

The preferred theme could be 'losing momentum' or desired 'consolidation'.

The biggest support on Nifty and Bank Nifty's are at 17251 and 36101 mark respectively..

Perma-bulls could continue to focus on bullish stocks like: ASHOK LEYLAND, DIXON, PIDILITE, ITC, MARICO, PFIZER, TATA STEEL.



Daily Research Reports

Good Morning & Welcome to Monday's trading action at Dalal Street dated 13th of September 2021.

The long and short of last week trading theme at Dalal Street was the benchmarks clinked fresh record highs despite being trapped in a shaky holding pattern!

Most of the stocks did end in an uninspiring fashion as investors were bit edgy and probably looking for something "concrete" to sustain risk appetite.

That brings to the big question on investors mind: Have the markets reached the limits on backdrop of a fairly strong rally in risk assets?

Well, the sentiments could take drubbing as investors' sentiment is dampened by fears over economic growth prospect.

That's in line with our **call of the day** which suggests if Nifty is unable to move above its all-time-high at 17436.50 mark then it is safe to assume that plenty of good news is already priced in. Also, blame the negativity to looming profit booking amidst overbought technical conditions.

Amidst this backdrop, it is likely to be a frustrating day for the bulls' camp as the benchmark Nifty could slip fast towards its psychological 17000 mark.

The line in the sand for the day is at

Dalal Street likely to be vulnerable only below Nifty 17251 mark.

The preferred trades:

- # **Nifty (17369):** Sell at CMP. Stop 17551. Targets 17251/17027. Aggressive targets at 16777-16901 zone.
- # **Bank Nifty (36683):** Buy only above 37140. Stop 35611. Targets 37709/38557. Aggressive targets at 40001.

Outlook for Monday: Rocky start.

A rocky start on cards for our stocks markets on backdrop of a swooning Wall Street in Friday's trade where the Dow Jones index registered its fifth consecutive decline to 34,607. The S&P 500 (-0.8% to 4,458) remained mired in a five-day slide of its own, while the Nasdaq (-0.9% to 15,115) suffered its third straight loss.

Honestly speaking, after steady gains since March 2020, investors need to be aware that stocks can take a pause or probably decline too.

Well, there is a bright possibility that stock could decline amidst concerns of growth momentum and policy support that begin to fade. We suspect, investors could also dump re-opening theme stocks.

INDICES

Nifty	17370	0.09%
Bank Nifty	36683	-0.23%
Nifty Auto Index	10113	0.12%
Nifty FMCG Index	40578	0.78%
Nifty Infra Index	4852	0.40%
Nifty IT Index	34802	0.36%
Nifty Media Index	1701	2.97%
Nifty Midcap Index	7829	0.27%
Nifty Metal Index	5765	0.78%
Nifty Pharma Index	14330	-0.14%
Nifty Reality Index	418	-0.74%
Nifty Smallcap Index	10688	0.64%
Sensex	58305	0.09%
SGX Nifty	17364	-0.05%

Outlook for the Day

Profit booking likely

Nifty Outlook

Intraday	Neutral (17157-17507)
Medium Term	Positive (16551-17751)
Long Term	Positive (14251-18001)

Key Levels to Watch

Nifty Support	172251/17057
Nifty Resistance	17507/17751

Pivot Level

Nifty	16251
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The gyan mantra for perma-bulls is to lighten leveraged long positions or need to just be more selective.

Long story short: Unfortunately, a checkmate is right around the corner for the bulls' camp.

TOP SECTORS:

Bullish View: METALS, BANKS, FMCG.

Bearish view: MEDIA, REALITY.

STOCKS IN FOCUS:

BULLISH VIEW: #ASHOK LEYLAND #DIXON #PIDILITE #ITC #CANFINA HOMES #HDFC AMC #PFC #TATA CONSUMER #MARICO #PFC #PFIZER #PVR #SYNGINE #TATA STEEL

BEARISH VIEW: #APOLLO TYRES #MARUTI ##M&M #INDIGO #MOTHERSON SUMI #PEL

Our **chart of the day** is bullish on stocks like MARICO, PIDILITE, DIXON and ITC with an interweek perspective. While we are negative on tocks like Maruti & M&M, Navin Fluorine and Glenmark.

