

13th August, 2024

Most
Market
 **OUTLOOK**



- Domestic inflation has cooled to a five-year low of 3.54%, while direct tax collections have surged by 23% to nearly Rs7 lakh crore. These positive economic indicators, along with strong quarterly results, have likely set a favorable tone for domestic stock markets. The RBI is expected to consider cutting interest rates following the drop in July's Consumer Price Index (CPI) to its lowest level since 2019, which is below the RBI's target of 4%. In international markets, the US ended flat as investors awaited the release of Producer Price Index (PPI) data and upcoming inflation reports. Asian markets are mixed, with Japan's index rising over 2% after strong economic data. Geopolitical tensions in the Gulf region and anticipation of a US Federal Reserve rate cut have driven gold prices.

Actionable Idea for the Day

Technical Pick: (2-3 Days)

ONGC : Buy

(CMP 341 SL 330 TP 360)

Fundamental Pick: (1 Year)

Signature Global : Buy

(CMP : 1453, TP: 2000)

Technoquant Intraday Sell Idea

Action Construction (Sell)

(CMP 1295 SL 1308 TP 1269)

Apar Industries (Sell)

(CMP 8407 SL 8491 TP 8239)

Index Levels :

Nifty Cash	R1	R2	S1	S2
24,347	24,500	24,650	24,200	24,100
BankNifty Cash	R1	R2	S1	S2
50,578	50,850	51,000	50,250	50,000

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Persistent	Buy	4,676	5700	22%
Kalyan Jewellers	Buy	552	650	18%
HUL	Buy	2,749	3250	18%
L&T	Buy	3,572	4150	16%
Coal India	Buy	524	600	14%

Global Market Summary:

- US markets yesterday, ended flat to positive with The S&P 500 closing flat at 5,344.39 points, while the Nasdaq Composite rose 35 points to 16,780.61.
- Dow Futures is trading 39 points higher.
- European indices ended mix.
- Asian markets today, are mixed.
- **Global Cues: Mixed**

Indian Market Summary:

- Nifty yesterday, ended lower with marginal loss of 21 points at 24,34 levels
- FII: -Rs4681 crore DII: +Rs4478 crore.
- Currently GIFT Nifty is trading 36 points lower.
- Key events: CPI & IIP
- **Domestic Cues: Muted**

News and Impact :

NMDC: The company reported 18% growth in Net Profit in Q1FY25 led by strong operating performance. Its EBITDA stood at INR23b up 17% YoY primarily due to the lower royalty expense and other operating costs. **Impact: Positive**

ONGC and Oil India: The government allowed ONGC and Oil India to price domestically produced natural gas at 20% premium over the administrative price mechanism in a bid to make new gas development projects viable. **Impact: Positive**

Fundamental Actionable Idea

SIGNATURE GLOBAL (Initiating Coverage): Growth gem in the making!

CMP INR1453, TP INR2000, 38% Upside, Buy

- Signature Global has become one of the leading real estate developers in the Delhi NCR market in the affordable and low/mid-income housing segment by leveraging the state government's housing policies.
- Through its standardized offerings and quick turnaround strategy, it has scaled up rapidly and delivered a 42% CAGR in pre-sales over FY21-23.
- Its strong execution capabilities have enabled it to churn the capital and gear up with a strong ~30msf project pipeline to be launched over the next two years.
- We, expect the growth momentum to remain intact and company to deliver 35% CAGR in pre-sales over FY24-27E to INR178b.

View: Buy

HDFC Life: CMP: INR 702

- In Jul'24, the individual weighted received premium (WRP) for private players grew 30% YoY.
- Among listed players, individual WRP for HDFCLIFE showed a strong growth of 57.8% YoY. Total Un-weighted premium grew 33.8% YoY.
- On a YTD basis, market share for private players increased 340bp YoY led by HDFCLIFE with gains of 140 YoY.

View: Buy

NIFTY (CMP : 24347) Nifty immediate support at 24200 then 24100 zones while resistance at 24500 then 24650 zones. Now it has to hold above 24350 zones for an up move towards 24500 then 24650 zones whereas supports are placed at 24200 then 24100 zones.

1-Nifty50 - 12/08/24
EMA(CloseLine:50)



BANK NIFTY (CMP : 50578) Bank Nifty support at 50250 then 50000 zones while resistance at 50850 then 51000 zones. Now it has to continue to hold above 50350 zones for a bounce towards 50850 then 51000 levels while on the downside support is seen at 50250 then 50000 zones.

1-Niftybank - 12/08/24
EMA(CloseLine:50)



Technical Trading Idea

ONGC : Buy CMP : 341 Target : 360 SL : 330 Duration : 2-3 Days

- ONGC is in overall uptrend and holding gains at higher zones. It is on the verge of giving range breakout on daily chart.
- It is trading above all crucial moving averages with momentum indicator RSI giving bullish cross over.

1-Oil & Natural Gas Corp - 12/08/24
EMA(CloseLine:50)



Derivative Outlook

- Nifty August future closed at 24,356.80 with a premium of 9.8 point v/s 68.95 point premium in the last session.
- Nifty futures OI increased by 0.46% to 1.33 Cr and Bank Nifty futures OI decreased by 2% to 31.32 Lakhs.
- Nifty Put/Call Ratio (OI) decreased from 1.09 to 1.03 level.
- India VIX was up by 3.47% from 15.34 to 15.87 levels. Volatility has been overall cooling off from the last five sessions and comforting the bulls for support based buying.
- On option front, Maximum Call OI is at 25000 then 25500 strike while Maximum Put OI is at 23500 then 23000 strike. Call writing is seen at 25000 then 24500 strike while Put writing is seen at 23500 then 24300 strike. Option data suggests a broader trading range in between 24000 to 24700 zones while an immediate range between 24100 to 24500 levels.

- **Option Buying:** Buy Weekly Nifty 24350 Call till it holds above 24350 zones. Buy Weekly Bank Nifty 50800 Call till it holds above 50350 zones.
- **Option Strategy:** Nifty Weekly Bull Call Ladder Spread (Buy 24350 CE, Sell 24500 CE and Sell 24600 CE) at net premium cost of 40-50 points. Bank Nifty Weekly Bull Call Ladder Spread (Buy 50600 CE, Sell 51000 CE and Sell 51200 CE) at net premium cost of 100-120 points.
- **Option Writing:** Sell Weekly Sell 23800 PE and 24700 CE with strict double SL. Sell Weekly Bank Nifty 49200 PE and 51600 CE with strict double SL.

Today's **Sell** Ideas:

Stock Names	Close Price	SL (1%)	TP (2%)
Action Construction (Sell)	1,295	1,308	1,269
Apar Industries (Sell)	8,407	8,491	8,239

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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