

FII's selling, Coronavirus fears, Hawkish Fed expectations cloud Nifty's recovery hopes.

Nifty could extend the rebound only if bulls clear 17,881 hurdle.



Daily Research Reports

Good Morning & Welcome to Wednesday's trading session dated 24th of November 2021.

In early action, SGX Nifty is seen treading water but bulls anticipate that Tuesday's renewed buying interest likely to continue in today's trade as well in index heavyweights including Reliance Industries. HDFC Bank, Bharti Airtel and SBI.

That brings us to our **call of the day** which suggests Nifty bull-bear tug-of-war likely to unfold ahead of Wednesday's Fed minutes and Thursday's November F&O expiry.

That said, FIIs selling, Coronavirus fears, Hawkish Fed expectations cloud Nifty's recovery hopes.

From a chartist standpoint, Nifty could extend rebound only if bulls clear 17,881 hurdle.

Amidst this backdrop, here is our preferred strategy:

Nifty (17503): Sell between 17575-17600 zone. Stop 17903. Targets 17271/17001. Aggressive targets at 16871 mark.

Bank Nifty (37273): Sell between 37601-37751 zone. Stop 38897. Targets 36651/36057. Aggressive targets at 34693.

Outlook for Wednesday: Volatility likely to be the hallmark of the day.

Volatility likely to be the hallmark of today's trade as traders will look to roll over their November series contract to next month. November series contract expire tomorrow Thursday, 25th November 2021.

Meanwhile, the trading theme also revolves around reappointment of Powell as that could mean that the Fed may begin to hike interest rates at a faster pace than expected. Investors worldwide now await minutes of Nov 2-3 Fed's meeting to trickle in later in the day which may indicate Fed's stance on the pace of tapering of its bond purchases and hiking rates sooner than expected.

Keeping investors at edge is the surge of Covid-19 cases in Europe and subsequent lockdowns in some regions which dampens bullish sentiment, compounding pressure on equities from an uptick in bond yields.

So, any excessive upside for the day is likely to be elusive amidst:

1. Hawkish Fed expectations. The street speculates that the US Federal Reserve will have no choice but to hike rates sooner.

INDICES

Nifty	17503	0.50%
Bank Nifty	37273	0.39%
Nifty Auto Index	11456	0.67%
Nifty FMCG Index	38560	0.54%
Nifty Infra Index	5147	1.41%
Nifty IT Index	35504	0.07%
Nifty Media Index	2235	2.32%
Nifty Midcap Index	8637	1.89%
Nifty Metal Index	5600	3.30%
Nifty Pharma Index	13490	1.85%
Nifty Reality Index	516	2.16%
Nifty Smallcap Index	10939	1.91%
Sensex	58664	0.34%
SGX Nifty	11501	-0.07%

Outlook for the Day

Sell on strength

Nifty Outlook

Intraday	Negative (17257-17657)
Medium Term	Positive (16771-18701)
Long Term	Positive (15251-19251)

Key Levels to Watch

Nifty Support	17216/16821
Nifty Resistance	17657/17881

Pivot Level

Nifty	18101
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2. FIIs on selling spree.
3. Stronger US dollar.
4. Persistent Brexit worries.
5. Fresh European COVID-19 jitters — anxiety has been exacerbated by the prospect of lockdowns in Europe, following Austria's announcement on Friday.
6. The street also anxious amidst reports that the RBI may start a tightening policy from December itself and that could reduce the liquidity available in the market.

Long story short: As long as the above headwinds are on the front pages' investors are likely to be apprehensive about over-committing.

On the positive side, helping sentiments are the fact that the U.S. oil prices which tanked to \$76.11 per barrel, after reports that Japan will participate in a coordinated release of crude reserves initiated by President Joe Biden. Earlier there was calls from lawmakers for President Joe Biden to release crude from the nation's Strategic Petroleum Reserve.

TOP SECTORS:

Bullish View: IT

Bearish view: Metals, PVT Banks, PSU Banks, Pharma, Realty.

STOCKS IN FOCUS:

BULLISH VIEW: SBI, POLYPLEX CORPORATION, IEX, VEDANTA, EASY TRIP PLANNERS, BHARTI AIRTEL, DABUR.

BEARISH VIEW: NAUKRI, JUBILANT FOODS, BAJAJ FINANCE, PVR, INDIA CEMENT, METROPOLIS, ULTRATECH, INDUSIND BANK, L&T FINANCIAL, STAR, BHARAT FORGE.

Our **chart of the day** is negative on stocks like JUBILANT FOODS, DIXON TECHNOLOGIES, NAUKRI, BHARAT FORGE and ULTRATECH CEMENT with an inter-week perspective on any early corrective bounce.

