

8th July, 2024

Most
Market
 **OUTLOOK**



- Record-high closing in the US market and hopes of a rate cut by the US Fed pulled down the US 10-Year bond yield and the Dollar Index to a one-month low. Solid FII buying interest, nearly \$1 billion over three trading sessions in the domestic market, may open equity bourses on a positive note. Gift Nifty is flat to positive.
- Nifty recovered over half a percent from the intra-day low due to strong buying interest in heavyweights such as Reliance, ONGC, and SBI. Expects IT stocks will be momentum ahead of IT major TCS and HCL Tech results this week.
- Rail, FMCG, Housing finance and fertilizer sectors may see positive movement, driven by hopes that the government will focus on rural sector growth

Actionable Idea for the Day

Technical Pick: (2-3 Days)

BEL : Buy

(CMP 324 SL 315 TP 340)

Fundamental Pick: (1 Year)

NTPC : Positive

(CMP : 380)

Technoquant Intraday Sell Idea

- **Gujrat Ambuja Exports**
- **Allcargo Logistics**

Index Levels :

Nifty Cash	R1	R2	S1	S2
24,323	24,400	24,500	24,200	24,050
BankNifty Cash	R1	R2	S1	S2
52,660	52,950	53,250	52,250	51,900

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Lemon Tree	Buy	147	175	19%
Polycab	Buy	6,629	7850	18%
Apollo Tyres	Buy	524	620	18%
Bharti Airtel	Buy	1,430	1680	17%
TCS	Buy	4,012	4600	15%

Fundamental Outlook

Global Market Summary:

- US markets yesterday, gained upto 1%, as new data showing U.S. labor market weakness boosted expectations for interest rate cuts as early as September. Dow Futures is trading -0.2% lower.
- European indices yesterday ended on a mixed note.
- Asian markets today, are mostly trading in slight red, as investors awaited key economic data from the U.S. and China later this week
- **Global Cues: Mixed**

Indian Market Summary:

- Nifty yesterday, traded in negative territory throughout the day. However, recovery in the last half hour helped index to close with minor gains of 22 points at 24324 levels.
- FIIs: +Rs1241 crore DIIs: -Rs1651 crore.
- Currently GIFT Nifty is trading -0.1% lower (25 points down).
- **Domestic Cues: Muted**

News and Impact :

Infosys: Hemant Lamba, Executive Vice President, Infosys' head of strategic sales unit has resigned. Mr. Lamba was a part of the executive leadership team, reporting directly to the CEO. **Impact: Negative**

Dabur: Consolidated revenue is expected to register mid to high single digit growth. India business is expected to record mid-single digit volume growth. In India business, HPC & Healthcare segment is expected to grow in high-single digits. **Impact: Positive**

Fundamental Actionable Idea

NTPC : CMP INR380

- NTPC Limited, a government owned power generation company, is planning to launch IPO of its renewable energy arm NTPC Green Energy for Rs 8,500 crore in September.
- NTPC Green is a 100% subsidiary of NTPC, has a current operational capacity of 3.4 GW and a pipeline of 26 GW of which 7 GW is under implementation.
- The funds raised from the IPO will be used for NTPC Green's current and future initiatives in solar, green hydrogen and green ammonia

View: Positive

Marico: CMP INR615

- Consolidated revenue grew in the high-single digit (in line), despite the residual impact of pricing cuts in the Saffola Oils portfolio and currency headwinds in overseas markets. Revenue grew 7.9% YoY in 1QFY25 vs. 1.7% YoY in 4QFY24.
- Demand trends continued to show gradual improvement as expected. Domestic volumes grew marginally on a sequential basis.
- Domestic revenue growth outpaces volume growth amid higher realizations from the favorable pricing cycle in key domestic portfolios.
- The management maintains its aspiration of delivering sustainable and profitable volume-led growth over the medium term. In 1QFY25, MRCO's international business delivered double-digit growth in constant currency, driven by resilient and broad-based growth across markets.
- A favorable portfolio mix should lead to YoY gross margin expansion.

View: Buy

Nifty Technical Outlook

NIFTY (CMP : 24323) Nifty immediate support at 24200 then 24050 zones while resistance at 24400 then 24500 zones. Now it has to hold above 24250 zones to extend the move towards 24500 and 24600 zones whereas supports are placed at 24200 then 24050 zones.



Bank Nifty Technical Outlook

BANK NIFTY (CMP : 52660) Bank Nifty support at 52250 then 51900 zones while resistance at 52950 then 53250 zones. Now it has to continue to hold above 52500 zones for an up move towards 52950 then 53250 levels while a hold below the same could see some weakness towards 52250 then 51900 zones.

1-Niftybank - 05/07/24



Technical Trading Idea

BEL : Buy CMP : 324 Target : 340 SL : 315 Duration : 2-3 Days

- BEL is in overall uptrend and holding gains at higher zones. It has given trend line breakout on daily chart and managed to close above the same.
- Buying is visible across Defence stocks which may support the ongoing up move.

1-Bharat Electronics Ltd - 05/07/24



- Nifty July future closed at 24,379.40 with a premium of 55.55 point v/s 57.30 point premium in the last session.
- Nifty futures OI decreased by 2.08% to 1.57 Cr and Bank Nifty futures OI decreased by 6.35% to 29.79 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 1.27 to 1.20 level.
- India VIX was down by 1.24% from 12.82 to 12.70 levels. Volatility has cooled down throughout the week and is comforting the bulls to drive the index at higher zones.
- On option front, Maximum Call OI is at 24500 then 24300 strike while Maximum Put OI is at 24000 then 24200 strike. Call writing is seen at 24200 then 24600 strike while Put writing is seen at 24200 then 24300 strike. Option data suggests a broader trading range in between 24000 to 24600 zones while an immediate range between 24200 to 24500 levels.

- Option Buying: Buy Nifty Weekly 24300 Call till it holds above 24250 zones. Buy Weekly Bank Nifty 52800 Call till it holds above 52500 zones.
- Option Strategy: Nifty Weekly Bull Call Spread (Buy 24300 CE and Sell 24450 CE) at net premium cost of 65-70 points. Bank Nifty Weekly Bull Call Spread (Buy 52600 CE and Sell 53100 CE) at net premium cost of 180-190 points.
- Option Writing: Sell Weekly Nifty 23800 PE and Sell 24750 CE with strict double SL. Sell Weekly Bank Nifty 51000 PE and 54200 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:

- **Gujrat Ambuja Exports**
- **Allcargo Logistics**

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