

22nd October, 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)

Stock Names	Close Price	SL	TP
M&M (Buy)	2998	2915	3150

Fundamental Pick: (1 Year)

MCX : Buy

(CMP : 6629, TP: 7600)

Top 5 Investment Idea

Stock Name	TP	Upside
HDFC Life	900	21%
Zomato	320	21%
Kalyan Jewellers	850	21%
REC Ltd	630	19%
Indian Hotels	770	12%

Quant Picks:

Quant Intraday Sell Idea:

Stock Names	Close Price	SL (1%)	TP (2%)
GRAPHITE (Sell)	552	557	541
IIFL (Sell)	437	441	428

- The market is expected to open on a weak note due to weakness across global markets ahead of major US earnings reports. Asian markets also opened lower, while both US and European markets fell by up to 1%, which could negatively impact domestic equities.
- A significant concern remains the continued selling by foreign institutional investors (FIIs), who have been net sellers of over ₹80,000 crore this month—one of the highest levels in four years.
- The GIFT Nifty is showing flat signals. Auto stocks in focus ahead of Hyundai Motor IPO listing. Bajaj Finance, Zomato, Varun Beverages, ICICI Prudential Life results today

Index Levels :

Nifty Cash	R1	R2	S1	S2
24781	24850	25000	24650	24500
BankNifty Cash	R1	R2	S1	S2
51962	52500	52750	51500	51250

Global Market Summary:

- US markets yesterday, ended on a mixed note, as Treasury yields rose and mixed set earnings getting released so far.
- Dow Futures is trading -0.1% lower.
- European indices yesterday ended 0.5-1% lower.
- Asian markets today, are mostly trading in red.
- **Global Cues: Weak**

Indian Market Summary:

- Nifty yesterday, opened higher but could not sustain the gains and closed near the day's low with a loss of 73 points at 24781 levels.
- FIIs: -Rs2262 crore DIIs: +Rs3226 crore.
- Currently GIFT Nifty is trading flat.
- **Domestic Cues: Muted**

News and Impact :

Olectra: The Indian government will launch a five-year "Bharat Urban Megabus Mission" in 2025, wherein it will introduce of 100,000 electric buses in 65 cities across India for a budget of Rs 1.75 lakh crore.

Impact: Positive

Eicher Motors: Royal Enfield has commenced operations of its manufacturing unit (Category 2) and flagship showroom in Bangladesh with launch of Hunter 350, Meteor 350, Classic 350 and Bullet 350 bookings from today. **Impact: Positive**

Fundamental Actionable Idea

Union Bank of India: CMP INR112 TP INR165 Upside 47% Buy

- Union Bank reported 2QFY25 PAT of INR47.2b (34.4% YoY, 27% beat) led healthy other income and lower than expected provisions.
- Other income grew 44.2% YoY to INR53.3b (18.2% QoQ, 28% higher than MOSLe). Total income, thus grew 12% YoY to INR143.7b (5% beat).
- PPOP thus grew 12.4% YoY to INR81b (7% beat). C/I ratio moderated to 43.6% during the quarter.
- Loan book grew at 11.6% YoY / 2.1% QoQ while deposits grew 9.2% YoY/1.5% QoQ, CD ratio thus increased slightly to 72.2%.
- GNPA ratios improved by 18bp QoQ to 4.36% while NNPA ratio increased 8bp QoQ to 0.98%. PCR ratio stood at 78.4%. RoA (annualised) for 2QFY25 stood at 1.35% (vs 1.06% in 1QFY25).

View: Buy

MCX: CMP INR6629, TP INR7600, 15% Upside, Buy

- MCX posted 73% YoY growth in operating revenue to INR2.9b (5% above our estimate) in 2QFY25. Operating revenue rose 67% YoY in 1HFY25.
- Revenue growth was driven by a surge in volumes, which jumped 114% YoY. Futures volumes grew 46% YoY to INR17.5t, while options volumes surged 129% YoY to INR126t during the quarter.
- EBIT stood at INR1.7b (vs. EBIT loss of INR353m in 2QFY24), which was 4% above our estimates.
- The company reported PAT of INR1.5b (vs. a loss of INR191m in 2QFY24), which grew 39% sequentially and was 7% higher than our estimate. For 1HFY25, MCX's PAT was INR2.6b (vs. INR6m in 1HFY24).
- We raise our FY25/26 EPS estimates by 10%/11%, factoring in the surge in volumes witnessed in 1HFY25, offset by a rise in SGF contribution.

View: Buy

NIFTY (CMP : 24781) Nifty immediate support is at 24650 then 24500 zones while resistance at 24850 then 25000 zones. Now till it holds below 24850 zones, weakness could be seen towards 24650 then 24500 zones whereas hurdles are placed at 24850 then 25000 zones.

3-Nifty50 - 21/10/24



BANK NIFTY (CMP : 51962) Bank Nifty support is at 51500 then 51250 zones while resistance at 52500 then 52750 zones. Now it has to hold above 51750 zones for a bounce towards 52500 then 52750 zones while a hold below the same could see some weakness towards 51500 then 51250 levels.

3-Niftybank - 21/10/24
EMA(CloseLine:100)



M&M : Buy CMP : 2998 Target : 3150 SL : 2915 Duration : 2-3 Days

- Stock has retested breakout on daily chart and inching higher. It is perfectly respecting 50 DEMA and formed hammer candle near support zones which has bullish implications.



- Nifty October future closed at 24,788.80 with a premium of 7.70 point v/s 95.10 point premium in the last session.
 - Nifty futures OI decreased by 1.76% to 1.53 Cr and Bank Nifty futures OI decreased by 0.66% to 31.07 Lakhs.
 - Nifty Put/Call Ratio (OI) decreased from 0.93 to 0.81 level.
 - Bank Nifty Put/Call Ratio (OI) decreased from 1.20 to 0.87 level.
 - On option front, Maximum Call OI is at 25000 then 25500 strike while Maximum Put OI is at 24000 then 24500 strike. Call writing is seen at 25000 then 24800 strike while Put writing is seen at 24750 then 24000 strike. Option data suggests a broader trading range in between 24500 to 25300 zones while an immediate range between 24600 to 25000 levels.
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- **Option Buying:** Buy Weekly Nifty 24700 Put till it holds below 24850 zones. Need to watch 51750 levels for directional Option buying set up in Bank Nifty (Conditional trade).
 - **Option Strategy:** Weekly Nifty Bear Put Spread (Buy 24700 PE and Sell 24500 PE) at net premium cost of 50-60 points. Weekly Bank Nifty Bull Call Ladder Spread (Buy 52000 CE, Sell 52400 CE and Sell 52700 CE) at net premium cost of 100-110 points.
 - **Option Writing:** Sell Weekly Nifty 24150 PE and 25150 CE with strict double SL. Sell Weekly Bank Nifty 50600 PE and 53000 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 : NIL

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.

Today's **Sell** Ideas:

Stock Names	Close Price	SL (1%)	TP (2%)
GRAPHITE (Sell)	552	557	541
IIFL (Sell)	437	441	428

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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