Sell Something: Sell BHARAT FORGE (CMP 746): Sell between 761-767 zone. Stop 797. Targets 727/713. Aggressive targets at 697. Breakdown Play. (Interweek Strategy).

WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

Technical Strategy

BHARTI AIRTEL	759
Action	BUY
Target	807
Support	702/637
Resistance	777/921
Holding Period	120-180 days

Bharti Airtel was established in 1995 and is now is one of the leading player in the Indian mobile telephony space with operations in 18 countries across Asia and Africa. The company ranks amongst the top three mobile service providers globally in terms of subscribers. Airtel is a diversified telecom service provider offering wireless, mobile commerce, fixed line, home broadband, enterprise and DTH services. It expanded into Africa by acquiring Zain's Africa operations in 2010 and is present in 14 African markets. Bharti Airtel had over 470 million customers across its operations at the end of March 2021. It owns a 53.51% stake in Bharti Infratel, which in turn owns a 42% stake in Indus Towers.

The key positive catalyst in favor of the firm is that telecom remains one of the few sectors still witnessing consumption and earnings growth as amidst lockdown and social distancing, the shift is towards higher dependency on digital tools, such as video conferencing and collaborative applications.

Sunil Bharti Mittal, promoter & Chairman had recently outlined the company's aspirations as a) ARPU of 200/month to be reached by the end of this fiscal and eventually to 300 levels. b) the company's debt is at an 'extraordinary' level and there is an opportunity to accelerate growth, lowering of leverage (net debt to EBITDA to 2x vs. 3x currently) and c) healthy return ratios in teens vs. single digit, currently

Most importantly, Bharti's balance sheet remains healthy, on backdrop of strong execution track record. Revenue accretion from the 4G upgrade, minimum-ARPU plans (rolled out across India) and recent tariff hike helps the company to report improvement in ARPU. The management has also said that in terms of 5G connectivity status in India, Mittal feels 5G will become a reality in H2 next year for the majority of circles. The spectrum pricing auction will be made attractive. Further, the government's data localisation policies with increasing penetration of smartphones are likely to boost strong demand for data over medium-to-long term.

Net-net, the triggers are Bharti Airtel's better margins, stronger subscriber growth, and higher data consumption.

Technically, brace yourselves for an impulse uptrend on the monthly time scale with positive SAR series with probable 'higher consolidation Pattern' breakout on upside on quarterly charts. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 587 zone.

A potential entrance exists at CMP, and on dips between 635-661 zone, targeting 771 and then aggressive targets at psychological 900 mark. Stop below 603. Holding Period: 9-12 Months.

Daily chart of Nifty:



Technically speaking, Nifty's inter-month downside risk seen at 16,871 mark. Expect waterfall of selling only below Nifty 17216 mark

Hence, caution will continue to be the buzzword and any intraday strength will be an opportunity to lighten leveraged long positions.

Bulls' will now get conviction of strength only above Nifty 17881 mark. So, until 17881 mark is resistance, volatility will be hallmark and the perma-bulls should strictly not assume any intraday strength as a buying opportunity.

Long story short: Nifty's upside bias has weakened; downside risk now seen at 16871 mark.

Bank Nifty: Bank Nifty was seen trading with caution in yesterday's trade as it ended 2.23% lower. More corrective declines on cards only below 36665 which could trigger waterfall of selling towards 36001 mark. We suspect, Bank Nifty to mildly underperform Nifty.

DERIVATIVE & INSTITUTIONAL CUES:

The Nifty options data for November series suggests Nifty is likely to be in a trading range of 17000-18000 zone. Maximum Call OI is at 18000 followed by 17800 strike price. So, the 18000 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 17000 levels followed by 17400 levels. Call writing was seen at 17600 and then at 17700 strike price, while there was meaningful Put writing at 17000 and then at 16800 strike prices.

India VIX, which measures the expected volatility in the market, inched higher by 2.05% from 17.47 to 17.88 in yesterday's trade.

FIIs camp continue to be net sellers, selling to the tune of Rs. 4477.06 crores in Tuesday's trade. In the current month so far, FIIs have net offloaded nearly Rs 17,915.33 crore worth of shares.

The Put-Call Open Interest Ratio is at 0.67 for Nifty.

Stock banned in F&O segment: #ESCORTS # IDEA.

