

25th July, 2024

Most  
**Market**  
 **OUTLOOK**



## Morning Market Outlook

- Market is expected to open weak today due to a sharp decline in global markets following disappointing results from major IT companies Tesla and Alphabet. The S&P 500 and Nasdaq closed at multi-week lows, dropping 3.5%. Japan Index nosedived over 1100 points while South Korea, Taiwan Index slipped over 2% each.
- Profit-taking is anticipated in the domestic stock market, although there could be continued specific actions in certain stocks. Gift Nifty slipped 150 points. Petronet LNG, SBI Life, L&T, IGL, KPIT and Federal Bank announced impressive Q1 results while Axis Bank reported poor Q1 results.

### Actionable Idea for the Day

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

**Granules : Buy**

**(CMP 538 SL 523 TP 570)**

#### Fundamental Pick: (1 Year)

**L&T : Buy**

**(CMP : 3522 TP: 4150)**

#### Technoquant Intraday Sell Idea

**Finolex Cable (Sell)**

**(CMP 1539 SL 1554 TP 1508)**

**Apollo Tyres (Sell)**

**(CMP 539 SL 545 TP 528)**

### Index Levels :

Nifty Cash	R1	R2	S1	S2
24,413	24,600	24,750	24,300	24,200
BankNifty Cash	R1	R2	S1	S2
51,317	51,500	51,750	51,000	50,750

### Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Hindalco	Buy	652	800	23%
SBIN	Buy	852	1015	19%
Ambuja Cement	Buy	682	800	17%
Titan	Buy	3,478	4000	15%
Coal India	Buy	494	550	11%

# Fundamental Outlook

## Global Market Summary:

- US markets on Wednesday nose-dived more than 2% following the disappointing numbers from Alphabet and Tesla Q2.
- Dow Futures is currently trading 63 points higher.
- European indices ended in red down 0.2%-1%.
- Asian markets are trading in red
- **Global Cues: Negative**

## Indian Market Summary:

- Nifty extended its losing streak for four consecutive days and closed with a marginal loss of 66 points at 24415 levels.
- FIIs: - Rs5131 crore DIIs: +Rs3137 crore.
- Currently GIFT Nifty is trading 73 points lower.
- **Domestic Cues: Weak**

## News and Impact :

**HUDCO** : The Company has signed a non-binding MoU with the Government of Rajasthan to receive financial assistance worth Rs1 lakh crore for housing and urban infra projects for next five years.

**Impact: Positive**

**SBI**: The company has signed a non-binding MoU worth £750 million as a joint investment with the UK's Foreign, Commonwealth and Development Office. **Impact: Positive**



## Fundamental Actionable Idea

### LT: CMP INR3522 TP4150, Upside 18% Buy

- LT's 1QFY25 results were 3% ahead of our estimates on both revenue and PAT.
- The company reported 15%/15%/12% YoY growth in revenue/EBITDA/PAT on a consolidated basis driven by strong project execution and a substantial order book.
- International revenue contributed significantly driven by robust ordering momentum in the Middle East.
- We believe growth will be driven by: the ramp-up of domestic inflows after elections, completion of low-margin legacy projects in next couple of quarters, & constant reduction in WC and the resultant RoCE improvement.

**View: Buy**

### CG Power: CMP INR700

- CG Power acquired 55% stake in railway safety system provider G.G.Trionics for a value of Rs.319cr
- Additionally, the company announced its earnings for the quarter ended June 2024. It posted over 18% rise in consolidated net profit mainly on the back of higher revenues.
- EBITDA for the quarter stood at Rs 346 crore, a 25% jump on YoY basis.
- With a strong executable order book and commencement of supply for Vande Bharat from FY25 onwards CG Power's earning outlook remains optimistic.

**View: Positive**

# Nifty Technical Outlook

**NIFTY (CMP : 24413)** Nifty immediate support at 24300 then 24200 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 shifting lower at 24300 then 24200 zones.





# Bank Nifty Technical Outlook

**BANK NIFTY (CMP : 51317)** Bank Nifty support at 51000 then 50750 zones while resistance at 51500 then 51750 zones. Now till it holds below 51500 zones some weakness could be seen towards 51000 then 50750 levels while on the upside hurdle is seen at 51500 then 51750 zones.

2-Niftybank - 24/07/24



# Technical Trading Idea

**Granules : Buy      CMP : 538      Target : 570      SL : 523      Duration : 2-3 Days**

- Granules has given range breakout on daily chart and holding well above the same. It has formed a bullish candle on daily scale and supports are gradually shifting higher. Buying is visible across Pharma stocks which may support the ongoing up move.

1-Granules India Limited - 24/07/24





## Derivative Outlook

- Nifty July future closed at 24,388.75 with a discount of 24.75 point v/s 15.95 point discount in the last session.
- Nifty futures OI increased by 8.70% to 1.82 Cr and Bank Nifty futures OI increased by 12.15% to 25.64 Lakhs.
- Nifty Put/Call Ratio (OI) remained unchanged at 0.87 level.
- India VIX was down by 7.98% from 12.75 to 11.73 levels. Volatility has been cooling off from the last two sessions and paving way for smart recovery from support zones..
- On option front, Maximum Call OI is at 25000 then 24500 strike while Maximum Put OI is at 24000 then 23500 strike. Call writing is seen at 24400 then 25000 strike while Put writing is seen at 24000 then 23500 strike. Option data suggests a broader trading range in between 24200 to 24800 zones while an immediate range between 24300 to 24600 levels.



- Option Buying : Wait for Option buying and need to change stance if Nifty holds below 24200 zones. Buy Weekly Bank Nifty 51000 Put till it holds below 51500 zones.
- Option Strategy : Nifty Bear Put Spread (Buy 24400 PE and Sell 24250 PE) at net premium cost of 40-50 points. Bank Nifty Bear Put Spread (Buy 51300 PE and Sell 50800 PE) at net premium cost of 150-180 points.
- Option Writing : Sell Nifty 24050 PE and Sell 24600 CE with strict double SL. Sell Bank Nifty 49200 PE and 53300 CE with strict double SL.

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

Stock Names	Close Price	SL (1%)	TP (2%)
FINOLEX CABLES <b>(Sell)</b>	1,539	1,554	1,508
APOLLO TYRES <b>(Sell)</b>	539	545	528

### 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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