

23rd July, 2024

Most
Market
 **OUTLOOK**



Morning Market Outlook

- Global markets rallied, buoyed by optimism ahead of India's Union Budget, which is expected to be favorable. Additionally, oil prices dropped to a one-month low, further boosting sentiment. In the US, stocks rebounded after their worst week in three months, driven by a 1.5% rise in mega-cap technology shares and reflections on Joe Biden's decision regarding the presidential election.
- Anticipate increased market volatility ahead of today's Union Budget. Traders are advised to refrain from aggressive buying until a clear trend is established. Key areas of focus include infrastructure development, defense modernization, public sector enterprises, rural development, healthcare, and taxation.

Actionable Idea for the Day

Technical Pick: (2-3 Days)

Mphasis : Buy

(CMP 2925 SL 2850 TP 3070)

Fundamental Pick: (1 Year)

Federal Bank : Buy

(CMP : 193, TP: 210)

Technoquant Intraday Sell Idea

SAIL (Sell)

(CMP 143 SL 145 TP 140)

Allcargo Logistics (Sell)

(CMP 63.7 SL 64.4 TP 62.5)

Index Levels :

Nifty Cash	R1	R2	S1	S2
24,509	24,750	24,850	24,350	24,250
BankNifty Cash	R1	R2	S1	S2
52,280	52,500	52,750	52,000	51,750

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
PNB Housing	Buy	792	1015	28%
KEI Ind	Buy	4,109	5230	27%
M&M	Buy	2,805	3300	18%
L&T	Buy	3,651	4150	14%
Coal India	Buy	492	550	12%

Global Market Summary:

- US markets yesterday, gained ~1-1.5%, driven by rise in mega-cap technology shares and reflections on Joe Biden's decision regarding the presidential election.
- Dow Futures is trading flat.
- European indices yesterday gained +0.5-1.5%.
- Asian markets today, are mostly trading mixed.
- **Global Cues: Positive**

Indian Market Summary:

- Nifty yesterday, opened gap down on account of global sell-off and weak results from heavyweights but soon recovered and traded sideways throughout the session. It finally ended mildly lower at 24509 levels. Broader market however recovered from last few days sell-off and gained ~1%.
- FII: +Rs3444 crore DII: -Rs1652 crore. Currently GIFT Nifty is trading +0.1% higher (17 points up).
- **Domestic Cues: Muted**

News and Impact :

ICICI Lombard: The overall general insurance industry's gross written premium (GWP) increased 8% YoY to INR222b in Jun'24, led by health & motor segments. ICICI Lombard reported a strong growth of 16% YoY in June'24. YTD it reported growth of 20% YoY and its market share expanded to 10.6% vs 9.9%.

Impact: Positive

Oil India: Company signed a contract with Dolphin Drilling, Norway, a leading drilling contractor for the offshore oil & gas industry, for the hiring of the 'Anchor Moored Semi-Submersible Drilling Unit Blackford

Dolphin Impact: Positive

Fundamental Actionable Idea

Suzlon: CMP INR55

- Suzlon Energy's net profit triples to ₹302 crore in Q1FY25, showcasing improved operational performance.
- Revenue slightly decreases by 7% to ₹2,016 crore. Ebitda came in 3.6% higher at ₹370 crore, while Ebitda margin expanded to 18.4%, against 16.4% YoY.
- It made highest-ever deliveries in seven years at 274MW and a record order book of 3.8 GW.
- Balance sheet remains strong with net cash position of ₹120cr

View: Positive

Federal Bank : CMP INR193 TP INR210 Upside 10% Buy

- RBI has approved the appointment of Krishnan Venkat Subramanian as the new managing director and CEO of Federal Bank for a 3-year period, starting from Sept'2024.
- This is positive for the bank and removes key uncertainty of transition
- Mr. Subramanian was earlier Joint MD at Kotak Bank till April'2024 and his pedigree spans across banking verticals.
- Moreover bank reported healthy 1QFY25 business update where it reported strong growth of 20% each in both advances and deposits. CASA growth was also healthy, leading to a stable CASA ratio of 29.3%.

View: Buy

Nifty Technical Outlook

NIFTY (CMP : 24509) Nifty immediate support at 24350 then 24250 zones while resistance at 24750 then 24850 zones. Now it has to hold 24500 zones for an up move towards 24750 and 24850 zones whereas supports are placed at 24350 then 24250 zones.



Bank Nifty Technical Outlook

BANK NIFTY (CMP : 52280) Bank Nifty support at 52000 then 51750 zones while resistance at 52500 then 52750 zones. Now it has to continue to hold above 52250 zones for an up move towards 52500 then 52750 levels while on the downside support is seen at 52000 then 51750 levels.

5-Niftybank - 22/07/24



Technical Trading Idea

Mphasis : Buy CMP : 2925 Target : 3070 SL : 2850 Duration : 2-3 Days

- Mphasis has given rounding bottom breakout on weekly chart and forming higher lows on daily chart. It has formed a bullish candle on daily frame and trading at its 52 week high.
- Midcap IT stocks are in momentum which helps MPHASIS to inch higher.

5-Mphasis Limited - 22/07/24



Derivative Outlook

- Nifty July future closed at 24,509.10 with a discount of 0.15 point v/s 1.80 point discount in the last session.
- Nifty futures OI decreased by 1.47% to 1.74 Cr and Bank Nifty futures OI decreased by 3.87% to 22.89 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 1.11 to 1.02 level.
- India VIX was up by 4.18% from 14.82 to 15.44 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 24500 then 25700 strike while Put writing is seen at 24000 then 24400 strike. Option data suggests a broader trading range in between 24200 to 25000 zones while an immediate range between 24300 to 24700 levels.

- **Option Buying:** Buy Nifty 24700 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 49000 PE and 55000 CE with strict double SL due to budget event volatility

Today's **Sell** Ideas:

Stock Names	Close Price	SL (1%)	TP (2%)
SAIL (Sell)	143	145	140
Allcargo Logistics (Sell)	63.7	64.5	62.5

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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