

21st August, 2024

Most  
**Market**  
 **OUTLOOK**



# Morning Market Outlook

- Expect the market to open flat today as global markets are adopting a cautious stance ahead of key US economic data being released this week. The US market ended slightly lower after an eight-session rally, and Asian markets opened weak in anticipation of the US minutes meeting today and US Federal Reserve Chair Jerome Powell's speech on Friday.
- Gift Nifty fell marginally, and the US Index Future dropped 0.2%.
- The US Dollar Index has fallen to a one-year low and Brent crude has dropped to a one-month low of \$77 per barrel, which is expected to positively impact market sentiment.

## Actionable Idea for the Day

### Technical Pick: (2-3 Days)

**Apollo Tyres : Buy**

**(CMP 499 SL 485 TP 530)**

### Fundamental Pick: (1 Year)

**SBI Life : Buy**

**(CMP : 1763)**

### Technoquant Intraday Sell Idea

**Gujarat Fluorochem Ltd (Sell)**

**(CMP 3283 SL 3316 TP 3218)**

**CSB Bank Ltd (Sell)**

**(CMP 322 SL 325 TP 315)**

## Index Levels :

Nifty Cash	R1	R2	S1	S2
24,698	24,850	25,000	24,600	24,500
BankNifty Cash	R1	R2	S1	S2
50,803	51,000	51,250	50,500	50,250

## Top 5 Investment Idea

Stock Name	Rating	CMP	TP	Upside
Kalyan Jewellers	Buy	542	650	20%
L&T	Buy	3,579	4150	16%
Persistent	Buy	4,925	5700	16%
Mankind Pharma	Buy	2,345	2650	13%
KEI Industries	Buy	4,700	5230	11%

# Fundamental Outlook

## Global Market Summary:

- US markets yesterday, fell marginally, ahead of US Fed meeting minutes today and Powell speech on Friday. Dow Futures is trading flat.
- European indices yesterday fell 0.5-1%.
- Asian markets today, are trading ~0.5% lower.
- **Global Cues: Muted**

## Indian Market Summary:

- Nifty yesterday, maintained its upward momentum throughout the day and closed with gains of 126 points (+0.5%) at 24699 levels.
- FIIs: -Rs1458 crore DIIs: +Rs2252 crore.
- Currently GIFT Nifty is trading flat.
- **Domestic Cues: Muted**

## News and Impact :

**L&T:** Company said on August 20 that the Bombay High Court has quashed a Rs 2,237-crore GST demand raised against the company. **Impact: Positive**

**PNB Housing:** General Atlantic Singapore Fund FII Pte Likely To Sell 5.1% Equity In PNB Housing. Floor Price For The Deal Is At ₹775/Sh, At A 4.4% Discount To CMP. Offer Size Is At ₹1,032.7 Cr

**Impact: Buying opportunity at lower levels**



## Fundamental Actionable Idea

### Tata Motors: CMP INR1086

- S&P has raised Tata Motors to investment grade, and the outlook has been changed to stable from watch positive
- JLR too has been raised to investment grade while the outlook has been changed to stable from watch positive

**View: Positive**

### SBI Life: CMP INR1763

- SBILIFE reported a decent performance during the quarter and guided 18-20% premium growth and ~28% VNB margin for FY25.
- New product launches are likely to kick-start the recovery in the protection segment.
- Considering the seasonality, the SBI channel is anticipated to see recovery in growth in 2Q and 3Q.
- SBILIFE continues to maintain its cost leadership. We expect SBILIFE to deliver an 18% CAGR in APE/VNB over FY24-26, while RoEV is projected to remain ~20%.

**View: Buy**

# Nifty Technical Outlook

**NIFTY (CMP : 24698)** Nifty immediate support at 24600 then 24500 zones while resistance at 24850 then 25000 zones. Now it has to continue to hold above 24650 zones for an up move towards 24850 then 25000 levels while support is seen at 24600 then 24500 zones.

2-Nifty50 - 20/08/24  
EMA(CloseLine:50)





**BANK NIFTY (CMP : 50803 )** Bank Nifty support at 50500 then 50250 zones while resistance at 51000 then 51250 zones. Now it has to continue to hold above 50500 zones for a bounce towards 51000 then 51250 levels while support is seen at 50500 then 50250 zones.

2-Niftybank - 20/08/24  
EMA(CloseLine:100)





# Technical Trading Idea

**Apollo Tyres : Buy      CMP : 499      Target : 530      SL : 485      Duration : 2-3 Days**

- Price is retesting its breakout level on daily chart with higher than average buying volumes indicating bullish sentiment. Momentum indicator RSI has given bullish cross over and has turned up which suggests a possible up move.



## Derivative Outlook

- Nifty August future closed at 24,698.85 with a premium of 12.40 point v/s 23.10 point premium in the last session.
- Nifty futures OI decreased by 0.34% to 1.28 Cr and Bank Nifty futures OI decreased by 7.92% to 34.96 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 1.17 to 1.27 level.
- India VIX was down by 3.46% from 14.32 to 13.82 levels. Volatility has been cooling off from the last four sessions and comforting the bulls to scale higher gradually.
- On option front, maximum Call OI is at 25000 then 25500 strike while maximum Put OI is at 24500 then 24000 strike. Call writing is seen at 24700 then 25000 strike while Put writing is seen at 24700 then 24600 strike. Option data suggests a broader trading range in between 24300 to 25300 zones while an immediate range between 24400 to 24900 levels.



- **Option Buying:** Buy Weekly Nifty 24650 Call till it holds above 24650 zones. Buy Weekly Bank Nifty 50800 Call till it holds above 50500 zones.
- **Option Strategy:** Nifty Weekly Bull Call Ladder Spread (Buy 24650 CE, Sell 24800 CE and Sell 24900 CE) at net premium cost of 50-55 points. Bank Nifty Weekly Bull Call Ladder Spread (Buy 50800 CE, Sell 51100 CE and Sell 51300 CE) at net premium cost of 70-80 points.
- **Option Writing:** Sell Weekly Nifty 24350 PE and 24950 CE with strict double SL. Sell Weekly Bank Nifty 50100 PE and 51500 CE with strict double SL.

## Today's **Sell** Ideas:

Stock Names	Close Price	SL (1%)	TP (2%)
Gujarat Fluorochem Ltd <b>(Sell)</b>	3,283	3,316	3,218
CSB Bank Ltd <b>(Sell)</b>	322	325	315

### 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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