

16th July, 2024

Most
Market
 **OUTLOOK**



- The market is expected to open on a positive note due to a rally in global markets. The US market reached a record high, supported by strong quarterly results from domestic corporations, stable oil prices, and continued interest from Foreign Institutional Investors (FIIs), all of which will boosted the market sentiments. The US market surged up to 0.5% to a record high on hopes of tax cuts if Donald Trump comes to power, coupled with dovish commentary on rate cuts from the US Fed Chairman. UK, Germany and France Index declined 1% each. Stocks in Asia were muted in early on Tuesday trading. Equity benchmarks rose in Japan and Korea, while those in Australia were steady. Gift Nifty is flat to positive. Bajaj Auto and L&T Finance results today.

Actionable Idea for the Day

Technical Pick: (2-3 Days)

Gail : Buy

(CMP 238 SL 230 TP 265)

Fundamental Pick: (1 Year)

VBL : Buy

(CMP : 1625, TP: 1830)

Technoquant Intraday Sell Idea

CESC (Sell)

(CMP 183 SL 185 TP 179)

Welspun Corp (Sell)

(CMP 638 SL 644 TP 625)

Index Levels :

Nifty Cash	R1	R2	S1	S2
24,586	24,750	24,900	24,450	24,330
BankNifty Cash	R1	R2	S1	S2
52,455	52,850	53,000	52,250	52,000

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Titan	Buy	3,224	4150	28%
L&T	Buy	3,652	4400	20%
Ambuja Cement	Buy	684	800	17%
Hindalco	Buy	700	790	13%
SBIN	Buy	883	1015	15%

Global Market Summary:

- US markets on Monday closed higher with the S&P 500 gaining 0.3% and Nasdaq 100 up 1%.
- Dow Futures is currently trading 73 points higher.
- European indices ended in red
- Majority of the Asian markets are trading mixed.
- **Global Cues: Mixed**

Indian Market Summary:

- Nifty made a record high above 24600 levels and finally settled with gains of 85 points at 24588 levels.
- FIIs: +Rs2685 crore DIIs: -Rs331 crore.
- Currently GIFT Nifty is trading 18 points higher.
- **Domestic Cues: Positive**

News and Impact :

NLC India and GMDC : The Ministry of Coal signed a lease agreement with NLC India and GMDC for three coal mines in the eastern state of Odisha. The mines will help add up to 30 million tons of coal production per year. About Rs4500cr will be allocated to bring the mines into operation.

Impact: Positive

Hindustan Unilever : The company has approved the sale of the company's water purification business Pureit to A.O. Smith's India arm for an enterprise value of Rs 601 crore, or \$72 million.

Impact: Positive

Fundamental Actionable Idea

VBL: CMP INR1625 TP INR1830, Upside 13% Buy

- VBL's two subsidiaries plans to set up manufacturing units in Zimbabwe and Zambia with an investment of \$7 million (around ₹60 crore).
- 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

HAL: CMP INR5500

- Government has implemented a uniform 5% tax on all imports of aircraft components and engine parts starting immediately, replacing varying rates that previously ranged from 5% to 28%.
- This new policy eliminates these disparities, simplifies the tax structure, and fosters growth in the MRO sector.
- This is a huge boost for Aerospace company like HAL is engaged in design, development, manufacture, repair, overhaul, upgrade and servicing of a wide range of products including, aircraft.
- We believe that HAL is strongly placed to benefit from pick-up in execution of existing strong order backlog and robust pipeline.

View: Positive

NIFTY (CMP : 24586) Nifty immediate support at 24450 then 24330 zones while resistance at 24750 then 24900 zones. Now it has to hold above 24500 zones for a fresh up move towards 24750 and 24900 zones whereas supports are placed at 24450 then 24330 zones.

2-Nifty50 - 15/07/24



BANK NIFTY (CMP : 52455) Bank Nifty support at 52250 then 52000 zones while resistance at 52850 then 53000 zones. Now it has to continue to hold above 52250 zones for an up move towards 52850 then 53000 levels while on the downside support is seen at 52250 then 52000 levels.

2-Niftybank - 15/07/24



Technical Trading Idea

GAIL : Buy CMP : 238 Target : 265 SL : 230 Duration : 2-3 Days

- KPIT Tech has given trend line breakout on daily & weekly chart which has bullish implications. Breakout is supported by surge in volumes and buying is visible across IT space which may support the ongoing up move.

2-Gail (India) Limited - 15/07/24

F7



Derivative Outlook

- Nifty July future closed at 24,621.70 with a premium of 35 point v/s 19.45 point premium in the last session.
- Nifty futures OI increased by 3.34% to 1.65 Cr and Bank Nifty futures OI increased by 4.55% to 25.40 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 1.28 to 1.33 level.
- India VIX was up by 2.82% from 13.72 to 14.11 levels. Volatility slightly inched higher but is hovering at its lower zones which is comforting the bulls to add momentum.
- On option front, Maximum Call OI is at 25000 then 24900 strike while Maximum Put OI is at 24000 then 24500 strike. Call writing is seen at 25000 then 24600 strike while Put writing is seen at 24600 then 24500 strike. Option data suggests a broader trading range in between 24200 to 25000 zones while an immediate range between 24400 to 24800 levels.

