

4th September, 2024

Most Market OUTLOOK



Investment in securities market are subject to market risks, read all the related documents carefully before investing.

Technical Pick: (2-3 Days)

ICICI Pru Life : Buy

(CMP 762 SL 740 TP 810)

Fundamental Pick: (1 Year)

PNB Housing : Buy

(CMP : 995)

Top 5 Investment Idea

Stock Name	TP	Upside
L&T Finance	230	34%
SBI	1015	23%
Coal India	600	16%
ITC	575	13%
L&T	4150	13%

Quant Picks:

Quant Weekly Buy Picks:

Cochin Shipyard Ltd : Buy

(CMP 1881 SL 1844 TP 1956)

Mazagon Dock Shipbuilders : Buy

(CMP 4455 SL 4365 TP 4633)

Minda Corp : Buy

(CMP 570 SL 559 TP 593)

Quant Intraday Sell Idea:

KFIN Tech (Sell)

(CMP 1013 SL 1024 TP 993)

Gujarat Fluorochem (Sell)

(CMP 3166 SL 3197 TP 3102)

Morning Market Outlook

- Markets are anticipated to open on a weak note due to a significant decline in global markets. The lower-than-expected US Manufacturing PMI data and a sharp 9% drop in tech giant Nvidia have pulled down US markets by 3%. Both Asian and European markets have slipped between 1-3%, driven by concerns over weak global growth, as the US August PMI fell below 50 and Eurozone PMI hit its lowest level since July 2022.
- In India, the Gift Nifty Index dropped nearly 0.7%.
- The domestic market is likely to be negatively impacted by the global market decline.
- Positive prospects are expected for oil marketing companies, tyre manufacturers and aviation stocks due to the falling oil prices.

Index Levels :

Nifty Cash	R1	R2	S1	S2
25,279	25400	25500	25100	25000
BankNifty Cash	R1	R2	S1	S2
51689	52000	52350	51500	51250

Global Market Summary:

- US markets yesterday, plunged 1.5-3% as Market sentiment weakened post ISM data reflecting U.S. manufacturing remained subdued despite a modest improvement in August from an eight-month low in July. Dow Futures is trading 0.3% lower.
- European indices yesterday fell 1%.
- Asian markets today, all are down more than 1%
- **Global Cues: Weak**

Indian Market Summary:

- Nifty yesterday, after witnessing the initial hiccup, saw buying in the second half of the day and managed to close flat at 25280 levels.
- FIIs: +Rs1735 crore DIIs: +Rs356 crore.
- Currently GIFT Nifty is trading -0.3% lower (65 points down).
- **Domestic Cues: Muted**

News and Impact :

Godfrey Phillips: The company has signed a term sheet for the sale of its retail business 24Seven to retail startup New Shop, as per media reports. The deal is expected to close by the end of September. Under the term sheet, the process to transfer shops to New Shop, which operates 160 stores across 35 cities round the clock, has already begun. **Impact: Positive**

PNB Housing: CMP INR995

- Bajaj Housing Finance IPO is slow to hit market next week which could possibly re-rate other housing finance companies.
- We like PNB Housing as it expects to benefit from better loan growth, the expansion of spreads/margin, and the introduction of the PMAY CLSS scheme announced in the Union Budget.
- We believe that risk-reward is favorable for a re-rating as investors gain higher confidence in the company's sustained execution in retail (across prime, emerging and affordable).
- We expect PNBHF to deliver a CAGR of 16%/24% in AUM/PAT over FY24-FY26 and ~2.5%/13% RoA/RoE in FY26

View: Buy

IEX: CMP INR205

- IEX saw significant growth in August 2024, achieving a total volume of 12,040 MU, a 35.8% YoY increase. The electricity volume alone reached 9,914 MU, marking a 17.1% YoY rise.
- The renewable energy certificate (REC) segment, surged by 737.4% YoY to 2,116 MU, accompanied by an all-time low REC price of ₹115 per certificate during the month.
- The decline in REC prices presents a strategic opportunity for obligated entities such as discoms and captive power producers to fulfil their renewable purchase obligations (RPOs) more cost-effectively.
- In the day-ahead market (DAM), volumes increased to 4,666 MU in August 2024, reflecting a 22.5% year-on-year growth from 3,810 MU in August 2023.
- The real-time electricity market (RTM) continued its upward trajectory, reaching a record monthly volume of 3,485 MU, up 27.3% YoY from 2,738 MU.

