

9th August, 2024

Most
Market
 **OUTLOOK**

- The rally in global markets, strong quarterly results, and the RBI's upward revision of the FY25 GDP growth target to 7.2% from 7% are expected to create a positive sentiment in the market.
- US jobless claims have fallen to nearly a one-year low, alleviating concerns about a slowdown in the US economy, which has boosted the US markets by 3%, with the S&P 500 Index surging by 2.5%—one of the biggest rallies since November 2022. Investors may find good buying opportunities in sectors such as pharma, IT, FMCG, oil companies, and auto, which have reported strong quarterly results. Additionally, metal stocks are looking attractive after a sharp decline in recent sessions.

Actionable Idea for the Day

Technical Pick: (2-3 Days)

ICICI Pru. Life : Buy

(CMP 738 SL 715 TP 780)

Fundamental Pick: (1 Year)

LIC : Buy

(CMP : 1126, TP: 1270)

Technoquant Intraday Sell Idea

GSFC (Sell)

(CMP 228 SL 230 TP 223)

Action Construction (Sell)

(CMP 1300 SL 1313 TP 1274)

Index Levels :

Nifty Cash	R1	R2	S1	S2
24,117	24,350	24,500	23,950	23,800
BankNifty Cash	R1	R2	S1	S2
50,157	50,500	50,750	49,750	49,500

Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Hindalco	Buy	614	790	29%
Varun Beverages	Buy	1,487	1900	28%
Titan	Buy	3,295	4150	26%
Ambuja Cement	Buy	638	800	25%
HDFC Bank	Buy	1,642	1850	13%

Global Market Summary:

- US markets on Thursday were strong
- S&P 500 up 2.3%, Nasdaq was up 2.87% while Dow closed marginal up 1.76%
- Dow Futures is trading 0.08% higher.
- European indices were mix. Dax up 0.37% while CAC & FTSE Down 0.26%
- Asian markets today in green, with gains ranging from 0.3% to 3%
- Global Cues: positive

Indian Market Summary:

- Nifty on Thursday, was volatile throughout the session & ended with loses of 180 points at 24117 levels.
- Top gainers in Nifty were Tata motor, HDFC Life, SBILIFE, Cipla & HDFC Bank
- FIIs: - RS 2627 Crore DIIs: RS 577 Crore
- GIFT Nifty is trading marginal up 289 points +1.2% higher.
- Domestic Cues: positive

News and Impact :

JSW Energy: Company gets letter of award from Solar Energy for supply of 230 MW firm & dispatchable renewable energy. **Impact: Positive**

Bharat Forge: Company approved fund raising worth Rs2000cr via equity/debt. Board approves conversion of \$12 million loan given to arm Bharat Forge America into equity. **Impact: Positive**

Life insurance corporation of India: CMP Rs 1126, TP Rs 1270 13% Upside, Buy)

- For 1QFY25, LIC reported Net Premium income of INR 75b resulting in a growth a 16% YoY.
- New business APE grew 9% YoY to INR115.6b. Individual APE declined 4% YoY to INR 67.47b whereas Group APE increased 34% YoY to INR 48.13b.
- For 1QFY25, LIC reported a 10% YoY growth in shareholder PAT at INR105b.
- We expect 11% CAGR in APE over FY24-26, enabling 18% VNB CAGR. With a rising share of the non-Par segment, we expect the VNB margin to improve to 19% (FY26).

View: BUY

ABB Ltd : CMP Rs 7936 TGT 9500 20% Upside

- ABB India Q2 First Cut – Ebitda in line with expectation while Ebitda margin ahead of expectation
- Net profit Rs443.5cr (up 50.3% YoY) – expectation Rs455.2cr
- Income Rs2830.9cr (up 12.8% YoY) – expectation Rs3184cr
- Ebitda Rs542.5cr (up 55.6% YoY) – expectation Rs555.5cr
- Ebitda margin 19.2% vs 13.9% (YoY) – expectation 17.4%
- ABB is benefiting well from its advantageous position as one of the top five to six players in its critical segments, such as electrification, automation, and data centers

View: BUY

NIFTY (CMP : 24117) Nifty immediate support at 23950 then 23800 zones while resistance at 24350 then 24500 zones. Now it has to cross and hold above 24200 zones for an up move towards 24350 then 24500 zones whereas supports are placed at 23950 then 23800 zones.

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



BANK NIFTY (CMP : 50157) Bank Nifty support at 49750 then 49500 zones while resistance at 50500 then 50750 zones. Now till it holds below 50350 zones some weakness could be seen towards 49750 then 49500 levels while on the upside hurdle is seen at 50500 then 50750 zones.

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



Technical Trading Idea

ICICI Pru. Life : Buy CMP : 738 Target : 780 SL : 715 Duration : 2-3 Days

- Balrampur Chini has retested breakout on daily chart and inched higher. It is trading above all crucial moving averages with momentum indicator RSI giving bullish cross over.

1-Icici Prudential Life Ins - 08/08/24



Derivative Outlook

- Nifty August future closed at 24,136.55 with a premium of 19.55 point v/s 68.95 point premium in the last session.
- Nifty futures OI decreased by 1.27% to 1.40 Cr and Bank Nifty futures OI increased by 0.06% to 33.47 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 0.88 to 1.04 level.
- India VIX was up by 2.67% from 16.17 to 16.60 levels. Overall higher volatility has been creating some swings in a broader trading range in the market.
- On option front, Maximum Call OI is at 25000 then 24500 strike while Maximum Put OI is at 23000 then 24000 strike. Call writing is seen at 25500 then 24300 strike while Put writing is seen at 23000 then 24200 strike. Option data suggests a broader trading range in between 23600 to 24600 zones while an immediate range between 23800 to 24400 levels.

- **Option Buying:** Buy Weekly Nifty 24300 Call if it cross and hold above 24200 zones. Buy Weekly Bank Nifty 49300 Put till it holds below 50350 zones. (Mix view)
- **Option Strategy:** Nifty Weekly Bull Call Spread (Buy 24200 CE and Sell 24350 CE) at net premium cost of 60-70 points. Bank Nifty Weekly Bear Put Spread (Buy 49800 PE and Sell 49300 PE) at net premium cost of 145-165 points.
- **Option Writing:** Sell Weekly Sell 22900 PE and 24800 CE with strict double SL. Sell Weekly Bank Nifty 47000 PE and 52100 CE with strict double SL.

Today's **Sell** Ideas:

Stock Names	Close Price	SL (1%)	TP (2%)
GSFC (Sell)	228	230	223
ACTION CONSTRUCTION EQ (Sell)	1,300	1,313	1,274

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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