

24th July, 2024

Most  
**Market**  
 **OUTLOOK**



# Morning Market Outlook

- The market is expected to open flat today, with a focus on specific sectors and stocks influenced by the post-budget impact. The Finance Minister has presented a growth-oriented and inclusive budget while maintaining fiscal discipline. Under Modi 3.0, the government aims to continue fiscal consolidation, targeting a fiscal deficit of 4.9% this year and 4.5% next year, with capex set at 3.6%. The budget's positive outlook extends to sectors such as jewellery, FMCG (Fast-Moving Consumer Goods), capital goods, housing, two wheeler and defence stocks.
- Despite initial concerns, the Nifty showed marginal decline of 0.1% yesterday, recovering over 1% intraday as the market absorbed the 2024 Union Budget, which included increases in STT and capital gains tax. positive factors include a one-month low in oil prices, strong quarterly results, and hopes of a US Fed interest rate cut, which could bolster market sentiment.

## Actionable Idea for the Day

### Technical Pick: (2-3 Days)

**Tata Consumer : Buy**  
(CMP 1257 SL 1220 TP 1330)

### Fundamental Pick: (1 Year)

**HUL: Buy**  
(CMP : 2766 TP: 3250)

### Technoquant Intraday Sell Idea

**Ramkrishna Forgings (Sell)**  
(CMP 889 SL 898 TP 871)

**Allcargo Logistics (Sell)**  
(CMP 63.1 SL 63.7 TP 61.8)

## Index Levels :

Nifty Cash	R1	R2	S1	S2
24,479	24,600	24,750	24,350	24,250
BankNifty Cash	R1	R2	S1	S2
51,778	52,000	52,250	51,350	51,000

## Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Hindalco	Buy	654	800	22%
L&T	Buy	3,538	4150	17%
SBIN	Buy	864	1015	17%
Ambuja Cement	Buy	691	800	16%
Titan	Buy	3,467	4000	15%

## Global Market Summary:

- US markets on Tuesday ended on a lower note as investors focused on Alphabet and Tesla Q2 results.
- Dow Futures is currently trading 57 points lower.
- European indices ended on a mixed.
- Asian markets are trading in red
- **Global Cues: Negative**

## Indian Market Summary:

- Nifty made a smart recovery from the day's low levels and closed with a marginal loss of 30 points at 24479 levels.
- FIIs: - Rs2975 crore DIIs: +Rs1419 crore.
- Currently GIFT Nifty is trading 40 points lower.
- **Domestic Cues: Weak**

## News and Impact :

**Positive for Capital goods stocks:** FM announced allocating Rs 11 lakh, 11 thousand and 111 crore towards capital expenditure. This would account for 3.4% of the GDP. Enumerating it as among the policy prerogatives towards investment in infrastructure by central government – positive for BHEL, Siemens, ABB, NTPC. **Impact: Positive**

**Torrent Pharmaceuticals:** The company's Q1FY25 profit grew by 21% YoY to Rs 457 crore. Revenue increased by 10.3% to Rs 2,859 crore. EBITDA rose by 14.3%. Margin expands 110 bps to 31.6% Vs 30.5%. **Impact: Positive**



## HUL: CMP INR2766 TP INR3250, Upside 17% Buy

- HUL's 1QFY25 performance was in line with our estimates. Net sales rose 2% YoY, with 4% volume growth (est. 3%).
- Demand trends saw steady improvements with a gradual rural recovery.
- Gross margin expanded by 150bp YoY to 52% (in line), out of which 100bp was reinvested in A&P (up 12% YoY).
- EBITDA margin is expected to improve moderately in the medium term. We model ~24-25% margin for FY25 and FY26.
- HUVR's wide product basket and presence across price segments should help the company achieve a steady growth recovery. We estimate 10%/12% EPS growth for FY25/FY26.

**View: Buy**

## United Spirits: CMP INR1332

- Standalone net sales increased 8% YoY to INR23.5b (est. INR23.6b) in 1QFY25, with P&A revenue growth of 10%. Volume growth stood at 3.5%, with P&A volume up 5.1% to 11.5mn cases
- Gross margin was up 90bp YoY at 44.5% (est. 43.2%). Excluding a one-off benefit of INR130m due to a write-back in the 1QFY24, gross margin expanded 150bp YoY. EBITDA margin was up 170bp YoY at 19.5% (est. 17.5%).
- The board has approved the acquisition of V9 Beverages Pvt. Ltd. (Sober).
- The liquor industry is currently experiencing an upgrading trend, aligning well with UNSP's renewed emphasis on P&A, which fits into the long-term liquor upgrading narrative in India.

**View: Positive**

# Nifty Technical Outlook

**NIFTY (CMP : 24479)** Nifty immediate support at 24350 then 24250 zones while resistance at 24600 then 24750 zones. Now it has to hold 24400 zones for an up move towards 24600 and 24750 zones whereas supports are placed at 24350 then 24250 zones.





# Bank Nifty Technical Outlook

**BANK NIFTY (CMP : 51778)** Bank Nifty support at 51350 then 51000 zones while resistance at 52000 then 52250 zones. Now till it holds below 52000 zones some weakness could be seen towards 51350 then 51000 marks while on the upside hurdle is seen at 52000 then 52250 zones.

1-Niftybank - 23/07/24  
EMA(CloseLine:20)



# Technical Trading Idea

**Tata Consumer : Buy    CMP : 1257    Target : 1330    SL : 1220    Duration : 2-3 Days**

- Tata Consumer has given range breakout on daily chart and holding well above the same. It has formed a strong bullish candle on daily chart with surge in volume which has bullish implications.





## Derivative Outlook

- Nifty July future closed at 24,463.10 with a discount of 15.95 point v/s 0.15 point discount in the last session.
- Nifty futures OI decreased by 3.66% to 1.68 Cr and Bank Nifty futures OI decreased by 0.12% to 22.86 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 1.02 to 0.87 level.
- India VIX was down by 18.46% from 15.44 to 12.59 levels. Volatility crashed post the event and comforted the bulls for a smart recovery from support zones.
- On option front, Maximum Call OI is at 25000 then 25500 strike while Maximum Put OI is at 24000 then 23000 strike. Call writing is seen at 25000 then 25150 strike while Put writing is seen at 23900 then 24400 strike. Option data suggests a broader trading range in between 24000 to 25000 zones while an immediate range between 24200 to 24700 levels.



- **Option Buying:** Buy Nifty 24500 Call till it holds above 24400 zones. Buy Weekly Bank Nifty 51600 Put till it holds below 52000 zones. (Mix view)
- **Option Strategy:** Nifty Bull Call Ladder Spread (Buy 24500 CE, Sell 24650 CE and Sell 24800 CE) at net premium cost of 40-50 points. Bank Nifty Weekly Bear Put Spread (Buy 51800 PE and Sell 51500 PE) at net premium cost of 110-120 points.
- **Option Writing:** Sell Nifty 23900 PE and Sell 24900 CE with strict double SL. Sell Weekly Bank Nifty 50600 PE and 52800 CE with strict double SL

## Today's **Sell** Ideas:

Stock Names	Close Price	SL (1%)	TP (2%)
Ramkrishna Forgings <b>(Sell)</b>	889	898	871
Allcargo Logistics <b>(Sell)</b>	63.1	63.7	61.8

### 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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