

10th July, 2024

Most
Market
 **OUTLOOK**



- Today's Market Outlook – Dovish commentary by the Fed Chairman in the US Congress on the hope of a rate cut, an all-time high closing in the US market, the highest mutual fund buying in domestic equity during the month of June, and continued FII's buying interest in Indian equity for six consecutive trading sessions may open domestic bourses on a positive note.
- Focus Today (Trend Positive – Gift Nifty is trading flat – Tomorrow US Inflation data. Expect rally to continue due to strong domestic micro, hope of favorable Union Budget and impressive quarterly business update by corporates to boosted the market sentiment.
- Expect positive for rail, defense, pharma and IT stocks.

Actionable Idea for the Day

Technical Pick: (2-3 Days)

Grasim : Buy

(CMP 2761 SL 2700 TP 2900)

Fundamental Pick: (1 Year)

BEL : Buy

(CMP : 335)

Technoquant Intraday Sell Idea

- LIC Housing Finance
- SRF

Index Levels :

Nifty Cash	R1	R2	S1	S2
24,433	24,550	24,700	24,250	24,150
BankNifty Cash	R1	R2	S1	S2
52,568	52,800	53,000	52,100	51,950

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
PNB Housing	Buy	793	1015	28%
SBI	Buy	861	1015	18%
Kalyan Jewellers	Buy	497	570	15%
LT	Buy	3,666	4150	13%
Coal India	Buy	494	550	11%

Global Market Summary:

- US markets rose following dovish comments from U.S. Federal Reserve Chairman Jerome Powell.
- Dow Futures is currently trading 22 points lower.
- European indices ended in red down 0.6%-1%.
- Majority of the Asian markets are trading in green.
- **Global Cues: Mixed**

Indian Market Summary:

- Nifty remained in positive territory throughout the session to close with handsome gains of 113 points at 24433 levels.
- FIIs: +Rs314 crore DIIs: +Rs1416 crore.
- Currently GIFT Nifty is trading 16 points higher.
- **Domestic Cues: Positive**

News and Impact :

RVNL: The company has emerged as the lowest bidder for a project valued at ₹202.87 crore from the South Eastern Railway. **Impact: Positive**

Larsen & Toubro: The company received an order in the range of Rs 1,000-2,500 crore for part construction of two fleet support ships. **Impact: Positive**

Infosys: The company announced a strategic five-year collaboration with Sector Alarm to develop financial and business operation. **Impact: Positive**

Fundamental Actionable Idea

BEL: CMP INR335

- BEL and Data Patterns Bids have been cleared by the Techno-Commercial Evaluation Committee (TCEC) of IRDE, DRDO for the development of distributed Aperture System – HD (DAS-HD) for the future fighter programs of Indian Air Force
- In Q1FY25, we expect revenue growth of 8% YoY, led by better execution of OB and strong inflows during FY24.
- Margins are likely to expand by ~410bp YoY to 23% on a low base of 1QFY24.
- With a strong order book, stable gross margin, and efficient control over working capital, we expect BHE to continue to benefit from defence spending.

View: Buy

BHEL: CMP INR329

- India and Russia agreed to increase bilateral trade to 100 billion dollars by 2030.
- Both countries are discussing the construction of six more high-power nuclear power plant units as well as low-power nuclear plants. This will be positive for companies like BHEL
- We believe the company will benefit from strong order book, a solid pipeline of prospective orders, the company's growing total addressable market, and lower competitive intensity in bidding company is likely to see

View: Positive

Nifty Technical Outlook

NIFTY (CMP : 24433) Nifty immediate support at 24250 then 24150 zones while resistance at 24550 then 24700 zones. Now it has to hold above 24350 zones to extend the move towards 24550 and 24700 zones whereas supports are placed at 24250 then 24150 zones.



BANK NIFTY (CMP : 52568) Bank Nifty support at 52100 then 51950 zones while resistance at 52800 then 53000 zones. Now it has to continue to hold above 52300 zones for an up move towards 52800 then 53000 zones whereas supports are placed at 52100 then 51950 zones.

2-Niftybank - 09/07/24



Technical Trading Idea

Grasim : Buy CMP : 2761 Target : 2900 SL : 2700 Duration : 2-3 Days

- GRASIM has given consolidation breakout on daily scale and gave highest daily close ever.
- Over setup is bullish and it is continuously forming higher top- higher bottom from past three weeks.



Derivative Outlook

- Nifty July future closed at 24,485.65 with a premium of 52.45 point v/s 55.55 point premium in the last session.
- Nifty futures OI increased by 1.53% to 1.60 Cr and Bank Nifty futures OI decreased by 0.12% to 29.62 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 1.18 to 1.28 level.
- India VIX was up by 5.22% from 13.60 to 14.31 levels. Volatility slightly inched higher after cooling off in the entire previous week.
- On option front, Maximum Call OI is at 24500 then 24400 strike while Maximum Put OI is at 24400 then 24300 strike. Call writing is seen at 24400 then 24600 strike while Put writing is seen at 24400 then 24300 strike. Option data suggests a broader trading range in between 24100 to 24700 zones while an immediate range between 24200 to 24600 levels.

- **Option Buying:** Buy Nifty Weekly 24350 Call till it holds above 24350 zones. Buy Weekly Bank Nifty 52600 Call till it holds above 52300 zones.
- **Option Strategy:** Nifty Weekly Bull Call Spread (Buy 24350 CE and Sell 24500 CE) at net premium cost of 85-90 points. Bank Nifty Weekly Bull Call Spread (Buy 52400 CE and Sell 52900 CE) at net premium cost of 160-17 madO points.
- **Option Writing:** Sell Weekly Nifty 24050 PE and Sell 24700 CE with strict double SL. Sell Weekly Bank Nifty 51600 PE and 53400 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:

- **LIC Housing Finance**
- **SRF**

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