Sell Something: Option Trade: Buy NIFTY 30th September PE Strike Price 17300 at CMP 161. Profit: Unlimited. Maximum Loss: Rs. 8050/lot. Hold PUT Option till 30th September expiry. (NIFTY September Futures CMP 17365).

WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

Daily chart of Nifty:



Technically speaking, Nifty's upward momentum is seen 'losing momentum'. Amidst this backdrop, probably a desired 'consolidation' quite likely or worst scenario could be a sell-off. Technically, the biggest support for the day seen at 17251 mark. Below Nifty 17251 mark, expect larger declines towards to 17027 mark and then downside risk seen at 16757 mark. On the upside 17501 will act as key resistance.

Technical Strategy

SUN PHARMA	776
Action	BUY
Target	851
Support	747/717
Resistance	811/921
Holding Period	60-90 days

Sun Pharma is among the largest players in the domestic formulations market and is the fifth largest speciality generic pharmaceutical company in the world. It makes Specialty products, branded generics, complex generics, pure generics & APIs for chronic therapy areas such as cardiology, psychiatry, neurology, etc. The firm has capabilities across dosage forms like injectables, sprays, ointments, creams, liquids, tablets and capsules R&D and Manufacturing. Sun has forayed into regulated markets by acquiring majority stake in CaracoPharma and has strengthened its presence in US by recent acquisition of Taro.

The positive catalyst in favor of the stock price is the improving traction in the specialty portfolio, India formulations and US specialty products business, industry-level growth in domestic formulation (DF) and increasing pace of approvals in the US generics segment. Positive traction also seen in Ilumya (plaque psoriasis), Yonsa (prostate cancer) and Cequa (to treat dry eye). The stock price could also be in limelight as COVID-19 related rise in demand for chronic therapies to benefit Sun Pharma.

Technically, brace yourselves for an impulse uptrend on the weekly time scale with positive SAR series and most importantly, a "higher consolidation Pattern" on daily charts. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 648 zone.

A potential entrance exists at CMP, and on dips between 712-725 zone, targeting 805 and then aggressive targets at psychological 900 mark. Stop 687. Holding period 1-2 months.

Nifty's 200 day DMA at 15033 mark.

Bank Nifty: The technical are aggressively bullish as Bank Nifty is signaling a massive breakout on the upside on the monthly charts from a probable Flag Pattern. Immediate targets seen at its all-time-high at 37709 and then aggressive inter-month targets placed at psychological 40000 mark. For the day, **buying advised only above 37140 mark.**

DERIVATIVE & INSTITUTIONAL CUES:

The options data for September series suggests Nifty is likely to be in a trading range of 17000-17700 zone. Maximum Call OI is at 17400 followed by 17500 strike price. So, the 17500-17701 zone is Nifty's crucial resistance zone. Maximum Put open interest stands at 17300 levels followed by 17000 levels. Call writing was seen at 17400 and then at 17000 strike price, while there was meaningful Put writing at 17300 and then at 17000 strike prices.

The Put-Call Open Interest Ratio is at 1.57 for Nifty.

As per Thursday's provisional data available on the NSE, both FIIs and DIIs bought shares worth Rs. 423.44 crores and Rs. 704.21 crores in the Indian Equity Market.

Stock banned in F&O segment: IRCTC, INDIABULLS HOUSING FINANCE, NATIONALUM.

The POSITIVE CATALYSTS:

1. The Fed's tapering plans likely to be at bay for longer.
2. Torrent of monetary and fiscal stimulus.
3. Stocks are racing higher as companies have crushed earnings estimates, prompting the street to revise their estimates upward.
4. The reopening and recovering of the economy.
5. Decline in COVID cases and a pick-up in vaccination drive.
6. Low interest rates environment.

THE NEGATIVE CATALYSTS:

7. Concerns about the Delta variant.
8. Growth concerns.
9. Fed stimulus uncertainty.
10. A hawkish Fed environment.
11. India's GDP still below FY19 despite a 20% quarterly growth.
12. Overbought technical conditions.

