

22nd July, 2024

Most
Market
 **OUTLOOK**



Morning Market Outlook

- Weak opening in the Asian markets and sharp declines across the global markets may lead to a marginally lower opening for domestic equity. Gift Nifty is down 60 points or 0.2%. Indian, U.S., and European stocks declined by 1% on Friday after a global technology outage shut down airports and disrupted businesses worldwide. The market will focus on the Union Budget tomorrow. Economy Survey to be release today ahead of Union Budget to be announce tomorrow. Key sectors to be watch - infra in the rural sector, may rising fertilizer subsidy to farmers, warehousing, railways, defence, electronics, and renewables. Stock likely to be actionable ahead of Union Budget tomorrow - Suzlon, Tata Power and KP Energy, Hudco, PNB Housing, Ahluwalia Contracts, KNR Constructions, PNC Infratech, HAL, BEL, Bharat Dynamic, Fertilizer and EV stocks – Sona BLW. Tech stocks will be positive after announcing solid Q1 results.

Actionable Idea for the Day

Technical Pick: (2-3 Days)

ITC : Buy
(CMP 474 SL 460 TP 500)

Fundamental Pick: (1 Year)

Indian Hotels : Buy
(CMP : 578, TP: 665)

Technoquant Intraday Sell Idea

KPIT (Sell)
(CMP 1820 SL 1838 TP 1783)

Cyient (Sell)
(CMP 1831 SL 1850 TP 1795)

Index Levels :

Nifty Cash	R1	R2	S1	S2
24,530	24,850	25,000	24,350	24,250
BankNifty Cash	R1	R2	S1	S2
52,265	52,750	53,000	52,000	51,750

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
PNB Housing	Buy	780	1015	30%
Mankind Pharma	Buy	2,126	2650	25%
M&M	Buy	2,756	3300	20%
Chola Inv & Fin	Buy	1,426	1660	16%
Godrej Prop	Buy	3,243	3725	15%

Global Market Summary:

- US markets yesterday, fell ~0.7-1%, as lingering chaos related to a global technical outage caused by a software glitch added uncertainty to an already-anxious market.
- Dow Futures is trading flat. European indices yesterday fell -0.5-1%.
- Asian markets today, are mostly trading -0.5-2% lower, as chip-related stocks dropped following reports of more stringent export restrictions from the U.S. & comments from former U.S. President Donald Trump relating to Taiwan's semiconductor business.
- **Global Cues: Weak**

Indian Market Summary:

- Nifty yesterday, Nifty plunged 270 points (-1.1%) to close at 24530 levels amid global selloff. Broader market witnessed sharper selling pressure and fell more than 2%.
- FIIs: +Rs1506 crore DIIs: -Rs462 crore.
- Currently GIFT Nifty is trading -0.5% lower (130 points down).
- **Domestic Cues: Weak**

News and Impact :

Vedanta: Vedanta Ltd has bagged two critical mineral blocks in Karnataka and Bihar which were put on sale. **Impact: Positive**

NLC India: NLC India Ltd is planning to raise funds through an IPO of its wholly owned subsidiary NLC India Renewables Ltd by Q1FY26. PSU is planning to ramp up its renewable energy capacity from the current 1.4 GW to 6 GW by 2030. The funds raised via the IPO will be used in its clean energy expansion plans. **Impact: Positive**

Fundamental Actionable Idea

Indian Hotels: CMP INR578, TP INR665, 15% Upside, Buy

- Indian Hotels reported a decent consolidated revenue growth of 6% YoY in 1QFY25 amid macro headwinds such as election-related restrictions, extreme heatwaves and fewer wedding dates.
- Consolidated revenue/EBITDA/adj. PAT in 1QFY25 was up 6%/10%/12% YoY at INR15.5b/INR4.5b/INR2.5b (in line).
- Standalone revenue/EBITDA rose 5%/11% YoY to INR9.3b/INR3.3b, aided by OR growth (up 120bp YoY) to 76%. ARR grew 2% YoY to INR12,906. RevPar grew by 4% YoY.
- IH is confident of achieving double-digit revenue growth in FY25 (over 10%), excluding consolidation of Taj SATS. New businesses (Ginger, Ama, Qmin) are expected to grow by ~30-35% YoY, while the reimaged businesses (Taj SATS, Chambers) are expected to grow ~15-20% YoY.

View: Buy

Coal India : CMP INR488 TP INR550 Upside 13% Buy

- Graphite is the first mineral Coal India Limited (CIL) will diversify its operations beyond coal, following an order from the Ministry of Mines granting the company a composite license for prospecting and mining.
- This license pertains to the Khattali Chhoti Graphite Block in Alirajpur, Madhya Pradesh.
- Graphite, which has multiple applications including use in batteries, is a key area of focus amid the ongoing EV revolution in India.

View: Buy

Nifty Technical Outlook

NIFTY (CMP : 24530) Nifty immediate support at 24350 then 24250 zones while resistance at 24850 then 25000 zones. Now it has to hold 24500 zones for an up move towards 24850 and 25000 zones whereas supports are placed at 24350 then 24250 zones.

5-Nifty50 - 19/07/24



Bank Nifty Technical Outlook

BANK NIFTY (CMP : 52265) Bank Nifty support at 52000 then 51750 zones while resistance at 52750 then 53000 zones. Now it has to continue to hold above 52250 zones for an up move towards 52750 then 53000 levels while on the downside support is seen at 52000 then 51750 levels.

5-Niftybank - 19/07/24



Technical Trading Idea

ITC : Buy CMP : 474 Target : 500 SL : 460 Duration : 2-3 Days

- ITC has given range breakout on weekly chart and forming higher highs - higher lows structure on daily chart from last 4 trading session. Buying is visible across FMCG space which may support the ongoing up move. Momentum indicator RSI is positively placed which may take prices higher.



Derivative Outlook

- Nifty July future closed at 24,529.10 with a discount of 1.80 point v/s 8.20 point premium in the last session.
- Nifty futures OI decreased by 2.77% to 1.77 Cr and Bank Nifty futures OI decreased by 3.40% to 23.81 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 1.41 to 1.11 level.
- India VIX was up by 2.17% from 14.22 to 14.82 levels. Volatility slightly inched higher but is hovering at its lower zones which is overall comforting the bulls.
- On option front, Maximum Call OI is at 25500 then 25000 strike while Maximum Put OI is at 24000 then 23500 strike. Call writing is seen at 25000 then 24700 strike while Put writing is seen at 24500 then 24100 strike. Option data suggests a broader trading range in between 24000 to 25000 zones while an immediate range between 24300 to 24700 levels.

- **Option Buying:** Buy Nifty 24750 Call till it holds above 24500 zones. Buy Weekly Bank Nifty 53200 Call till it holds above 52250 zones.
- **Option Strategy:** Nifty Bull Call Ladder Spread (Buy 24500 CE, Sell 24700 CE and Sell 25100 CE) at net premium cost of 40-50 points. Bank Nifty Weekly Bull Call Ladder Spread (Buy 52300 CE, Sell 52800 CE and Sell 54000 CE) at net premium cost of 60-80 points.
- **Option Writing:** Sell Nifty 23400 PE and Sell 25500 CE with strict double SL. Sell Weekly Bank Nifty 49500 PE and 55200 CE with strict double SL.

Today's **Sell** Ideas:

Stock Names	Close Price	SL (1%)	TP (2%)
KPIT (Sell)	1820	1838	1783
Cyient (Sell)	1831	1850	1795

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.

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