View: Positive

NIFTY (CMP : 25279) Nifty immediate support at 25100 then 25000 zones while resistance at 25400 then 25500 zones. Now it has to continue to hold above 25200 zones for an up move towards 25400 then 25500 levels while support is seen at 25100 then 25000 zones.

1-Nifty50 - 03/09/24
EMA(CloseLine:50)



BANK NIFTY (CMP : 51689) Bank Nifty support at 51500 then 51250 zones while resistance at 52000 then 52350 zones. Now it has to continue to hold above 51500 zones for an up move towards 52000 then 52350 levels while on the downside support is seen at 51500 then 51250 zones.

1-Niftybank - 03/09/24
EMA(CloseLine:50)



Technical Trading Idea

ICICI Pru. Life : Buy CMP : 762 Target : 810 SL : 740 Duration : 2-3 Days

- ICICI PRU has given channel breakout on daily chart which has bullish implications. The RSI indicator is headed up which suggests that the momentum is supporting the up move. Buying is visible across Insurance space which may take the prices higher.

1-Icici Prudential Life Ins - 03/09/24



- Nifty September future closed at 25,354.55 with a premium of 74.70 point v/s 61.75 point premium in the last session.
- Nifty futures OI increased by 0.97% to 1.62 Cr and Bank Nifty futures OI increased by 0.36% to 25.41 Lakhs.
- Nifty Put/Call Ratio (OI) increased from 1.18 to 1.20 level.
- India VIX was down by 1.56% from 14.06 to 13.84 levels. Volatility has been hovering in a narrow band at its lower zones which is paving way for the bulls.
- On option front, Maximum Call OI is at 26000 then 25300 strike while Maximum Put OI is at 25000 then 25250 strike. Call writing is seen at 25600 then 25300 strike while Put writing is seen at 25250 then 25300 strike. Option data suggests a broader trading range in between 24900 to 25700 zones while an immediate range between 25000 to 25500 levels.

- **Option Buying:** Buy Weekly Nifty 25250 Call till it holds above 25200 zones. Buy Weekly Bank Nifty 51600 Call till it holds above 51500 zones.
- **Option Strategy:** Nifty Weekly Bull Call Spread (Buy 25200 CE and Sell 25350 CE) at net premium cost of 50-60 points. Bank Nifty Weekly Bull Call Ladder Spread (Buy 51600 CE, Sell 51900 CE and Sell 52100 CE) at net premium cost of 80-100 points.
- **Option Writing:** Sell Weekly Nifty 24900 PE and 25500 CE with strict double SL. Sell Weekly Bank Nifty 51100 PE and 52200 CE with strict double SL.

What are the rules?.

1. Weekly Buy Ideas:

- Stock names will be given at market open (9:15 am)
- Recommended time to entry: between 9:15 to 9:30 am.
- Entry: We go long for a week (5 trading days)
- Exit: We Sell after a week of it's recommendation
- SL: is placed at 2% of the entry price
- Book Profit: is placed at 4% of the entry price

Today's Techno Quant Weekly Buy Ideas:

Reco Date	Stock Names	Close Price	SL (2%)	TP (4%)
02-09-2024	Cochin Shipyard Ltd(Buy)	1,881	1,844	1,956
02-09-2024	Mazgaon Dock Shipbuilders(Buy)	4,455	4,365	4,633
03-09-2024	Minda Corp (Buy)	570	559	593

Today's **Sell** Ideas:

Stock Names	Close Price	SL (1%)	TP (2%)
KFIN Tech (Sell)	1,013	1,024	993
Gujarat Fluorochem (Sell)	3,166	3,197	3,102

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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