ECONOMIC CUES:

- # This week the *CPI numbers* coming on Monday 13th September, will be watched for clues. And after that, even the *WPI numbers* coming on Tuesday, 14th September will also be monitored. Trade data also to trickle in on Wednesday, 15th September 2021 where Imports, Exports and Trade Balance data for the August month will be released.
- # **Fed tapering are talks back on the table.** So, all anxious eyes will be **on the September FOMC meeting.**

GLOBAL STOCK MARKETS:

At Wall Street, U.S. equities crept moderately lower in Friday's trade, as losses in the Utilities, Technology and Healthcare sectors propelled shares lower. Blame the downfall to investors' worry that the high number of coronavirus delta variant cases may be slowing economic recovery, despite new vaccination mandates announced by President Joe Biden.

In the week gone by, the Dow slid 2.2% and is down for two consecutive weeks.* The S&P 500 lost 1.7% this week, its longest losing streak since Monday, February 22, 2021 when the market fell for five straight trading days. The Nasdaq declined 1.6% this week, its largest one week percentage decline since the week ending July 16, 2021.

IPO Note & LISTING: Bengaluru-based auto-component maker Sansera Engineering will launch its Rs 1,283-crore initial public offering on September 14. The offer will close on September 16. This would be the 41th IPO to be launched this year. It is a complete offer for sale, so the subscription figure will be closely watched. The price band for the offer has been fixed at Rs 734-744 per equity share.

South-India based diagnostic chain Vijaya Diagnostic Centre and specialty chemical company Ami Organics will make their debuts on the bourses on Tuesday. The final prices for the offers are likely to be fixed at Rs 531 per equity share and Rs 610 per share, respectively.

The public issue of Ami Organics was subscribed 64.54 times, while Vijaya Diagnostic public issue saw 4.54 times subscription.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

The way Nifty moved up in Friday's session would have put a tortoise to shame.

Yep, absolutely listless!

And you could also compare the market's range with that of a porcupine's spines.

The positive takeaway however was that Nifty took in its stride the negative catalysts like Fed tapering woes, virus-led economic fears and stimulus pullback chatters.

Nifty (+16, 17369)

Sensex (+55, 58305)

Adv-Dec 30 — 20

Nifty PCR 1.57

- # Nifty Midcap (+0.22%, 7775)
- # Nifty Smallcap (+0.54%, 10676)
- # BANK Nifty (-0.34%, 36469)
- # Nifty IT (+0.33%, 34793)
- # USD/INR (-0.14%, 73.50)

The other key highlights of Friday's trade:

- # Nifty holds ground despite Fed tapering woes, virus-led economic fears and stimulus pullback chatters.
- # The preferred theme after last 3-days pause should be 'losing momentum' or desired 'consolidation'.
Bank Nifty (-0.23%) underperforms Nifty's gains of 0.09%.
- # Nifty Media was star performer, up 2.84% followed by Nifty Metals, up 0.73%.
- # Around 30 of the Nifty 50 stocks ended in green.
- # NSE MidCap and NSE SmallCap Index were up 0.13% & down 0.54% respectively.
- # Top Index Gainers: ONGC (+2.77%), BHARTI (+2.59%) NESTLE (+2.57%).
- # Top Index Losers: SBI LIFE (-3.90%) TITAN (-1.07%) HDFC LIFE (-1.03%).

PIDILITE: The technicals will be aggressively bullish above 2363 mark.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
DIXON	4317	4151	4011	4407	4751	Positive	Interweek Strategy: Buy between 4151-4201 zone. Stop 4087. Targets 4407/4505. Aggressive targets at 4751. Breakout on the upside.
PIDILITE	2348	2289	2247	2363	2551	Positive	Interweek Strategy: Buy at CMP. Stop 2277. Targets 2507/2451. Aggressive targets at 2551. Confirmation of strength above 2363.
GODREJ PROPERTIES	1582	1541	1501	1621	1637	Negative	Interweek Strategy: Sell between 1597-1603 zone. Stop 1645. Targets 1541/1503. Aggressive targets at 1451. Upside momentum fading.
MARUTI	6802	6591	6421	6959	7027	Negative	Interweek Strategy: Sell at CMP. Stop 6981. Targets 6591/6421. Aggressive targets at 6251. Breaking down.
PEL	2576	2513	2447	2727	2851	Positive	Interweek Strategy: Sell at CMP. Stop 2733. Targets 2513/2447. Aggressive targets at 2345. Breaking down.

