



6-Aug-25

Profit Booking at Higher Levels Dominates while Bulls take a breather

Index	
Nifty	24,574
Sensex	80,544

Outlook

Nifty to witness volatile swings in the August series with a positional support at 24442 then 24200 zones while a hold above 24800 will drive the next leg of rally towards 25250 and 25500 zones.

Support : 24442/24200
Resistance : 25250/25500

Nifty index continued the party of the bulls at the start of the month and crossed 25600 zones but was followed by profit booking for most part of the month and slipped to 24600 levels. It observed selling pressure on every bounce indicating restricted upside. We have witnessed continuous buying interest in Healthcare and selective Pharma stocks while fresh buying interest is witnessed in sectors like FMCG with weakness in IT, PSE, Realty, Metals, Banks, Infra, Defense and Energy.

Technically, Nifty formed a bearish candle and an inside bar on the monthly chart reflecting a shift in momentum. Sellers dominated for most part of the month. After four months of consecutive rally, Nifty has taken a pause near 25600 and witnessed a correction towards 24600 zones. Volatile swings are expected in the August series with a positional support at 24442 then 24200 zones while a hold above 24800 will drive the next leg of rally towards 25250 and 25500 zones.





Derivatives Sector Setup

Sector	Expiry Close	Change (%)	Outlook	Potential
Pharma	22771	4.2%	Positive	Laurus Labs, Torrent Pharma, Biocon
FMCG	55812	1.2%	Positive	Marico, HUL, Dabur
Auto-Ancillary	23655	-1.3%	Positive	M&M, TVS Motors, Hero Moto
Banks	55961	-2.2%	Positive	HDFC Bank, ICICI Bank, SBI
Finance	26650	-2.2%	Neutral	Bajaj finance, Bajaj Finserv, PFC
Metals	9285	-2.8%	Neutral	Hindalco, JSW Steel, Sail
Energy	35116	-3.0%	Neutral	Reliance Ind, NTPC, Tata Power
Infra	9066	-3.2%	Neutral	Larsen, Grasim, Siemens
IT	35301	-10.5%	Negative	Tech Mahindra, Infosys, TCS
Realty	912	-10.6%	Negative	DLF, Oberoi Realty, Godrej Prop

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Bank Nifty

Bank Nifty witnessed selling pressure after forming a lifetime high in the beginning of July. The technical setup turned bearish to volatile as profit booking was witnessed from higher levels. Selling pressure intensified in the last week and it breached its strong support of 55550 levels. The index gave up its gains of the previous month and fell by over 2000 points. Price action suggests that a hold below 56000 zones could move the index lower towards 55000 then 54500 zones while on the upside, resistance can be seen at 56000 then 56500 zones.



Nifty Financial Services Index

Nifty Financial Services Index is trading within a channel and is currently hovering near the lower band of the channel. The index has been respecting its 50 DEMA with slight dips being bought into. The stochastic indicator is in its oversold zones which may suggest a halt in the downward price movement. Thus, looking at the overall chart setup we are expecting the sector to head towards 27630 and 28150 zones while on the downside support is at 25525 and 25000 levels.

