

26th August, 2024

Most
Market
 **OUTLOOK**



- Expects market to open on a positive note as US Federal Reserve Chair Jerome Powell expressed further confidence on imminent policy easing, saying further cooling in the job market would be unwelcome and that inflation was within reach of the US central bank's two per cent target. The time has come for policy to adjust," Powell said in his keynote speech at the Fed's annual economic conference in Jackson Hole. European markets ended on a positive note while Asian shares crept cautiously higher on Monday, while the dollar and bond yields were on the wane ahead of inflation data that investors hope will pave the way for rate cuts in the United States and Europe.

Actionable Idea for the Day

Technical Pick: (2-3 Days)

Dixon : Buy

(CMP 13267 SL 12900 TP 14000)

Fundamental Pick: (1 Year)

Zydus Lifescience : Positive

(CMP : 1179)

Technoquant Intraday Sell Idea

Chalet Hotels (Sell)

(CMP 797 SL 805 TP 781)

Century Plyboards (Sell)

(CMP 755 SL 762 TP 740)

Index Levels :

Nifty Cash	R1	R2	S1	S2
24,823	24,950	25,100	24,750	24,650
BankNifty Cash	R1	R2	S1	S2
50,933	51,250	51,500	50,750	50,500

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
PNB Housing	Buy	867	1015	17%
Persistent	Buy	4,879	5700	17%
L&T	Buy	3,599	4150	15%
KEI Industries	Buy	4,629	5230	13%
Mankind Pharma	Buy	2,362	2650	12%

Global Market Summary:

- US markets rallied on Friday and ended higher with gains of more than 1% after Fed Chair Jerome Powell indicated interest rate cuts in the September meeting.
- Dow Futures is currently trading flat
- European indices too closed in green.
- Asian markets today, are trading in Mixed
- **Global Cues: Flat – Positive**

Indian Market Summary:

- Nifty on Friday, traded with a positive bias to close flat at 24823 levels.
- FIIs: +Rs1944 crore DIIs: +Rs2896 crore.
- Currently GIFT Nifty is trading flat
- **Domestic Cues: Muted**

News and Impact :

Alembic Pharmaceuticals: The US FDA has approved the company for its Abbreviated New Drug Application (ANDA) used to treat scalp skin conditions. **Impact: Positive**

KEC International: The RPG Group company has secured new orders worth Rs 1,079 crore in the transmission & distribution (T&D) and cables businesses. The T&D business has secured orders for T&D projects in India, the Middle East, and the Americas. **Impact: Positive**

Zydus Lifescience: CMP INR1179

- The company will acquire a 50% stake in Sterling Biotech (SBL) from Perfect Day a Temasek group for the consideration of INR5.5b. Post this transaction SBL would be a 50:50 JV between ZYDUSLIF and Perfect Day.
- Based on the sales of INR4.5b of FY24, the acquisition is done at a valuation of EV/Sales of 2.4x.
- The JV will establish a state-of-the-art manufacturing facility to manufacture fermented animal-free protein to cater to the global markets. This acquisition marks Zydus's entry into the Fermentation-based protein business specifically catering to consumers who prefer animal-free protein or suffer from lactose intolerance.

View: Positive

Trent: CMP INR6950

- The National Stock Exchange has announced a reorganization of its Nifty equity indices. Bharat Electronics and Trent will be included in the Nifty 50, effective September 30.
- Trent continues to report strong performance despite weak consumption reported by peers. Revenue grew 57% YoY in 1QFY25, aided by store expansion of Zudio (+44% YoY) & double-digit SSSG in fashion concepts.
- This, along with GM improvement (170bp) & operating leverage, led to 67%/2.3x YoY growth in EBITDA/PAT (16%/12% beat). Star format also reported strong SSSG (+22%) with six-store additions.
- Based on strong revenue productivity, aggressive store additions, margin tailwinds from moderating RM, & operating leverage, we expect PAT CAGR of 52% over FY24-26. The continued momentum in Star & improving store metrics offer further upside potential.

View: Positive

NIFTY (CMP : 24823) Nifty immediate support at 24750 then 24650 zones while resistance at 24950 then 25100 zones. Now it has to continue to hold above 24750 zones for an up move towards 24950 then 25100 levels while support is seen at 24750 then 24650 zones.

3-Nifty50 - 23/08/24
EMA(CloseLine:50)



BANK NIFTY (CMP : 50933) Bank Nifty support at 50750 then 50500 zones while resistance at 51250 then 51500 zones. Now it has to continue to hold above 50750 zones for a bounce towards 51250 then 51500 levels while support is seen at 50750 then 50500 zones.

3-Niftybank - 23/08/24
EMA(CloseLine:50)



Technical Trading Idea

Dixon : Buy CMP : 13267 Target : 14000 SL : 12900 Duration : 2-3 Days

- A Double Bottom pattern has appeared on the daily time frame with an upward breakout and higher than average buying volumes indicating bullish sentiment near the ATH price. The MACD Line is well above the signal line indicating strong upward momentum.

3-Dixon Technologies (india - 23/08/24
EMA(CloseLine:50)



Derivative Outlook

- Nifty August future closed at 24,854.00 with a premium of 30.85 point v/s 28.95 point premium in the last session.
- Nifty futures OI increased by 3.92% to 1.37 Cr and Bank Nifty futures OI decreased by 3.68% to 33.05 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 1.40 to 1.27 level.
- India VIX was up by 3.88% from 13.01 to 13.50 levels. Volatility has been overall cooling off from the last two weeks and comforting the bulls to scale higher gradually.
- On option front, Maximum Call OI is at 25000 then 26000 strike while Maximum Put OI is at 24000 then 24800 strike. Call writing is seen at 24800 then 24850 strike while Put writing is seen at 24800 then 25000 strike. Option data suggests a broader trading range in between 24400 to 25200 zones while an immediate range between 24600 to 25000 levels.

- **Option Buying:** Buy Nifty 24900 Call till it holds above 24750 zones. Buy Bank Nifty 51300 Call till it holds above 50750 zones.
- **Option Strategy:** Nifty Bull Call Ladder Spread (Buy 24850 CE, Sell 25000 CE and Sell 25200 CE) at net premium cost of 50-60 points. Bank Nifty Bull Call Ladder Spread (Buy 51000 CE, Sell 51400 CE and Sell 51800 CE) at net premium cost of 110-120 points.
- **Option Writing:** Sell Nifty 24250 PE and 25300 CE with strict double SL. Sell Bank Nifty 49500 PE and 52200 CE with strict double SL.

Today's **Sell** Ideas:

Stock Names	Close Price	SL (1%)	TP (2%)
Chalet Hotels (Sell)	797	805	781
Century Plyboards (Sell)	755	762	740

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.

Siddhartha Khemka Head - Retail Research

Chandan Taparia, CMT, CFTe Derivatives & Technical Analyst

Neil Jha , Research Analyst

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Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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