Derivatives Strategies

Future Call: SELL GUJGASLTD SEPTEMBER FUTURES at CMP 680.30. Targets at 667 and then at 651. Stop: 697. Holding Period: Intraday. Analyst's Remark: Breaking Down (GUJGASLTD SEPTEMBER Futures CMP 680.30)

Option Call: SELL NIFTY 16th SEPTEMBER PE Strike Price 17300 at CMP 74.00. Maximum Profit: Rs. 3,700/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY below 17221. (NIFTY SEPTEMBER Futures CMP 17371).

Market Summary:

- Nifty September Futures ended Thursday's session at a premium of +02 vs premium of +32.
- The 16th September expiry Put-Call Open Interest Ratio was at 1.14 for Nifty whereas it was 0.84 for Bank Nifty.
- The 16th September expiry Put-Call Volume Ratio was at 1.00 for the Nifty and 0.92 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 18000 Strike Price, followed by 17500 Strike Price for 16th September Series. Short buildup was seen at strike prices 17200-18200.
- Maximum Put Open Interest (OI) was seen at strike price 16500 followed by 17300 strike prices for 16th September series. Short buildup was seen at strike prices 16200-17300.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 37500 Strike Price and Maximum Put Open Interest stands at 36000 Strike Price.
- As per Thursday's provisional data available on the NSE, FIIs bought shares worth Rs. 423.44 crores in the Indian Equity Market. DIIs too bought shares worth Rs. 704.21 crores in the Indian Equity market.
- Long Buildup: HINDALCO, IEX, PFC, TATASTEEL.
- Short Buildup: SBILIFE, CANFINHOME, GUJGAS, APOLLOHOSP.
- Short Covering: ITC, NTPC, AMBUJACEM, JSWSTEEL.
- Long Unwinding: M&MFIN, TATACHEM, BHARATFORG, TITAN.
- Stocks banned in F&O segment:** IBULHSGFIN, IRCTC, NATIONALUM.
- New in Ban: NIL.
- Out of Ban: NIL.

Changes in Open Interest (OI) in yesterday's trade.

Nifty Spot	17369.25 (+0.09%)
Bank Nifty Spot	36683.20 (-0.23%)
VIX	13.9425 (-3.24%)
Premium	+02 vs +32
Nifty Future OI	1.48 crores (-0.88%)
Bank Nifty Future OI	17.71 lakhs (+0.53%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	8107.58	3814.4
NSE Cash Vol. (Rs. in Cr)	49,803.53	59,691.14
NSE Derivative Vol. (Rs. in Cr)	98,27,795	63,03,669

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	1,96,867	17,576
Stock Future Volumes	5,47,922	46,167
Index Option Volumes	10,65,63,936	95,84,089
Stock Option Volumes	20,27,000	1,79,963
Total	10,93,35,725	98,27,795

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
17800	14.68 (+188%)
17900	8.17 (+158%)
18000	32.26 (+455%)

