

7th August, 2024

Most
Market
 **OUTLOOK**



- The market is expected to open positively today, driven by strong performances in Asian and US markets. Japan's index surged 2% and recovered from earlier losses after reports that the government will not raise interest rates due unstable market. In the US, stocks rose 1% due to bargain hunting following recent declines, while the volatility index (Vix) dropped significantly, closing at 33. US index futures are stable after recent volatility. The Nifty is forecasted to open higher by 0.5%, rebounding from previous global market uncertainties.
- Real estate stocks may see gains following news that the government has revised the LTCG (Long-Term Capital Gains) Indexation Proposal for real estate, reducing the LTCG rate from 20% to 12.5%.

Actionable Idea for the Day

Technical Pick: (2-3 Days)

Lal Path Labs : Buy

(CMP 3168 SL 3050 TP 3350)

Fundamental Pick: (1 Year)

Lupin : Positive

(CMP : 1910)

Technoquant Intraday Sell Idea

KSB LTD (Sell)

(CMP 934 SL 943 TP 915)

ELGI Equipments (Sell)

(CMP 640 SL 646 TP 627)

Index Levels :

Nifty Cash	R1	R2	S1	S2
23,992	24,200	24,400	23,850	23,750
BankNifty Cash	R1	R2	S1	S2
49,748	50,000	50,250	49,500	49,000

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
KEI Ind	Buy	4,018	5230	30%
Persistent	Buy	4,500	5700	27%
M&M	Buy	2,644	3300	25%
Chola Inv & Fin	Buy	1,335	1660	24%
L&T	Buy	3,588	4150	16%

Global Market Summary:

- US markets yesterday, gained 1%, as the market pulled back after sharp sell-off. Recent comments by Federal Reserve officials too eased U.S. recession worries. Dow Futures is trading +0.5% higher.
- European indices yesterday ended on a mixed note.
- Asian markets today, are all trading 1-3% higher, as BoJ announced that it won't rise interest at a time when market is unstable
- **Global Cues: Positive**

Indian Market Summary:

- Nifty yesterday, after opening gap up, witnessed a gradual decline on account of weak global cues and closed with a loss of 63 points at 23993 levels.
- FII: -Rs3531 crore DII: +Rs3357 crore.
- Currently GIFT Nifty is trading +0.7% higher (175 points up).
- **Domestic Cues: Positive**

News and Impact :

Real Estate: The government has moved an amendment to the Finance Bill, 2024, to let taxpayers select either a 12.5% long-term capital gains tax rate without indexation or a 20% rate with indexation for property acquired before July 23. **Impact: Positive**

Aurobindo Pharma: The company has US FDA approval for Estradiol vaginal inserts. The product is to be launched in Q2FY25. **Impact: Positive**

Lupin: CMP INR1910

- Lupin's (LPC) 1QFY25 revenues grew 21.5%YoY to INR56b. (our est. INR50b). US sales grew 28.3% YoY (up 25% YoY in CC; 37% of sales). Domestic formulation (DF) sales grew 17.5% YoY (35% of sales).
- Even EMEA & Growth market sales grew 26% YoY each.
- EBITDA Margin expanded 10% YoY to 24.3%, largely due to better product mix, supported by lower costs. As a result, EBITDA doubled YoY to INR13.6b (vs our est: INR9.7b).
- Adjusting for provision of Glumetza case of INR751m and Forex loss of INR454m, Adj.PAT came in 3.1x YoY INR9b (our est: INR5b).
- LPC received 6 ANDA approvals from the USFDA, and launched 3 product in the quarter in the U.S. market

View: Positive

Tata Power: CMP INR440

- In 1QFY25, Tata Power achieved a consolidated Adj PAT of INR11.8b (up 87% y-y, 39% q-q) driven primarily by one-time tariff order impact from Delhi distribution and first-time revenue from TP Solar.
- EBITDA margin stood at 20.7% with an EBITDA of INR35.8b (up 24% y-y, 54% q-q).
- Reported consolidated 1QFY25 PAT was 23% above consensus estimates while EBITDA was 17% above consensus forecasts.
- Reported its highest-ever quarterly consolidated revenue of INR172.9b (up 14% y-y, 9% q-q).
- ICRA and CARE Ratings upgraded their rating from AA/Positive to AA+/Stable. MSCI raised its rating from BBB to A.

View: Positive

NIFTY (CMP : 23992) Nifty immediate support at 23850 then 23750 zones while resistance at 24200 then 24400 zones. Now till it holds below 24200 zones, weakness could continue towards 23850 then 23750 zones whereas hurdles are placed at 24200 then 24400 zones.

3-Nifty50 - 06/08/24
EMA(CloseLine:50)



BANK NIFTY (CMP : 49748) Bank Nifty support at 49500 then 49000 zones while resistance at 50000 then 50250 zones. Now till it holds below 50000 zones weakness could be seen towards 49500 then 49000 levels while on the upside hurdle is seen at 50000 then 50250 zones.

3-Niftybank - 06/08/24
EMA(CloseLine:50)



Technical Trading Idea

Lal Path Labs : Buy CMP : 3168 Target : 3350 SL : 3050 Duration : 2-3 Days

- Lal Path Labs has given consolidation breakout on daily chart. It has formed a strong bullish candle on daily scale and base is shifting higher. It is trading above all crucial moving averages with momentum indicator RSI giving bullish cross over.

3-Lalpathlab - 06/08/24
EMA(CloseLine:20)



Derivative Outlook

- Nifty August future closed at 24,056.90 with a premium of 64.35 point v/s 47.35 point premium in the last session.
- Nifty futures OI decreased by 7% to 1.50 Cr and Bank Nifty futures OI increased by 3.90% to 33.35 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 0.72 to 0.71 level.
- India VIX was down by 8.96% from 20.42 to 18.54 levels. Volatility cooled off from the previous session but is hovering at higher zones which comforts the bears.
- On option front, Maximum Call OI is at 25000 then 26000 strike while Maximum Put OI is at 24000 then 23500 strike. Call writing is seen at 25000 then 24200 strike while Put writing is seen at 23700 then 23500 strike. Option data suggests a broader trading range in between 23500 to 24500 zones while an immediate range between 23800 to 24300 levels.

- **Option Buying:** Buy Weekly Nifty 23950 Put till it holds below 24200 zones. Buy Weekly Bank Nifty 49600 Put till it holds below 50000 zones.
- **Option Strategy:** Nifty Weekly Bear Put Spread (Buy 24000 PE and Sell 23800 PE) at net premium cost of 50-60 points. Bank Nifty Weekly Bear Put Spread (Buy 49700 PE and Sell 49400 PE) at net premium cost of 70-80 points.
- **Option Writing:** Sell Weekly Sell 24500 CE with strict double SL. Sell Weekly Bank Nifty 50800 CE with strict double SL due to higher volatility

Today's **Sell** Ideas:

Stock Names	Close Price	SL (1%)	TP (2%)
ELGI EQUIPMENTS LTD (Sell)	640	646	627
KSB LTD (Sell)	934	943	915

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

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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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