

2nd July, 2024

Most
Market
 **OUTLOOK**



- Better-than-expected June auto sales data, in line with expectations for Manufacturing PMI data, strong GST collections for June, and a rally in global markets may lead to a positive opening for domestic bourses. Gift Nifty is up 40 points.
- The US market ended at a record high yesterday, driven by gains in Tesla and IT stocks. The Nasdaq Composite rose by 0.8%, while the Dow Jones advanced 0.3%.
- The US 10-year bond yield surged to a one-month high of 4.44% ahead of the US Fed minutes outcome today.
- The rally in IT, cement, and metal stocks may continue. Auto stocks are likely to be positive following impressive June sales data from Maruti, Bajaj Auto, Escorts, and M&M.

Actionable Idea for the Day

Technical Pick: (2-3 Days)

REC : Buy

(CMP 551 SL 535 TP 580)

Fundamental Pick: (1 Year)

Coal India : Buy

(CMP : 475, TP: 530)

Technoquant Intraday Sell Idea

- Cholamandalam Financial Holding
- Birlasoft

Index Levels :

Nifty Cash	R1	R2	S1	S2
24,141	24,200	24,400	23,900	23,800
BankNifty Cash	R1	R2	S1	S2
52,574	53,000	53,180	52,222	52,000

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Star Health	Buy	573	730	27%
ONGC	Buy	273	340	25%
Titan	Buy	3,431	4150	21%
Lemon Tree	Buy	145	175	21%
ITC	Buy	429	515	20%

Global Market Summary:

- US markets ended on a higher note yesterday led by gains in IT stocks and key important data lined up. Both S&P 500 and NASDAQ closed with gains of 0.3% and 0.8% respectively.
- Dow Futures is currently trading 67 points lower.
- European indices were in the green.
- Asian markets are trading mixed.
- **Global Cues: Mixed**

Indian Market Summary:

- Nifty maintained its steady momentum to close with gains of 31 points (+0.6%) at 24142 levels.
- FIIs: -Rs426 crore DIIs: +Rs3917 crore.
- Currently GIFT Nifty is trading 46 points higher.
- **Domestic Cues: Positive**

News and Impact :

L&T: The company has won order worth upto Rs2500cr from ONGC for the eighth phase of the Pipeline Replacement Project off India's west coast. **Impact: Positive**

JSW Energy: The company has signed a power purchase agreement with state-owned SJVN for a 700-megawatt inter-state transmission system (ISTS) solar project in Rajasthan. **Impact: Positive**

Fundamental Actionable Idea

Coal India: CMP INR475 TP INR530, Upside 12%

- The company recorded coal production of 189.3 million tonnes (MTs) in Q1FY25, posting a growth of 8% YoY. This was 13.8 MTs more in volume terms compared to the corresponding quarter of FY 2024.
- It's output for the month of June 2024 rose by 9% YoY to 63 MT.
- With a robust volume outlook, healthy e-auction premiums, and lower costs, the outlook for COAL remains positive

View: Buy

Heromotocorp: CMP INR5605

- The company sold 5,03,448 units in June 2024, a growth of 15% YoY. It sold 4,91,416 units in the domestic market, up 16% YoY.
- With the monsoon progressing well and continuing government support, including an increase in MSP, ESC anticipates demand to improve in the coming months.
- Given strong brand equity in the economy and executive segments, HMCL will also benefit from a gradual rural recovery.
- We expect a CAGR of ~13.5%/15%/17% in revenue/EBITDA/PAT over FY24-26E.

View: Buy

Nifty Technical Outlook

NIFTY (CMP : 24141) Nifty immediate support at 23900 then 23800 zones while resistance at 24200 then 24400 zones. Now it has to hold above 24000 zones to extend the move towards 24200 and 24400 zones whereas supports are placed at 23900 then 23800 zones.



Bank Nifty Technical Outlook

BANK NIFTY (CMP : 52574) Bank Nifty support at 52222 then 52000 zones while resistance at 53000 then 53180 zones. Now it has to continue to hold above 52250 zones for an up move towards 53000 then 53180 zones while on the downside support is placed at 52222 then 52000 levels.