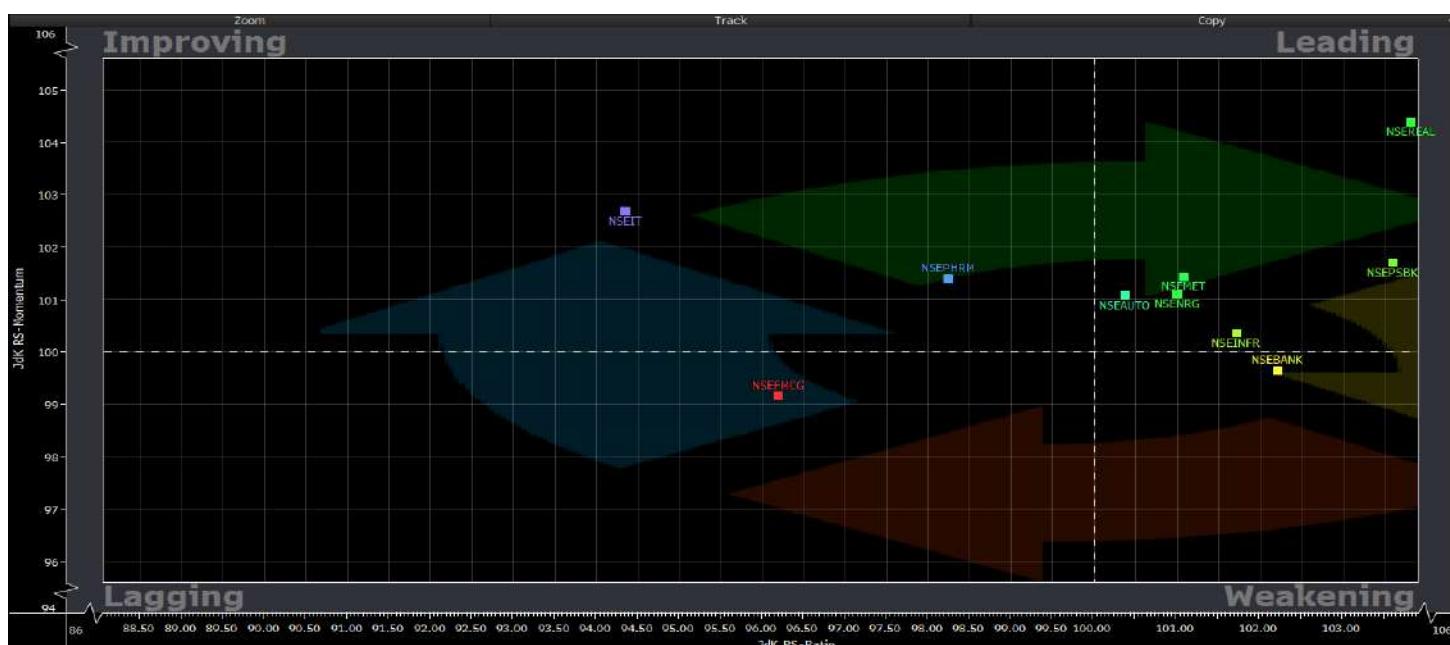


Relative Rotation Graphs (RRG):

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Relative rotation graphs chart shows the relative strength and momentum for group of Stocks/ Indices. It allows us to compare a security against the benchmark to see if it is outperforming or underperforming the benchmark. It is derived on Relative strength in which value of a sector is divided by the value of index mainly a benchmark which allows us to compare the performance of the sector. Relative Strength ratio is normalized to oscillate around 100 (plotted on X axis) i.e Jdk RS- Ratio along with this it provides the speed and direction of the Relative strength ratio (plotted on Y axis) i.e Jdk RS- momentum. The scatter plot is divided into four quadrants i.e Leading, Weakening quadrant, Lagging and Improving quadrant.

The analysis of sectorial RRG shows that Nifty Auto, Metal, Energy, Infra, PSU Bank, and Realty is in the leading quadrant which indicates strength going ahead. Nifty Bank is in the weakening quadrant which suggests momentum is likely to decline. Nifty FMCG is inside the lagging quadrant which shows strength and momentum both are missing. Nifty IT and Pharma are under the improving quadrant which suggests strength is low but momentum will start Improving.