- **Option Buying:** Buy Nifty Weekly 24600 Call till it holds above 24500 zones. Buy Weekly Bank Nifty 52600 Call till it holds above 52250 zones.
- **Option Strategy:** Nifty Weekly Bull Call Spread (Buy 24600 CE and Sell 24750 CE) at net premium cost of 60-70 points. Bank Nifty Weekly Bull Call Ladder Spread (Buy 52500 CE, Sell 52800 CE and Sell 53000 CE) at net premium cost of 80-100 points.
- **Option Writing:** Sell Weekly Nifty 24200 PE and Sell 24900 CE with strict double SL. Sell Weekly Bank Nifty 51700 PE and 53200 CE with strict double SL.

Today's **Sell** Ideas:

Stock Names	Close Price	SL (1%)	TP (2%)
CESC(Sell)	183	185	179
Welspun Corp (Sell)	638	644	625

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% of the open.
- Book profit: At 2% fall since open.
- In special situations the book profit might be delayed if the stock is in free fall.

16th July, 2024



EXPIRY

EXPRESS (E²)

A Comprehensive Weekly Expiry Note

BANK NIFTY : 52455

Bank Nifty Index opened on a flattish note and drifted lower towards 52150 zones in the first hour of the session. However quick recovery was seen from lower zones and it extended the momentum towards 52660 levels in the latter part of the day. It formed a small Bullish candle on daily scale and ended with gains near 52500 zones. Index has got stuck in wider range in between 52000 to 52800 zones from the last few sessions as momentum is missing on either sides. Now it has to continue to hold above 52250 zones for an up move towards 52850 then 53000 levels while on the downside support is seen at 52250 then 52000 levels.

Expiry day point of view : Overall trend is likely to be choppy and now it has to continue to hold above 52250 zones for an up move towards 52850 then 53000 levels while on the downside support is seen at 52250 then 52000 levels.

Trading Range : Expected wider trading range : 52000/52250 to 52850/53000 zones

Option Strategy : Option traders can initiate Bank Nifty Weekly Bull Call Ladder Spread (Buy 52500 CE, Sell 52800 CE and Sell 53000 CE) to play the upswing but with capped upside

Option Writing : Option writers are suggested to Sell Weekly 53200 CE and 51700 Put with double the SL

Weekly Change : Bank Nifty is up by 0.51% at 52455 on weekly basis. Bank Nifty VWAP of the week is at 52500 zones and it is marginally below to the same which indicates positive bias but with capped upside for expiry day point of view.

BankNifty	Level
Spot Closing	52455
Weekly VWAP	52500
Weekly Change %	0.51
Key Resistance	53000
Key Support	52000
Range	52000 to 53000

BankNifty	Strike	OI (Lac)
Max Call OI	53500	29.07
	54000	28.40
Change in Call OI	53500	10.71
	53000	4.90
Max Put OI	52000	29.21
	51000	27.49
Change in Put OI	52500	14.28
	51000	10.94

Fin Nifty : 23692

Fin Nifty Index opened on a positive note and after a small dip in the first hour of trade it witnessed slow but steady up-move throughout the day to close with gains of around 90 points. It formed an Inside bar on the daily scale since it traded within the range of previous candle. The index is trading in a band of 400 points from the last seven trading session. Now it has to continue to hold above 23600 zones for an up move towards 23750 then 23850 levels while support exists at 23500 then 23400 zones.

Expiry day point of view : Overall trend is likely to be bullish to sideways and now it has to continue to hold above 23600 zones for an up move towards 23750 then 23850 levels while support exists at 23500 then 23400 zones.

Trading Range : Expected wider trading range : 23400/23500 to 23750/23850 zones.

Option Strategy : Option traders can initiate Bull Call Ladder Spread (Buy 23750 CE, Sell 23850 CE and Sell 23950 CE) to play the upswing.

Option Writing : Option writers are suggested to Sell Fin Nifty 23400 Put and Sell 23950 Call with strict double SL.

Weekly Change : Fin Nifty is trading up by 0.12% at 23692 on weekly expiry basis (Tuesday close to Monday close). Fin Nifty VWAP of the week is at 23700 levels and it is trading near to the same which indicates overall positive bias but with capped upside for expiry day point of view.

Fin Nifty	Level
Spot Closing	23692
Weekly VWAP	23700
Weekly Change %	0.12
Key Resistance	23850
Key Support	23400
Range	23400-23850

Fin Nifty	Strike	OI (Lac)
Max Call OI	24500	20.00
	24000	18.00
Change in Call OI	23900	8.00
	24000	7.00
Max Put OI	23500	26.00
	23600	14.00
Change in Put OI	23500	17.00
	23700	10.00

