

12th July, 2024

Most
Market
 **OUTLOOK**



- Domestic Market Trend and Expect positive sentiment in the domestic market after IT major TCS announced impressive Q1 results. Additionally, strong domestic microeconomic indicators and hopes of a favourable Union Budget will boost market sentiment.
- IT stocks may see positive movement following TCS's strong quarterly results. Focus Today (Trend Positive – Gift Nifty is up 85 points 0.4% - focus on IT stocks) – Rate cut hope lifted Gold price nearly record high, US Inflation fell to 1-year low at 3% (expectation 3.1%) and core inflation 3-year low.
- Positive trends are also expected for rail and defense stocks due to a robust order book. The falling US Dollar Index may have a positive impact on metal stocks.

Actionable Idea for the Day

Technical Pick: (2-3 Days)

Voltas : Buy

(CMP 1513 SL 1470 TP 1600)

Fundamental Pick: (1 Year)

TCS : Buy

(CMP : 3922, TP: 4600)

Technoquant Intraday Sell Idea

- **Gujrat Ambuja Exports**
- **Jyothy Labs**

Index Levels :

Nifty Cash	R1	R2	S1	S2
24,315	24,500	24,650	24,200	24,100
BankNifty Cash	R1	R2	S1	S2
52,270	52,500	52,750	51,900	51,750

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Dalmia Bharat	Buy	1,868	2300	23%
L&T	Buy	3,629	4400	21%
Hindalco	Buy	695	790	14%
ITC	Buy	458	515	12%
ONGC	Buy	305	340	11%

Global Market Summary:

- US stock exchanges on Thursday were trading Flat to Negative. S&P 500 down 0.88%, Nasdaq was down sharply 1.95% while Dow closed marginal up 0.10%. Dow Futures is trading 0.08% higher.
- US inflation falls unexpectedly by 0.1% in June, boosting Fed rate cut hopes
- European indices were trading in green. DAX & CAC were up 0.73% & 0.77% respectively while FTSE was up 0.4%
- Asian markets today, are all trading mix Nikkei down 1.88%, Taiwan down 1.75% while Hang seng are trading up 1.04%
- **Global Cues: Marginally Positive**

Indian Market Summary:

- Nifty on Thursday, touched intraday high of 24402 & finally ended in red with loss of 8 points to close at 24316 levels.
- FIIs: RS 1137 Crore DIIs: RS 1676 Crore
- GIFT Nifty is trading up 50 points 0.2%.
- **Domestic Cues: Marginal positive**

News and Impact :

VODAFONE IDEA: The telecom operator has received approval from shareholders for issuance of equity shares on a preferential basis. **Impact: Positive**

EPL: Company will acquire 49% shares of CMAPL from clean max, industry to which the entity being acquired belongs to captive power generation through renewable energy . **Impact: Positive**

Fundamental Actionable Idea

TCS: CMP Rs 3922 Tgt 4600 upside 17%

- TCS Q1 number are marginally above estimates on Ebit Margin and Ebit
- Ebit Rs15442cr (down 3% QoQ) – Expectation Rs15200cr
- While Ebit Margin at 24.7% vs 26% (QoQ) – expectation 24.5%
- Given its size, order book and exposure to long-duration orders and portfolio, TCS is well positioned to withstand the weakening macro environment and ride on the anticipated industry growth. Owing to its steadfast market leadership position and best-in-class execution, the company has been able to maintain its industry-leading margin and demonstrate superior return ratios. Consumer vertical is seeing green shoots. Manufacturing remains robust. The pent-up demand in BFSI should drive growth over the near and medium term.

View: Buy

Varun Beverages Ltd : CMP Rs 1595 Target 1720 upside 8%

- PepsiCo clocks double-digit volume growth in Indian beverages market in Jun qtr Varun beverages is the largest bottler for Pepsico in india & stands to gain the most.
- Also VBL has commissioned three Greenfield facilities in CY24 YTD. It expects strong sales growth in 2QCY24, led by heat waves, elections, & lower base last year. We expect PAT CAGR of 29% over CY23-26, aided by increased penetration in newly acquired regions, expansion in capacity/distribution, growing refrigeration in rural/semi-rural areas, & scale-up in international biz.

View: Buy

Nifty Technical Outlook

NIFTY (CMP : 24315) Nifty immediate support at 24200 then 24100 zones while resistance at 24500 then 24650 zones. Now it has to hold above 24300 zones to extend the move towards 24500 and 24650 zones whereas supports are placed at 24200 then 24100 zones.

2-Nifty50 - 11/07/24



Bank Nifty Technical Outlook

BANK NIFTY (CMP : 52270) Bank Nifty support at 51900 then 51750 zones while resistance at 52500 then 52750 zones. Now it has to continue to hold above 52100 zones for an up move towards 52500 then 52750 levels while a hold below the same could see some weakness towards 51900 then 51750 zones.

2-Niftybank - 11/07/24



Technical Trading Idea

Voltas : Buy CMP : 1513 Target : 1600 SL : 1470 Duration : 2-3 Days

- Voltas has formed base near 1435-1450 band and inched higher. It has given trend line breakout on daily chart. It has formed a strong bullish candle on daily scale and momentum indicator RSI is positively placed which may take prices higher.

2-Voltas Ltd. - 11/07/24



Derivative Outlook

- Nifty July future closed at 24,382.65 with a premium of 66.70 point v/s 30.60 point premium in the last session.
- Nifty futures OI decreased by 1.96% to 1.54 Cr and Bank Nifty futures OI decreased by 7.07% to 25.20 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 0.97 to 1.29 level.
- India VIX was down by 2.98% from 14.43 to 14 levels. Volatility cooled off after inching higher in the entire week.
- On option front, Maximum Call OI is at 24500 then 24300 strike while Maximum Put OI is at 24000 then 24300 strike. Call writing is seen at 24300 then 24400 strike while Put writing is seen at 24300 then 24200 strike. Option data suggests a broader trading range in between 24000 to 24600 zones while an immediate range between 24200 to 24400 levels.

- **Option Buying:** Buy Nifty Weekly 24400 Call till it holds above 24300 zones. Buy Weekly Bank Nifty 52700 Call till it holds above 52100 zones.
- **Option Strategy:** Nifty Weekly Bull Call Spread (Buy 24350 CE and Sell 24500 CE) at net premium cost of 70-75 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 23850 PE and Sell 24850 CE with strict double SL. Sell Weekly Bank Nifty 50800 PE and 53800 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**
- **Jyothy Labs**

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