Puts	in lakhs (% Change)
17500	3.08 (+96%)
17600	0.71 (+103%)
17700	0.85 (+347%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	231	224	238	213	186	UP	UP	UP
CARDAMOM 1	1505	1475	1535	1478	2690	DOWN	UP	DOWN
CASTOR 1	6298	6172	6424	5984	4953	DOWN	UP	UP
CHANA 1	5093	4991	5195	5114	4958	UP	DOWN	UP
COPPER 1	741	726	756	714	692	UP	UP	DOWN
COTTON 1	25740	25225	26255	26061	22882	UP	DOWN	DOWN
CRUDEOIL 1	5127	5024	5230	4996	4615	DOWN	UP	DOWN
GOLD 1	46806	45870	47742	47196	47601	DOWN	DOWN	DOWN
GUARGUM5 1	10707	10493	10921	9221	6553	DOWN	UP	UP
GUARSEED10 1	6623	6491	6755	5643	4194	UP	UP	UP
JEERAUNJHA 1	14475	14186	14765	14224	13703	DOWN	DOWN	UP
LEAD 1	189	183	194	181	170	UP	UP	UP
MENTHAOIL 1	970	951	990	942	961	UP	DOWN	UP
NATURALGAS 1	365	354	376	317	231	UP	UP	UP
NICKEL 1	1541	1510	1571	1455	1324	UP	UP	UP
RMSEED 1	8716	8542	8890	8118	6608	UP	UP	UP
RUBBER 1	17254	16909	17599	17979	15405	DOWN	DOWN	UP
SILVER 1	63592	62320	64864	63346	67552	DOWN	DOWN	DOWN
SYBEANIDR 1	8742	8567	8917	8656	6451	DOWN	UP	DOWN
ZINC 1	255	247	263	248	231	UP	UP	UP

MCX Copper: The technicals are aggressively bullish above 753 mark.

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
MCX GOLD	46808	46471	45662	47153	47851	Negative	Gold traders await US CPI data ahead of Fed's policy decisions on September 22. Biggest intraday hurdles seen at 47153. Intraday Strategy: Sell between 46951-47001 zone, targeting 46471/45662. Stop at 47303.
MCX SILVER	63599	62551	61227	64747	65513	Negative	Confirmation of more strength only above 65513. Intraday Strategy: Sell at CMP, targeting 62551/61227. Strict Stop at 63519.
MCX CRUDE OIL	5125	4957	4821	5189	5317	Neutral	Oil prices inched up in Friday's session. Confirmation of strength only above 5189. Intraday Strategy: Sell at CMP, targeting 4957/4821 mark. Strict Stop at 5345.
MCX COPPER	740.50	729	703	753	781	Positive	Copper prices flared up in Friday's trade. Aggressive buying advisable only above 753. Intraday strategy: Buy at CMP. Targets 753/781/803. Strict stop at 717.
MCX NATURAL GAS	365.2	343	317	375	383	Positive	MCX Natural Gas prices wavered in Friday's trade. Key support seen at 343. Intraday Strategy: Buy on dips between 343-351 zone, targeting 375/383 mark. Stop at 329.
USD-INR	73.50	73.17	72.89	73.77	74.09	Positive	USD/INR traded flat in Friday's trade. Key support now seen at 73.17. Interweek hurdles seen at 73.77 zone. Interweek Strategy: Buy between 73.30-73.41 zone, targeting 73.77/74.09 mark. Strict Stop at 73.13.

Wall Street closes lower, as Dow, S&P 500 and Nasdaq book weekly losses.

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD (USD)	1788	1763	1751	1813	1847	Neutral	Key support at 1763 mark. Interweek Strategy: Establish buy positions between 1763-1775 zone. Targets 1813/1847 mark with stop at 1743.
SILVER (USD)	24.79	22.97	22.39	25.05	25.67	Neutral	Key support at 22.39. Interweek Strategy: Establish buy positions at CMP. Targets 25.05/27.67 with stop at 22.71.
WTI CRUDE OIL (USD)	69.71	67.5	64.51	70.5	72.75	Neutral	Interweek Strategy: Establish sell positions between 70.50-71 zone. Targets 67.50/65. Stop at 71.15.
EUR/USD	1.1827	1.1759	1.4598	1.1873	1.1929	Neutral	Interweek Strategy: Establish buy positions between 1.1759-1.1775 zone. Targets 1.1873/1.1929 with stop at 1.1717.
US Dollar Index	92.63	92.25	91.10	94.00	95.75	Negative	Interweek Strategy: Establish sell positions at CMP. Targets 92.25/91 with stop at 94.05.
DOW JONES	34607	34551	32795	35513	36219	Negative	Dow slips as investors' unsure about the toll the delta variant of the coronavirus will take on the economic outlook. Major sell-off below 34551 mark. Interweek Strategy: Establish sell positions between 34901-35101 zone. Targets 32795/31901 mark with stop at 36411.

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