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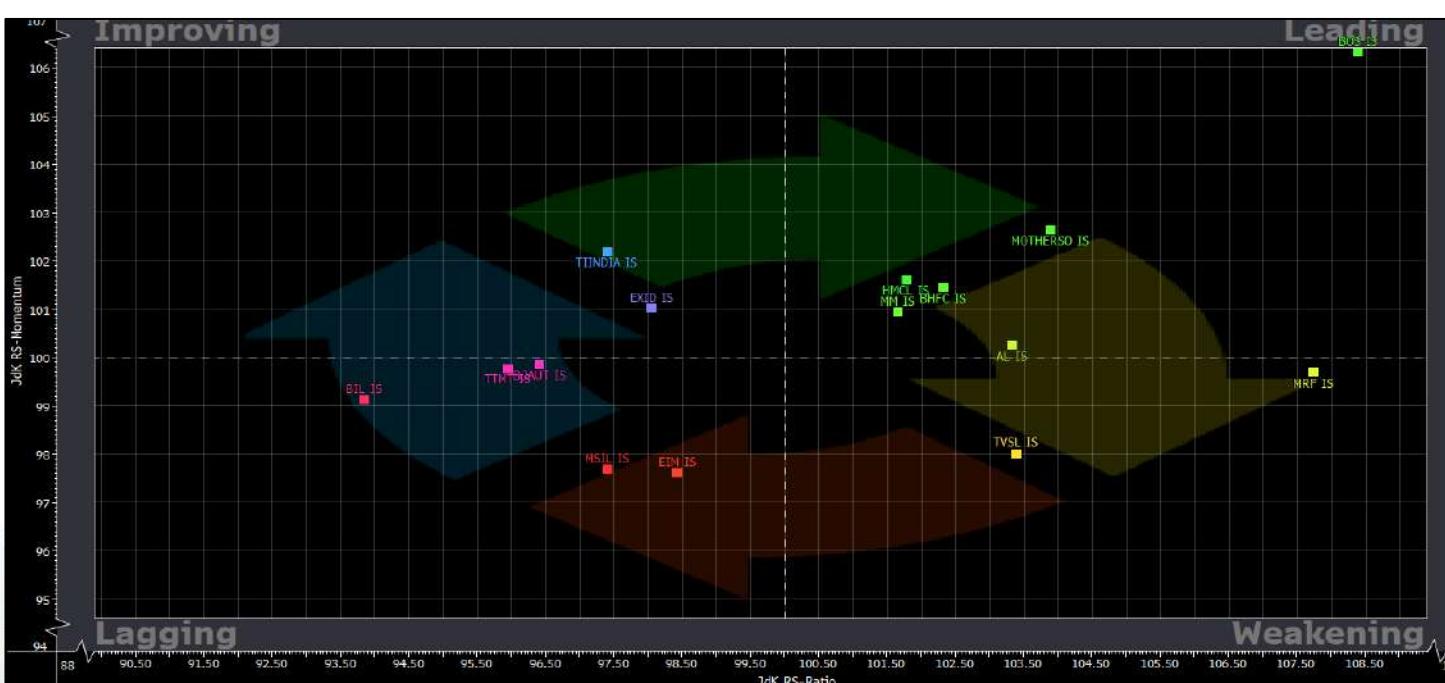
Nifty Auto Index

Nifty Auto Index is consolidating between 24215 to 22945 band from the last 3 months. It is on the verge of giving a trend line breakout above 24250 zones which may start the next leg of the up move. It is perfectly respecting its 50 DEMA and momentum indicator RSI is positively placed on the weekly and monthly chart. Thus, looking at overall chart setup we are expecting the sector to head towards 25000 and 25500 zones while on the downside support is at 23300 and 22900 levels.



RRG For Nifty Auto

The analysis of RRG for the Auto Index shows that M&M, Hero Motoco, Ashokley, Bosch, Bharat Forge, and Samvardhana Motherson is in the leading quadrant which indicates strength going ahead. MRF and TVS Motors are under weakening quadrant which suggests momentum is likely to decline. Maruti, Eicher, Balkrishna, Bajaj-Auto and Tata motors are inside the lagging quadrant which shows strength and momentum both are missing. Exide and Tube Investment are under improving quadrant which suggests strength is still low but momentum will start improving.



