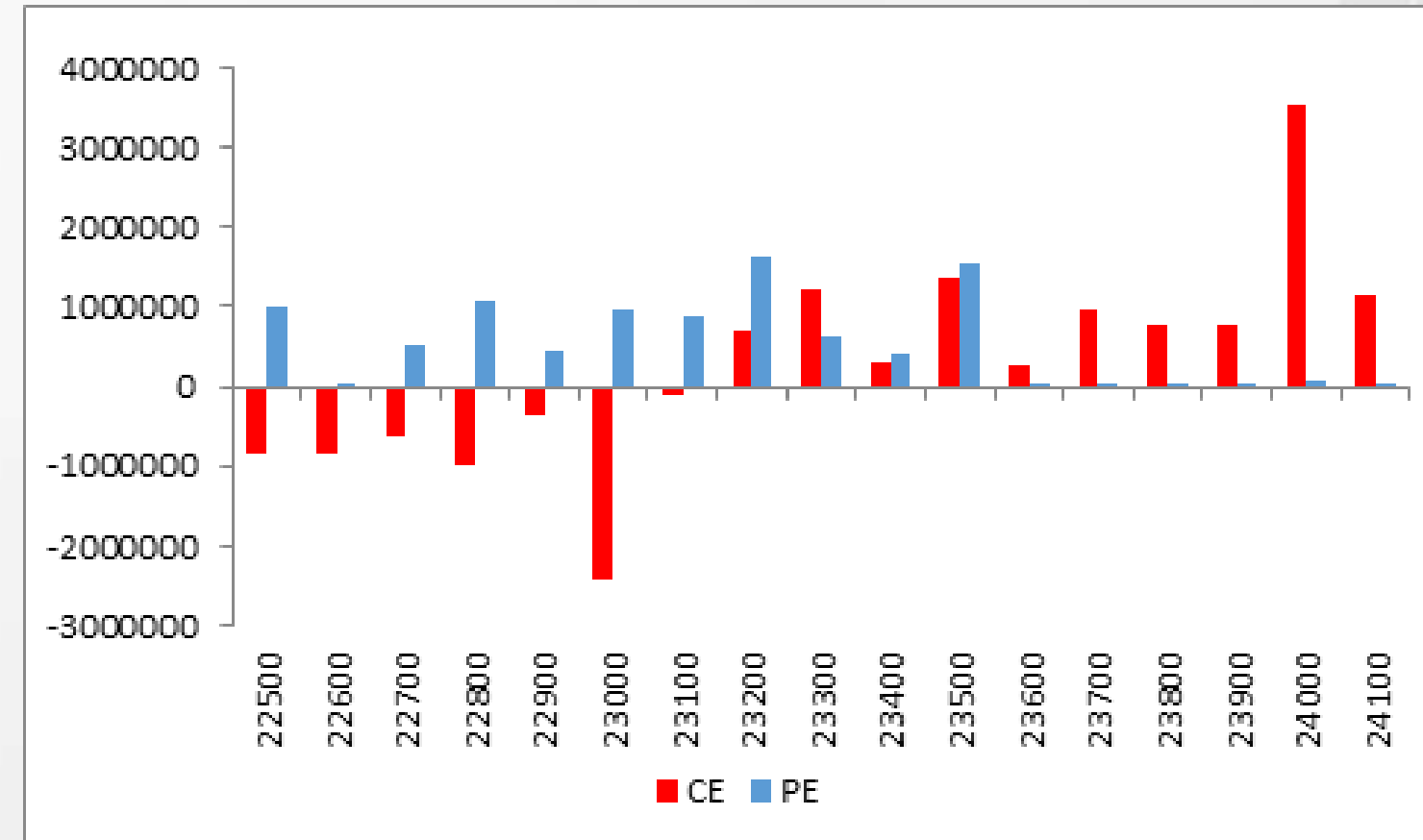
Derivative Outlook

- Nifty June future closed at 23,407.90 with a premium of 144 point v/s 170 point premium in the last session.
- Nifty futures OI decreased by 2.89% to 1.51 Cr and Bank Nifty futures OI increased by 2.03% to 24.62 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 1 to 1.04 level.
- India VIX crashed and was down by 14.87% from 24.60 to 20.94 levels. Volatility cooled down to 19 zones and comforted the bulls to ride the index at life time high levels.
- On option front, Weekly Maximum Call OI is at 24000 then 23500 strike while Maximum Put OI is at 22500 then 23000 strike. Minor Call writing is seen at 23500 then 23700 strike while minor Put writing is seen at 23200 then 23000 strike. Option data suggests a broader trading range in between 22800 to 24000 zones while an immediate range between 22900 to 23600 levels.

Nifty OI



1-Day change in Nifty OI



- **Option Buying:** Buy Weekly Nifty 23500 Call till it holds 23110 zones. Buy Weekly Bank Nifty 52000 Call till it holds above 50500 zones.
- **Option Strategy:** Nifty Weekly Bull Call Spread (Buy 23300 CE and Sell 23550 CE) at net premium cost of 80-100 points. Bank Nifty Weekly Bull Call Spread (Buy 51000 CE and Sell 51500 CE) at net premium cost of 180-200 points.
- **Option Writing:** Sell Weekly Nifty Weekly 21500 PE with strict double SL and avoid Call writing. Sell Weekly Bank Nifty 47000 PE with strict double sl and avoid Call writing. (Liquidity and intraday volatility to be kept in mind for strike selection).

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