2-Niftybank - 01/07/24



Technical Trading Idea

REC : Buy CMP : 551 Target : 580 SL : 535 Duration : 2-3 Days

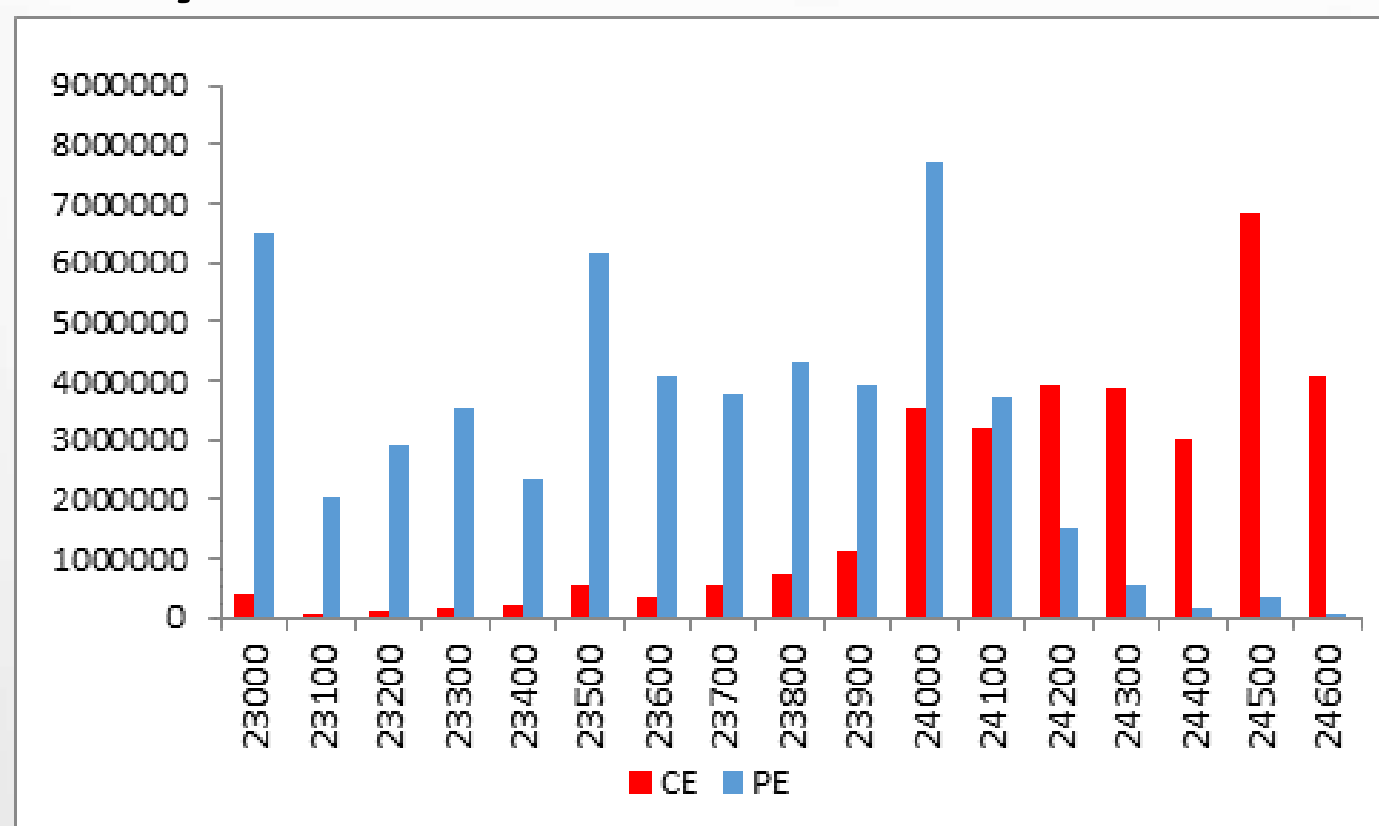
- REC has given narrow range breakout on weekly scale and range breakout on daily chart. It is respecting 50 DEMA and Momentum indicator RSI is positively placed.