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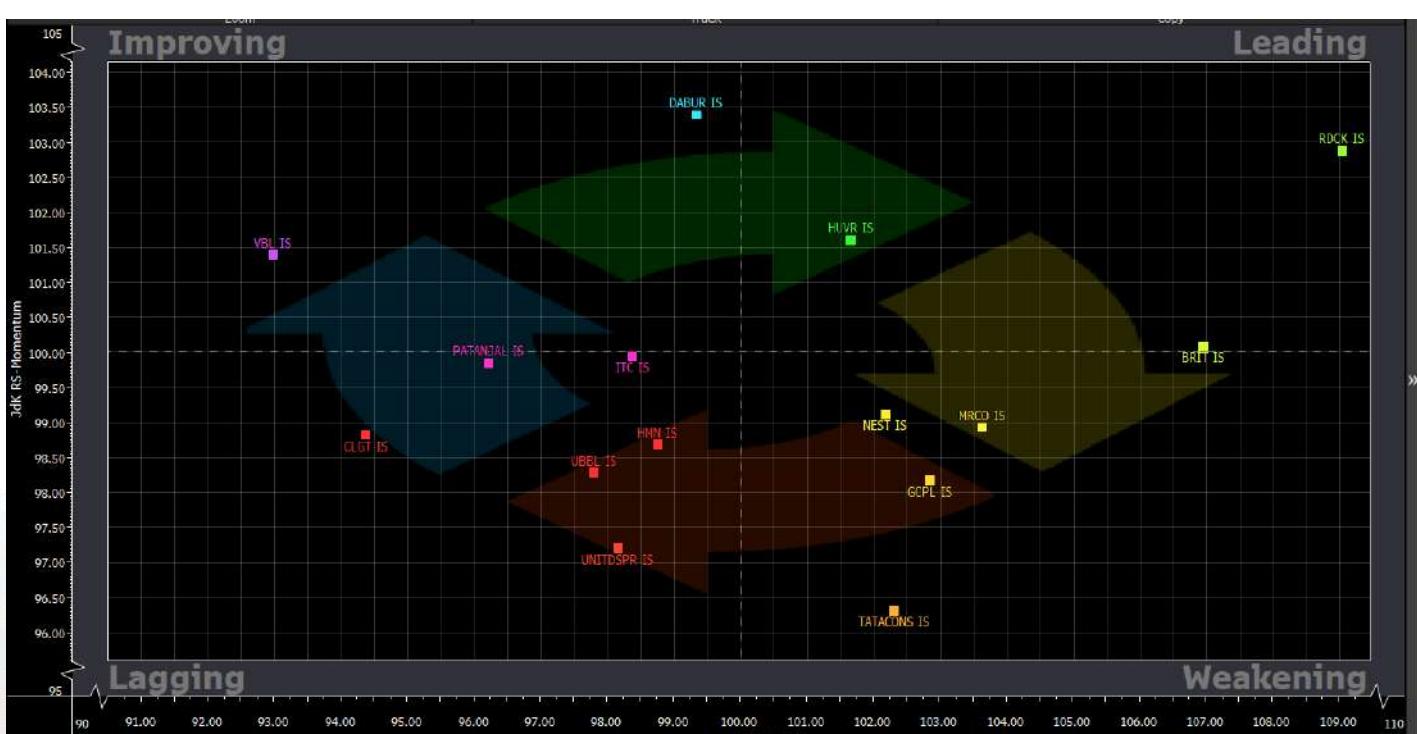
Nifty FMCG Index

Nifty FMCG Index has been rangebound for the last 4 months and is currently hovering around its 200 DEMA. It is on the verge of a narrow range breakout above 58050. The MACD indicator has given a positive crossover which may support the upward price movement. Thus, looking at overall chart setup we are expecting the sector to head towards 58450 and 59500 zones while on the downside support is at 54000 and 53000 levels.



