

9th July, 2024

Most
Market
 **OUTLOOK**

- Today's Market Outlook – Record closing in the US market, a strong opening in Asian markets, persistent FII inflow, and cooling oil prices from a two-month high may lead to a positive opening for domestic bourses.
- Gift Nifty is trading slightly positive, while US index futures have advanced up to 0.3% ahead of US Fed Chair Jerome Powell's testimony to Congress today.
- An impressive quarterly provisional business update by domestic corporates, the hope of a favourable Union Budget, and FII inflows will positively impact market sentiment.
- Positive expectations are noted for life insurance, IT, defence, rail, and fertilizer stocks.

Actionable Idea for the Day

Technical Pick: (2-3 Days)

GAIL : Buy

(CMP 230 SL 222 TP 245)

Fundamental Pick: (1 Year)

Gail : Buy

(CMP : 230, TP: 260)

Technoquant Intraday Sell Idea

- **Welspun Corp**
- **Jyothy Lab**

Index Levels :

Nifty Cash	R1	R2	S1	S2
24,320	24,500	24,600	24,200	24,050
BankNifty Cash	R1	R2	S1	S2
52,425	52,650	52,800	52,000	51,900

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Mankind Pharma	Buy	2,066	2650	28%
Chola Inv & Fin	Buy	1,412	1660	18%
Bharti Airtel	Buy	1,435	1680	17%
M&M	Buy	2,850	3300	16%
TCS	Buy	3,997	4600	15%

Fundamental Outlook

Global Market Summary:

- US markets yesterday, gained marginally, as investors awaited fresh inflation data, commentary from Federal Reserve Chair Jerome Powell and the start of quarterly earnings season.
- Dow Futures is trading +0.1% higher.
- European indices yesterday fell upto -0.5%.
- Asian markets today, are trading mixed.
- **Global Cues: Mixed**

Indian Market Summary:

- Nifty yesterday, after witnessing a volatile move throughout the day, finally closed flat with a positive bias at 24332 levels.
- FIIs: +Rs61 crore DIIs: +Rs2867 crore.
- Currently GIFT Nifty is trading -0.1% lower (10 points down).
- **Domestic Cues: Muted**

News and Impact :

L&T: Company has won mega orders to build two solar power plants of 3.5 gigawatt total capacity from a leading developer in the Middle East between Rs10000cr – Rs15000cr. **Impact: Positive**

SBI: Company seeks bids for infrastructure notes worth Rs10000cr on July 10. Company raised Rs10000cr via similar maturing infra previous month. **Impact: Positive**

ICICI Lombard: CMP INR1841 TP 2100

- The motor insurance premium clocked an 11% CAGR over FY21-24. The passenger vehicle/2W sales, within the auto industry, registered a three-year CAGR of 16%/5%.
- Numerous trends are emerging in the motor insurance space, such as: 1) the rising share of EVs; 2) improving loss ratios in the TP segment; and 3) the changing product mix among vehicles.
- ICICIGI's motor market share has improved to 11%+ in FY25YTD from 9.8% in 1HFY24. The loss ratio trajectory has been consistently improving and for FY24, the loss ratio for Motor OD/Motor TP was 63.5%/66.8% (vs. 72.6%/72.2% in FY23).
- We remain positive on ICICIGI as it improves its market share in the auto segment. We reiterate our BUY rating with a one-year TP of INR2,100 (premised on 35x FY26E EPS).

View: Buy

GAIL: CMP INR230 TP INR260

- MGL hiked CNG and LNG price by 2% each at Rs75/per KG and Rs48/Per Kg. this will have positive impact on GAIL too
- We believe the probability of gas price-related tariff hikes coming through remains high,. We anticipate that GAIL could benefit from a 10-12% tariff increase, potentially boosting the company's FY26E PAT by 5%.
- GAIL remains in a structural upturn marked by: 1) its improving volume growth outlook (FY24-26: 7% CAGR), 2) the potential for 10-12% tariff hikes in the transmission business in 2HFY25-26, and 3) the completion of the transmission and petrochemical projects (worth INR294b) that will boost its RoE and RoCE.

View: Buy

NIFTY (CMP : 24320) Nifty immediate support at 24200 then 24050 zones while resistance at 24500 then 24600 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.

1-Nifty50 - 08/07/24



Bank Nifty Technical Outlook

BANK NIFTY (CMP : 52425) Bank Nifty support at 52000 then 51900 zones while resistance at 52650 then 52800 zones. Now it has to continue to hold above 52200 zones for an up move towards 52650 then 52800 levels while a hold below the same could see some weakness towards 52000 then 51900 zones.

1-Niftybank - 08/07/24



Technical Trading Idea

GAIL : Buy CMP : 230 Target : 245 SL : 222 Duration : 2-3 Days

- GAIL has given Cup & Handle breakout on daily chart and surpassed range of past five weeks. Mechanical indicator RSI has given bullish cross over and stock is perfectly respecting 20 DEMA. It has formed a strong bullish candle on daily scale and supports are gradually shifting higher.



Derivative Outlook

- 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 increased by 0.32% to 1.57 Cr and Bank Nifty futures OI decreased by 0.45% to 29.66 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 1.20 to 1.18 level.
- India VIX was up by 7.09% from 12.70 to 13.60 levels. Volatility slightly inched higher after cooling off in the entire previous week.
- 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 24300 then 24450 strike while Put writing is seen at 24300 then 24000 strike. Option data suggests a broader trading range in between 24000 to 24500 zones while an immediate range between 24200 to 24450 levels.

- Option Buying: Buy Nifty Weekly 24300 Call till it holds above 24250 zones. Buy Weekly Bank Nifty 52700 Call till it holds above 52200 zones.
- Option Strategy: Nifty Weekly Bull Call Spread (Buy 24250 CE and Sell 24400 CE) at net premium cost of 80-85 points. Bank Nifty Weekly Bull Call Spread (Buy 52400 CE and Sell 52900 CE) at net premium cost of 180-190 points.
- Option Writing: Sell Weekly Nifty 23950 PE and Sell 24650 CE with strict double SL. Sell Weekly Bank Nifty 51200 PE and 54000 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:

- **Welspun Corp**
- **Jyothy Lab**

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