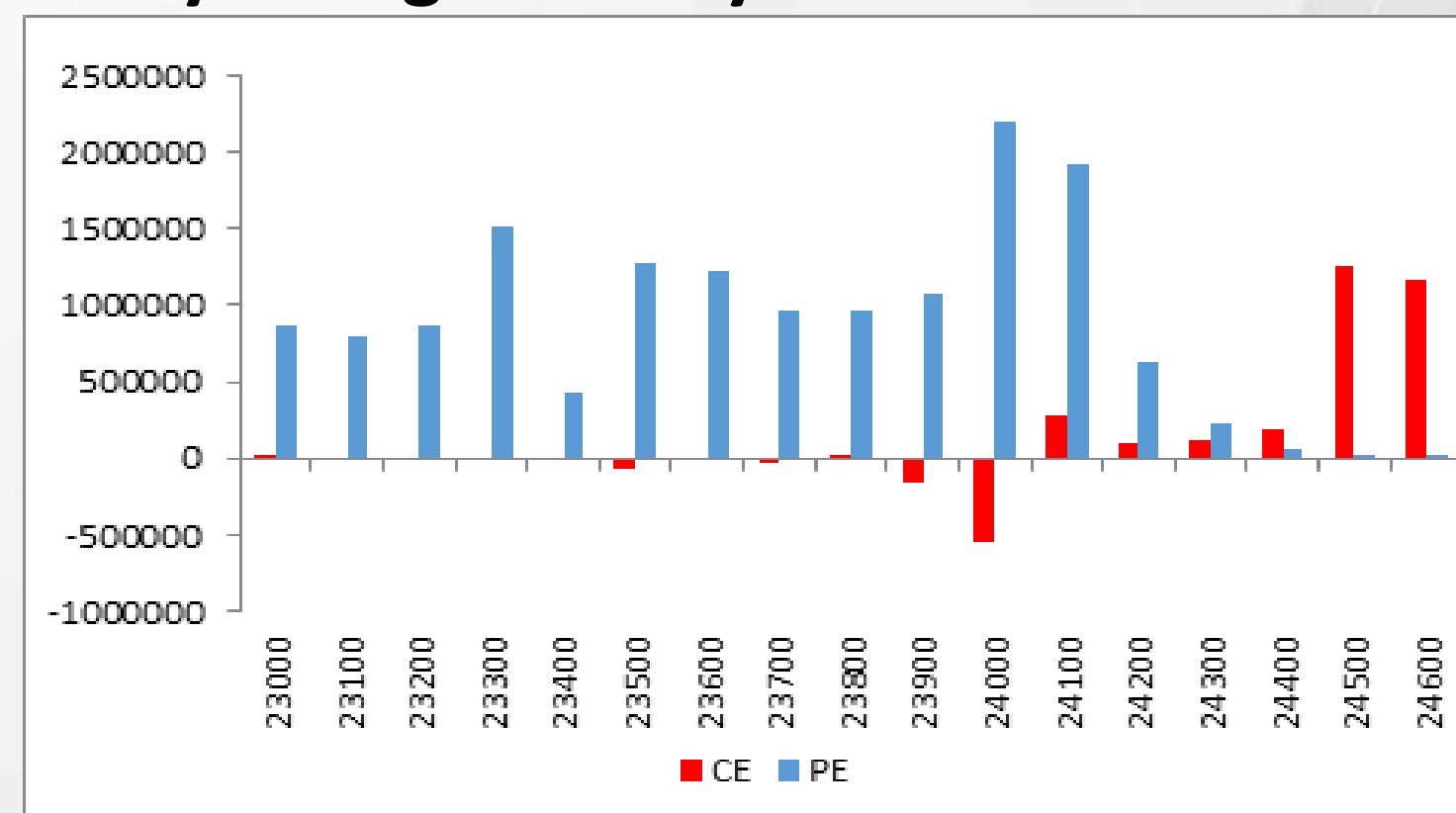
Derivative Outlook

- Nifty July future closed at 24,206.25 with a premium of 64.30 point v/s 121.65 point premium in the last session.
- Nifty futures OI increased by 3.27% to 1.59 Cr and Bank Nifty futures OI increased by 3.30% to 28.36 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 1.17 to 1.21 level.
- India VIX was slightly up by 0.20% from 13.80 to 13.83 levels. Comparatively lower volatility is comforting the bulls to drive the index at higher zones.
- On option front, Maximum Call OI is at 24200 then 24000 strike while Maximum Put OI is at 24000 then 23800 strike. Call writing is seen at 24200 then 24100 strike while Put writing is seen at 24100 then 23900 strike. Option data suggests a broader trading range in between 23500 to 24500 zones while an immediate range between 23700 to 24000 levels.

Nifty OI



1-Day change in Nifty OI



- Option Buying: Buy Nifty Weekly 24150 Call till it holds above 24000 zones. Buy Weekly Bank Nifty 52900 Call till it holds above 52250 zones.
- Option Strategy: Nifty Weekly Bull Call Spread (Buy 24150 CE and Sell 24300 CE) at net premium cost of 60-70 points. Bank Nifty Weekly Bull Call Ladder Spread (Buy 52600 CE, Sell 53000 CE and Sell 53300 CE) at net premium cost of 100-120 points.
- Option Writing: Sell Weekly Nifty 23650 PE and Sell 24550 CE with strict double SL. Sell Weekly Bank Nifty 51200 PE and 53900 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 1.5-2% of the open.
- Book profit: At 2-3% fall since open.
- In special situations the book profit might be delayed if the stock is in free fall.

Today's Ideas:

- **Cholamandalam Financial Holding**
- **Birlasoft**

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