RRG For Nifty FMCG

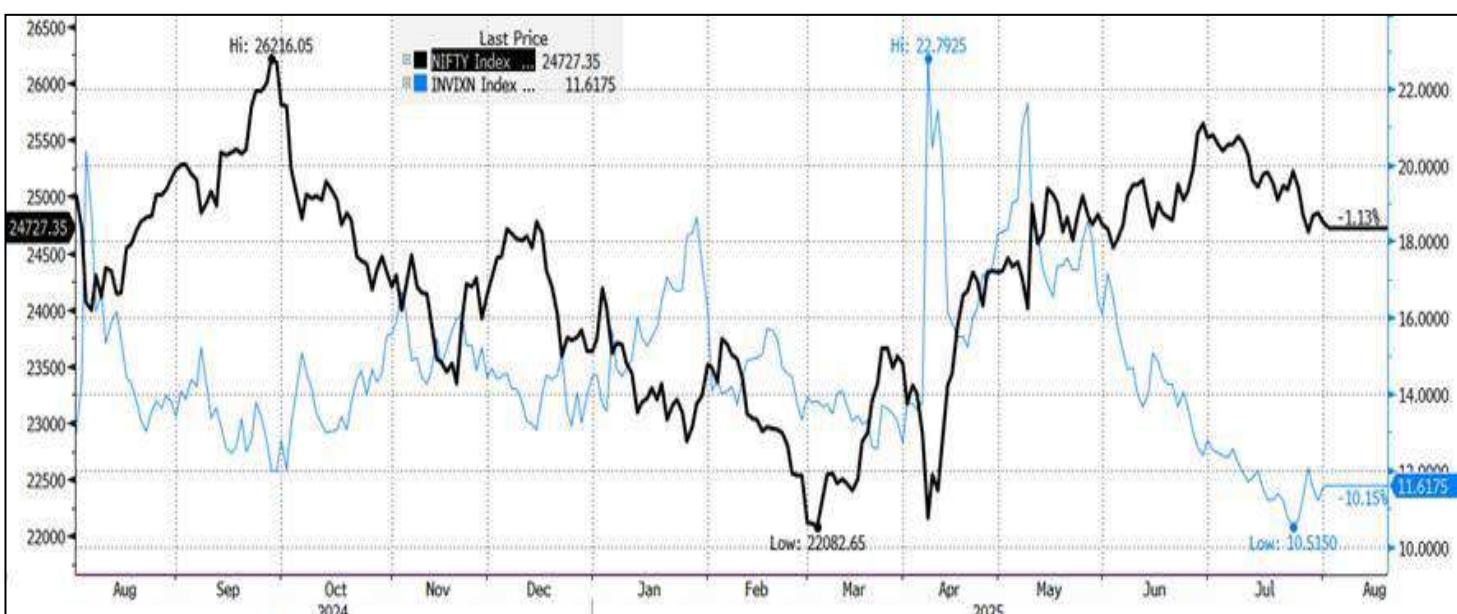
The analysis of RRG for FMCG Index shows that Hindustan Unilever, Radico Khaitan, and Britannia are in the leading quadrant which indicates strength going ahead. Marico, Nestle, Tataconsumer, and Godrej consumer are under weakening quadrant which suggests momentum is likely to decline. ITC, Emami, United spirits, UBL, and Colpal are inside the lagging quadrant which shows strength and momentum both are missing. Dabur, and VBL are under improving quadrant which suggests strength is still low but momentum will start improving.



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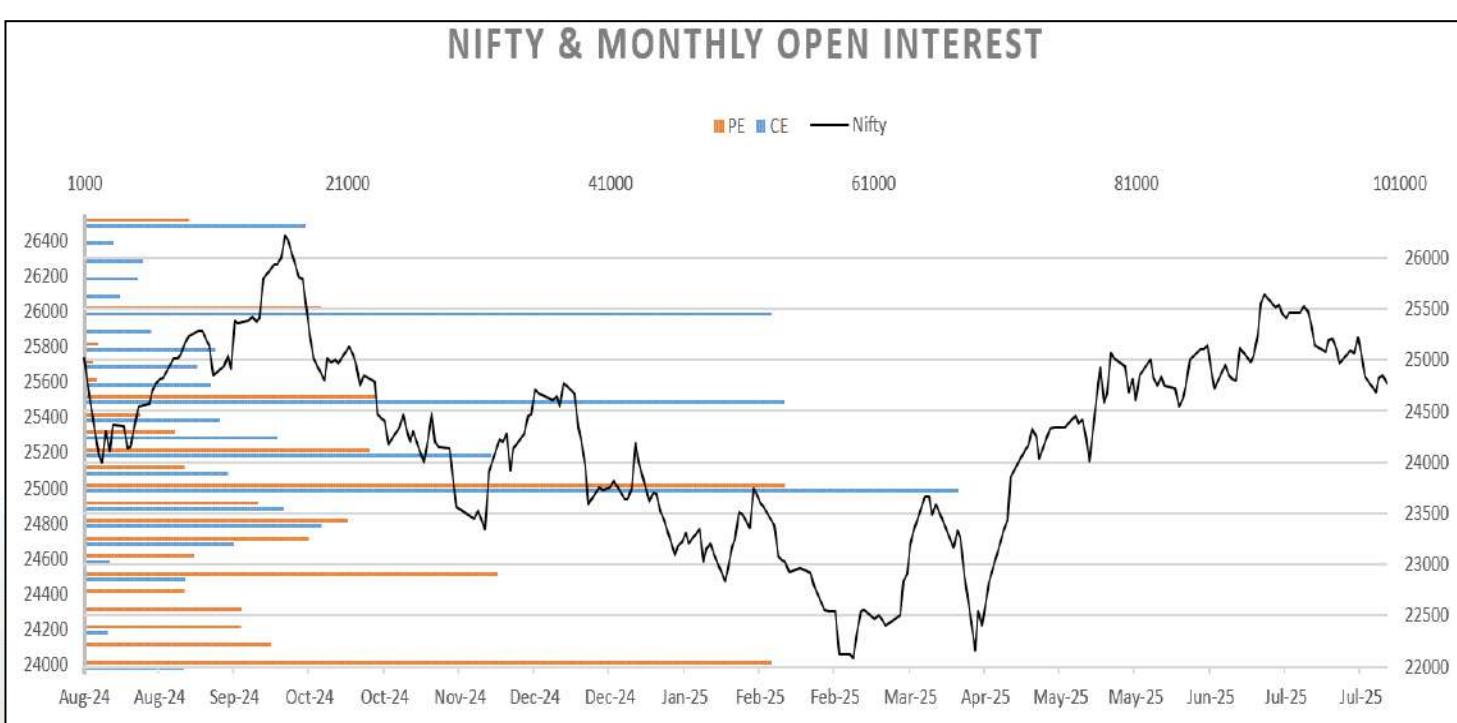
India VIX

