

30th July, 2024

Most
Market
 **OUTLOOK**



- Falling oil prices have hit a two-month low, dipping below \$80 per barrel. Good quarterly results were reported yesterday by Colgate, Whirlpool, BEL, and Indian Bank, and there is optimism that the US Federal Reserve may cut interest rates following a slowdown in inflation. This could lead to domestic equity markets opening on a flat to positive note.
- Globally, markets in the US, Asia, and Europe showed mixed performances ahead of the US Fed's policy decision tomorrow, as well as the Bank of Japan and Bank of England rate announcements later this week.

Actionable Idea for the Day

Technical Pick: (2-3 Days)

M&M : Buy

(CMP 2933 SL 2850 TP 3050)

Fundamental Pick: (1 Year)

KEI Industries : Buy

(CMP : 4324, TP: 5240)

Technoquant Intraday Sell Idea

Muthoot Finance (Sell)

(CMP 1781 SL 1799 TP 1745)

Bharti Airtel (Sell)

(CMP 1481 SL 1496 TP 1452)

Index Levels :

Nifty Cash	R1	R2	S1	S2
24,836	25,000	25,150	24,700	24,600
BankNifty Cash	R1	R2	S1	S2
51,406	52,000	52,350	51,000	50,750

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Hindalco	Buy	646	790	22%
Titan	Buy	3,425	4150	21%
Ambuja Cement	Buy	680	800	18%
HDFC Bank	Buy	1,605	1850	15%
Varun Beverages	Buy	1,687	1900	13%

Global Market Summary:

- US markets were trading flat, S&P 500 is trading up by 0.08% while Nasdaq is up 0.07%. While Dow closed 0.12% points down. Dow Futures is trading -0.22% lower.
- European indices are trading flat to Negative, FTSE closed marginally up while CAC & DAX were down 0.99% and 0.53% respectively.
- Asian markets today, are in Red, with losses ranging from 0.2% to 1.1%
- **Global Cues: Marginal Negative**

Indian Market Summary:

- Nifty yesterday, after touching new high of 24999.75 in the first half gave up the gains and finally closed almost flat at 24836. On YTD basis Nifty is up almost 14.2%
- FIIs: -Rs2474 crore DIIs: +Rs5665.5 crore.
- Currently GIFT Nifty is trading -88 points down.
- **Domestic Cues: Marginally weak**

News and Impact :

Tata Steel: The company acquired 557 crore shares, aggregating to Rs 7,324.4 crore in T Steel Holdings. Post Acquisition Tata Steel Holdings will continue to be a wholly-owned unit of the company. Better ownership structure will help in better management. **Impact: Positive**

PNB Housing: Private equity firm Carlyle is likely to sell up to 6.4 percent stake in PNB Housing Finance through block deals,. Carlyle is looking to sell shares worth Rs 1,200 crore and the base price is likely to be in the range of Rs 750-760 per share (CMP 794). **Impact: Buying opportunity at lower levels**

Fundamental Actionable Idea

KEI Industries : CMP INR 4324 Tgt 5250 21% upside potential

- KEI's 1QFY25 revenue grew 16% YoY to INR20.6b (vs. estimate. INR20.0b), led by 16% growth in Cables & Wires segment and 22% growth in EPC business. Revenue of Stainless Steel Wire (SSW) segment declined 9% YoY.
- Gross margin was at 24.4% v/s 23.7% in 1QFY24. EBITDA increased 20% YoY to INR2.15b (vs. our estimate at INR2.08b). OPM grew 40bp YoY to 10.4% (in line).
- Profit increased 24% YoY to INR1.5b (+10% vs. our estimate due to higher than estimated other income).

View: Buy

BEL : CMP INR 266 TGT 360 12% Upside potential

- BEL Number beats estimates on Yoy basis
- NET PROFIT 8B RS VS 5.31B (YOY); EST 7.06B
- EBITDA 9.37B RUPEES VS 6.64B (YOY); EST 8.60B
- EBITDA MARGIN 22.31% VS 18.9% (YOY); EST 21.8%
- Also India releases fresh 'positive indigenisation list' to boost domestic defence manufacturing, which Augurs well for Bel

View: Positive

NIFTY (CMP : 24836) Nifty immediate support at 24700 then 24600 zones while resistance at 25000 then 25150 zones. Now it has to hold 24750 zones for an up move towards 25000 and 25150 zones whereas supports are placed at 24700 then 24600 zones.

1-Nifty50 - 29/07/24
EMA(CloseLine:20)



BANK NIFTY (CMP : 51406) Bank Nifty support at 51000 then 50750 zones while resistance at 52000 then 52350 zones. Now it has to continue to hold above 51000 zones for a bounce towards 52000 then 52350 levels while on the downside support is seen at 51000 then 50750 zones.

1-Niftybank - 29/07/24
EMA(CloseLine:20)



Technical Trading Idea

M&M : Buy CMP : 2933 Target : 3050 SL : 2850 Duration : 2-3 Days

- M&M is in overall uptrend and holding gains at higher zones. It has given trend line breakout on daily chart and supports are gradually shifting higher. Buying is visible across Auto space which may take prices higher. It has formed a strong bullish candle on daily scale and momentum indicator RSI is positively placed which may support the ongoing up move.



Derivative Outlook

- Nifty July future closed at 24,910.45 with a premium of 74.35 point v/s 80.60 point premium in the last session.
- Nifty futures OI increased by 0.63% to 1.53 Cr and Bank Nifty futures OI decreased by 5.54% to 30.52 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 1.36 to 1.14 level.
- India VIX was up 5.70% from 12.25 to 12.94 levels. Overall lower volatility supports the bullish stance in the market.
- On option front, Maximum Call OI is at 25000 then 25500 strike while Maximum Put OI is at 24000 then 24500 strike. Call writing is seen at 25200 then 25500 strike while Put writing is seen at 24000 then 25000 strike. Option data suggests a broader trading range in between 24500 to 25200 zones while an immediate range between 24700 to 25000 levels.

- **Option Buying:** Buy weekly Nifty 24900 Call till it holds above 24750 zones. Buy Bank Nifty 51600 Call till it holds above 51000 zones.
- **Option Strategy:** Nifty Weekly Bull Call Spread (Buy 24850 CE and Sell 25050 CE) at net premium cost of 70-80 points. Bank Nifty Bull Call Ladder Spread (Buy 51400 CE, Sell 51700 CE and Sell 52200 CE) at net premium cost of 80-100 points.
- **Option Writing:** Sell Weekly Nifty 24400 PE and Sell 25250 CE with strict double SL. Sell Bank Nifty 50200 PE and 52500 CE with strict double SL.

Today's **Sell** Ideas:

Stock Names	Close Price	SL (1%)	TP (2%)
MUTHOOT FINANCE (Sell)	1,781	1,799	1,745
BHARTI AIRTEL (Sell)	1,481	1,496	1,452

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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