

2nd August, 2024

Most
Market
 **OUTLOOK**



- The domestic equity market is expected to start on a weak note due to a significant decline in global markets. The US Nasdaq Composite fell by 2.5%, and the Dow Jones dropped 1.2%, following disappointing US Manufacturing PMI data, which hit an 8-month low, and a 1-year high in the US unemployment rate, signaling a sluggish US economy. France's CAC 40 benchmark entered a technical correction. UK Index slipped 1% after the Bank of England cut interest rates by 25bps for the first time since early 2020. Both Germany and France Index fell over 2% each.
- Conversely, in the domestic market, the GST collection for July reached over Rs 1.80 lakh crore, marking the third-highest amount. The Gift Nifty dropped 0.7%

Actionable Idea for the Day

Technical Pick: (2-3 Days)

Lupin : Buy

(CMP 1953 SL 1900 TP 2050)

Fundamental Pick: (1 Year)

Zomato : Buy

(CMP : 234, TP: 300)

Technoquant Intraday Sell Idea

BALRAMPUR CHINI (Sell)

(CMP 484 SL 489 TP 475)

ELGI Equipments (Sell)

(CMP 709x SL 716 TP 695)

Index Levels :

Nifty Cash	R1	R2	S1	S2
25,010	25,150	25,250	24,900	24,800
BankNifty Cash	R1	R2	S1	S2
51,564	52,000	52,350	51,250	51,000

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Godrej Properties	Buy	3,129	3725	19%
M&M	Buy	2,828	3310	17%
ICICI Bank	Buy	1,208	1400	16%
Coal India	Buy	540	600	11%
LT	Buy	3,779	4150	10%

Fundamental Outlook

Global Market Summary:

- US stocks started August on a lower note with the S&P 500 down 1.4%, while the Nasdaq down 2.3%.
- Dow Futures is currently trading 0.6% lower.
- European indices were down 1-2%.
- Asian markets are also trading red
- **Global Cues: Negative**

Indian Market Summary:

- Indian equities ended at fresh highs, marking their fifth consecutive session of gains, with the Nifty 50 settling above the 25,000 level.
- FIIs: + Rs2089 crore DIIs: -Rs337 crore.
- Currently GIFT Nifty is trading 93 points lower.
- **Domestic Cues: Weak**

News and Impact :

Tata Motors: The has approved the proposal of demerger of Tata Motors Ltd into two separate listed companies A) the Commercial Vehicles business and its related investments in one entity and B) the Passenger Vehicles businesses including PV, EV, JLR and its related investments in another entity.

Impact: Positive

Tata Power : The Company to set up 70MW solar power plant at Akola. **Impact: Positive**

Fundamental Actionable Idea

Zomato: CMP INR234 TP300, Upside 28% Buy

- Zomato delivered another strong quarter as 1QFY25 revenues of INR42.06b grew 18.1% [QoQ, ahead of our estimate of 6.9% QoQ
- Growth was led by Hyperpure/Blinkit (up 27.4%/22.5% QoQ). Food delivery also performed well with revenue growth of +11.7% QoQ on the back of healthy order volume.
- Zomato's food delivery business is stable, and Blinkit offers a generational opportunity to participate in the disruption of industries such as retail, grocery and e-commerce.
- Zomato should report PAT margin of 4.0%/8.7% in FY25/FY26

View: Buy

Kalyan Jewellers: CMP INR565

- Kalyan Jewellers reported 24% YoY growth in net profit in Q1FY25. EBITDA grew by 16.5% YoY.
- Revenue growth of ~29% when compared to Q1FY24; SSSG of 12%.
- New customer additions continue to stay healthy; share of new customers at over 35%.
- KALYAN is a prominent player in the organized jewelry market, known for its wide range of product offerings, strong brand reputation, and extensive store network.
- We estimate KALYAN to deliver a revenue/EBITDA/Adj. PAT CAGR of 29%/26%/ 41% over FY24-26.

View: Positive

Nifty Technical Outlook

NIFTY (CMP : 25010) Nifty immediate support at 24900 then 24800 zones while resistance at 25150 then 25250 zones. Now it has to hold 24950 zones for an up move towards 25150 and 25250 zones whereas supports are placed at 24900 then 24800 zones.

3-Nifty50 - 01/08/24



BANK NIFTY (CMP : 51564) Bank Nifty support at 51250 then 51000 zones while resistance at 52000 then 52350 zones. Now it has to continue to hold above 51250 zones for a bounce towards 52000 then 52200 levels while on the downside support is seen at 51250 then 51000 zones.

3-Niftybank - 01/08/24



Technical Trading Idea

Lupin: Buy CMP : 1953 Target : 2050 SL : 1900 Duration : 2-3 Days

- LUPIN is clearly outperforming within Pharma space and trading near life highs. Pharma stocks are witnessing fresh buying interest with surge in trading and delivery volumes.



Derivative Outlook

- Nifty August future closed at 25,032.25 with a premium of 21.35 point v/s 62 point premium in the last session.
- Nifty futures OI increased by 2.10% to 1.69 Cr and Bank Nifty futures OI increased by 3.78% to 26.88 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 1.28 to 1.07 level.
- India VIX was down 2.38% from 13.25 to 12.94 levels. Overall lower volatility supports the bullish stance in the market.
- On option front, Maximum Call OI is at 25000 then 26000 strike while Maximum Put OI is at 25000 then 24000 strike. Call writing is seen at 26000 then 25000 strike while Put writing is seen at 25000 then 24000 strike. Option data suggests a broader trading range in between 24700 to 25400 zones while an immediate range between 24900 to 25200 levels.

- **Option Buying:** Buy weekly Nifty 25000 Call till it holds above 24950 zones. Buy Weekly Bank Nifty 52000 Call till it holds above 51250 zones.
- **Option Strategy:** Nifty Weekly Bull Call Spread (Buy 25000 CE and Sell 25200 CE) at net premium cost of 60-70 points. Bank Nifty Weekly Bull Call Ladder Spread (Buy 51600 CE, Sell 52100 CE and Sell 53000 CE) at net premium cost of 130-150 points.
- **Option Writing:** Sell Weekly Nifty 24300 PE and Sell 25500 CE with strict double SL. Sell Weekly Bank Nifty 49400 PE and 53400 CE with strict double SL.

Today's **Sell** Ideas:

Stock Names	Close Price	SL (1%)	TP (2%)
BALRAMPUR CHINI (Sell)	484	489	475
ELGI Equipments (Sell)	709	716	695

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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