India VIX decreased by 8.3% from 12.59 to 11.54 levels in the July series. Volatility sunk to 9.8 levels which caused some range-bound move but steamed higher towards the end.



Nifty OI V/S Price

Nifty index continued the party of the bulls in the start of the month and crossed 25600 zones but was followed by profit booking for most part of the month and slipped to 24600 levels. It observed selling pressure on every bounce indicating restricted upside. Technically, Nifty formed a bearish candle and an inside bar on monthly chart reflecting a shift in momentum. Sellers dominated for most part of the month and after four months of consecutive rally, Nifty has paused near 25600 witnessing a correction towards 24600 zones. Put Call Ratio based on Open Interest of Nifty started the series near 0.81 and oscillated in between 0.64 to 1.14 levels to finally end the series at 1.04. On option front, maximum call OI is at 26000 then 25500 strike while maximum put OI is at 24000 then 24500 strike. Call writing is seen at 25500 then 26000 strike while put writing is seen at 24000 then 24800 strike. Option data suggests a broader trading range in between 24000 to 26000 zones while an immediate range between 24300 to 25500 levels.



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Monthly Ideas

(2-3 Months Horizon)

Stop Loss on daily closing basis

HEROMOTOCO

BUY

MTF Stock

- Stock has given a channel breakout on the weekly scale with a strong bodied bullish candle.
- It has surpassed above its 50 WEMA with higher than average traded volumes.
- The RSI momentum indicator is rising to confirm the positive sentiment.
- Looking at the overall price structure, we are expecting the stock to inch higher towards 5225 zone.
- Hence, we advise traders to buy the stock with a stop-loss of 4200.

CMP : 4537 Buy Range : 4460 - 4650 SL: 4200 TRGT : 5225



GRASIM

BUY

MTF Stock

- Negated lower lows formation after 4 weeks and has formed an inverted hammer candlestick pattern.
- It has bounced up from its 20 WEMA support zones with noticeable volumes.
- The RSI indicator is positively placed which has bullish implications.
- Looking at the overall price action, we are expecting the stock to inch higher towards 3075 zones.
- Hence, we advise traders to buy the stock with a stop-loss of 2665.

CMP : 2797 Buy Range : 2760 - 2830 SL : 2665 TRGT : 3075



Previous Calls

Date	Reco	Stocks	Reco Price	SL	TGT	Closed Price	% Return
Jul-25	Buy	ULTRACEMCO	12,195	11,700	13,200	12,600	3.3%
Jul-25	Buy	SBI	820	790	880	836	2.0%
Jun-25	Buy	SBICARD	923	882	1,000	1,000	8.3%
Jun-25	Buy	PAYTM	924	850	1,030	978	5.8%
May-25	Buy	IOC	143	132	165	143	0.0%
May-25	Buy	HAL	4,492	4,150	5,210	5,017	11.7%

