

6th August, 2024

Most
Market
 **OUTLOOK**



- The market is expected to open on a strong note following a 5-10% rise in Asian markets and a 2% rally in US Index Futures. After sharp corrections in global markets over the past few sessions, the rebound in Asian markets and rallies in US and European futures suggest that most global markets have entered an oversold zone. Japan's index surged by 10%, while South Korea and Taiwan indices gained 3-5%.
- Gift Nifty is up by 1% after a 3% decline yesterday, and India VIX surged by 50% due to global market volatility.

Actionable Idea for the Day

Technical Pick: (2-3 Days)

HUL : Buy

(CMP 2720 SL 2650 TP 2850)

Fundamental Pick: (1 Year)

Bharti Airtel : Buy

(CMP : 1469, TP: 1654)

Technoquant Intraday Sell Idea

BALRAMPUR CHINI (Sell)

(CMP 474 SL 478 TP 469)

ELGI Equipments (Sell)

(CMP 643 SL 649 TP 636)

Index Levels :

Nifty Cash	R1	R2	S1	S2
24,055	24,200	24,500	23,750	23,500
BankNifty Cash	R1	R2	S1	S2
50,092	50,250	50,500	49,750	49,500

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
KEI Ind	Buy	4,058	5230	29%
Persistent	Buy	4,542	5700	25%
Chola Inv & Fin	Buy	1,347	1660	23%
M&M	Buy	2,688	3300	23%
L&T	Buy	3,530	4150	18%

Global Market Summary:

- US markets yesterday, plunged >3%, as the market extended last week's sell-off amid U.S. recession worries. Dow Futures is trading +0.8% higher.
- European indices yesterday fell 1-2%.
- Asian markets today, are mostly trading in green with Nikkei up 10%.
- **Global Cues: Positive**

Indian Market Summary:

- Nifty yesterday, opened gap down and corrected more than 800 points during the day. The index closed with a loss of 662 points (-2.7%) at 24056 levels.
- FII: -Rs10,074 crore DII: +Rs9,156 crore.
- Currently GIFT Nifty is trading +0.6% higher (150 points up).
- **Domestic Cues: Positive**

News and Impact :

Bajaj Finance: Bajaj Housing Finance, the wholly owned housing finance subsidiary of Bajaj Finance, has received the Sebi approval for its proposed IPO. It had filed the draft prospectus for the ₹7,000 crore IPO with the regulator in June 2024 to comply with RBI regulations mandating listing of upper-layer NBFC (NBFC-UL) on the stock exchanges by September 2025. **Impact: Positive**

Marico: Marico reported consol. revenue growth of 7% YoY (in line) in 1QFY25. Domestic revenue growth was 7% YoY with volume growth of 4% (3% in 4QFY24). International growth stood at 5% YoY (10% cc growth). **Impact: Positive**

Bharti Airtel: CMP INR1469, TP INR1654, 13% Upside, Buy

- Consol revenue/EBITDA increase 2% QoQ led by a) India Mobile revenue/EBITDA grew by 2%/3% QoQ each (ARPU/subscriber increase by 1%/0.6%) and b) Africa CC revenue/EBITDA growth of 5/2% QoQ.
- Home Biz with 5% QoQ EBITDA growth (led by 5% QoQ subscriber adds) continued the steady growth in last 16 quarters. It has expanded in 1,317 cities vs merely 100 cities in FY20 with 2.5x growth in subscribers in last three years. Xstream AirFibre launch should further accelerate growth.
- Capex moderated at INR80b (-24% QoQ). Subsequently it repaid debt of ~INR58b and debt stands at INR1,351b. This could further reduce by 12% through INR160b right issue call money.

View: Buy

Deepak Nitrite: CMP INR2955

- Revenue was at INR21.7b (our est. INR18.6b, up 23% YoY)
- EBITDA was at INR3.1b (our est. of INR2.8b, up 47% YoY)
- Gross margin was at 30.8% (flat YoY) while EBITDAM stood at 14.3% (v/s 11.9% in 1QFY24)
- Reported PAT stood at INR2b (our est. of INR1.8b, up 35% YoY)

View: Positive

Nifty Technical Outlook

NIFTY (CMP : 24055) Nifty immediate support at 23750 then 23500 zones while resistance at 24200 then 24500 zones. Now till it holds below 24200 zones, weakness could continue towards 23750 then 23500 zones whereas hurdles are placed at 24200 then 24500 zones



BANK NIFTY (CMP : 50092) Bank Nifty support at 49750 then 49500 zones while resistance at 50250 then 50500 zones. Now till it holds below 50500 zones some weakness could be seen towards 49750 then 49500 levels while on the upside hurdle is seen at 50250 then 50500 zones.

1-Niftybank - 05/08/24
EMA(CloseLine:50)



Technical Trading Idea

HUL : Buy CMP : 2720 Target : 2850 SL : 2650 Duration : 2-3 Days

- HUL is in overall uptrend and holding gains at higher zones. It has retested breakout on daily chart and inching higher. The ADX Indicator has turned up on the daily and weekly scale indicating the up move has strength.

1-Hindustan Unilever Ltd - 05/08/24
EMA(CloseLine:20)



- Nifty August future closed at 24,102.95 with a premium of 47.35 point v/s 6.15 point discount in the last session.
- Nifty futures OI decreased by 2.10% to 1.61 Cr and Bank Nifty futures OI increased by 14.02% to 32.10 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 0.91 to 0.72 level.
- India VIX was up 42.63% from 14.40 to 20.42 levels. Volatility shot up above 23 zones at a 40 session high level and paved way for the bears in the market.
- On option front, Maximum Call OI is at 26000 then 25000 strike while Maximum Put OI is at 24000 then 23000 strike. Call writing is seen at 24400 then 25000 strike while Put writing is seen at 22600 then 22550 strike. Option data suggests a broader trading range in between 23500 to 24700 zones while an immediate range between 23700 to 24500 levels.

- **Option Buying:** Buy Weekly Nifty 23900 Put till it holds below 24200 zones. Buy Weekly Bank Nifty 49500 Put till it holds below 50500 zones.
- **Option Strategy:** Nifty Weekly Bear Put Spread (Buy 24000 PE and Sell 23800 PE) at net premium cost of 60-70 points. Bank Nifty Weekly Bear Put Spread (Buy 50000 PE and Sell 49500 PE) at net premium cost of 120-130 points.
- **Option Writing:** Sell Weekly Sell 24700 CE with strict double SL . Sell Weekly Bank Nifty 51800 CE with strict double SL due to higher volatility

Today's **Sell** Ideas:

Stock Names	Close Price	SL (1%)	TP (2%)
BALRAMPUR CHINI (Sell)	474	478	469
ELGI Equipments (Sell)	643	649	636

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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