NIFTY

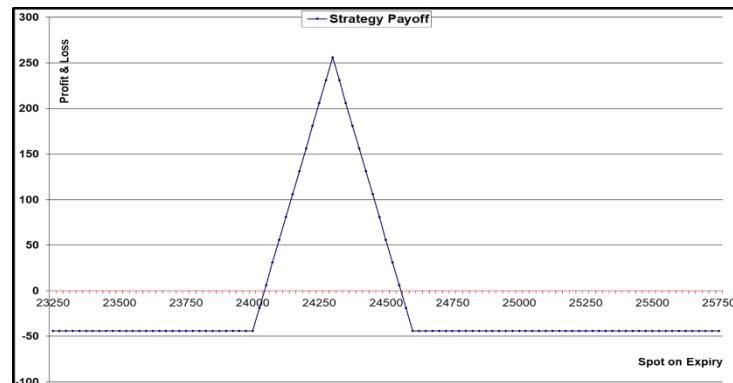
BEAR PUT BUTTERFLY: August Series

- The Nifty index has been forming lower lows on the weekly chart for the past five weeks, indicating continued weakness.
- On the daily scale, the index is stuck in a range of 24,600 to 24,900. Selling pressure is visible near the upper band, and it continues to trade below its short-term moving averages, maintaining an overall sell-on-rise stance.
- Maximum Call Open Interest is concentrated at the 25,000 and 25,500 strikes, while Put Open Interest is seen at the 25,000 and 24,500 strikes.
- This setup suggests a Bear Put Butterfly Spread as a suitable strategy to play the downside move, especially with an expected decline in volatility going forward.

BUY 1 LOT OF 24600 PUT
SELL 1 LOT OF 24300 PUT
SELL 1 LOT OF 24300 PUT
BUY 1 LOT OF 24000 PUT

Margin Required : Rs.80,000
Net Premium Paid : 40 Points (Rs.3000)
Max Risk : 40 Points (Rs.3000)
Max Profit: 260 Points (Rs.19500)
Lot size : 75

Profit if it remains in between 24040 to 24560 zones



Bank Nifty

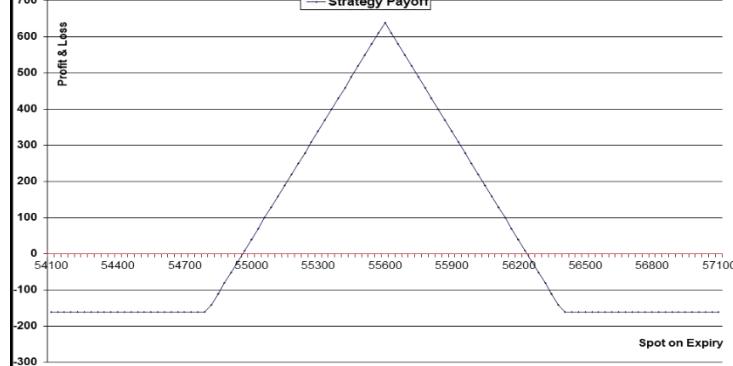
IRON BUTTERFLY: August Series

- Bank Nifty has been trading in a broader range in between 55000 to 57000 zones from last seven weeks.
- On weekly time frame Index is forming lower highs lower lows structure but near its previous crucial support zones which may provide support at lower levels.
- Maximum Put OI is intact at 55000 levels while Maximum Call OI is at 57000 strike.
- Thus suggesting Iron Butterfly Option Spread to play the benefit of time decay and decline in volatility as Index likely to oscillate within this wider range

SELL 1 LOT OF 55600 CALL, SELL 1 LOT OF 55600 PUT,
BUY 1 LOT OF 56400 CALL, BUY 1 LOT OF 54800 PUT

Max inflow of 640 points
Max risk of 160 points
Margin Required : Rs.100,000
Max Risk : 160 Points (Rs.5600)
Max Profit: 640 Points (Rs.22400)
Lot size : 35

Profit if it remains in between 54960 to 56240 zones.



Previous Calls

Date	Strategy	Net Premium	Status	Profit/Loss
Jul-25	NIFTY: Bull Call Butterfly (+25700CE - 26050CE -26050CE +26400CE)	41 Points Paid	Loss of 41 Points	-3,100
Jun-25	NIFTY: Bull Call Ladder (+24400CE -24800CE -25200CE)	60 Points paid	Profit of 93 Points	6,975
May-25	NIFTY: Bull Call Ladder (+24400CE -24800CE -25200CE)	90 Points paid	Profit of 240 Points	18,000
Apr-25	NIFTY: Bull Call Ladder (+23500CE -23900CE -24200CE)	110 Points paid	Profit of 216 Points	16,170
Mar-25	NIFTY: Bear Put Butterfly (+22500PE -22000PE -22000PE +21500PE)	82 Points paid	Loss of 82 Points	-6150

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