IPO NOTE & LISTING:**Star Health & Allied Insurance Company Limited files RHP with SEBI on 19-Nov-2021**

- # Issue Date : 30-Nov to 2-Dec, 2021
- # Fresh : ₹2000 Cr
- # OFS : 58,324,225 Shares
- # Retail : 10%
- # Emp : ₹100 Cr
- # FV : ₹10
- # IPO Open : November 30, 2021
- # IPO Close : December 2, 2021
- # Basis of Allotment : December 7, 2021
- # Initiation of Refunds: December 8, 2021
- # Credit of Shares : December 9, 2021
- # IPO Listing Date : December 10, 2021

ECONOMIC CUES:

- # Investors will get a glimpse into a least some of that thinking Wednesday with the release of minutes from the Fed's November policy meeting.
 - # EU Q3 Gross Domestic Product was confirmed at 2.2% in the three months to September.
 - # India's annual wholesale price-based inflation in October rose to 12.54% from the previous month's 10.66%, remaining in double-digits for the seventh month in a row, government data showed on Monday.
 - # India's retail inflation rate, which is measured by the Consumer Price Index (CPI), rose to 4.48 percent in the month of October 2021, data released by the Ministry of Statistics and Programme Implementation (MoSPI) revealed on November 12.
- There was a marginal increase in retail inflation in October due to an uptick in food prices, government data showed.
- The CPI-based inflation in September 2021 was at 4.35 percent and in October 2020 it was 7.61 percent.
- For the fourth month in a row, CPI has been below the Reserve Bank of India's six percent margin. The Government of India had told RBI to maintain a retail inflation rate at four percent with an upper and lower margin of two percent on either side for five years, till March 2026.
- # The gap between retail and wholesale price-based inflation has widened in recent months as many companies and retailers are still trying to absorb galloping input costs that threaten to hit their bottom lines.

GLOBAL STOCK MARKETS:

Overnight at Wall Street, U.S. stocks mostly traded with negative bias, although volumes were thin ahead of the Thanksgiving holiday break, as investors re-set interest rate expectations following President Joe Biden's decision to name Jerome Powell to a second term as Federal Reserve Chairman.

Powell's nomination, alongside prospective Vice Chair Lael Brainard, has boosted bets on both a near-term acceleration of the Fed's tapering strategy, as well as those linked to a 2022 rate hike, in the face of the fastest pace of domestic inflation in more than three decades.

In the week gone by, Dow was down 1.38% at 35602 but S&P 500 was up 0.32% at 4698 & was Nasdaq too ended up 1.24% at 16057.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

- # Nifty (+87, 17503)
- # Sensex (+198, 58664)

- # Adv-Dec 40 — 10
- # Nifty PCR 0.67
- # INDIA VIX 17.88 (+2.05%)

- # Nifty MidCap (+1.89%, 8637)
- # NiftySmallC (+2.03%, 10952)
- # BANK Nifty (+0.39%, 37273)
- # Nifty IT (-0.01%, 35477)

- # USD/INR (+0.04%, 74.42)

Nifty finished the day with decent gains but digging deeper, many a momentum stocks were seen struggling to preserve the intraday optimism after their 4-days of drubbing.

Capping gains were negative catalysts like — FIIs selling, Hawkish Fed expectations, elevated US bond yields, weak global cues and stronger USD.

Long story short: Nifty eyes dead cat bounce towards 17500 mark amidst oversold conditions.

The key highlights of yesterday's trade:

- # Nifty snaps its 4-day losing streak, ends a tad above psychological 17500 mark.
- # Nifty Metal and PSU Bank indices rebound, up 3% & 2.36% respectively.
- # Mid-cap & Small-cap indices end in green, up 1.92% & 2.03% respectively.
- # Top Index Gainers: POWERGRID (+4%) JSWSTEEL (+4%) COAL INDIA (+4%).
- # Top Index Losers: ASIAN PAINTS (-2.6%) INDUSINDBANK (-2.6%) INFY (-1.8%).

Dixon: Sell on any early strength. Major weakness below 4939 mark.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
BHARAT FORGE	746	727	697	777	703	Negative	Sell between 751-765 zone. Stop 783. Targets 727/713. Aggressive targets at 697. Breakdown Play. (Interweek Strategy).
DIXON	5084	4939	4735	5241	5475	Negative	Sell between 5105-5150 zone. Stop 5501. Targets 4939/4735. Aggressive targets at 4487. Breakdown Play. (Intermonth Strategy).
JUBILANT FOODS	3803	3676	3589	3865	3949	Negative	Sell between 3835-3850 zone. Stop 3963. Targets 3676/3589. Aggressive targets at 3371. Overbought conditions. (Interweek Strategy).
NAUKRI	5996	5870	5637	6419	6687	Negative	Sell between 6100-6125 zone. Stop 6437. Targets 5870/5750. Aggressive targets at 5637. Biggest support at 5870. (Interweek Strategy).
SBI	493	477	453	517	545	Positive	Buy at CMP. Stop 469. Targets 503/517. Aggressive targets at 545. Key support at 477. Oversold conditions. (Interweek Strategy).

Derivatives Strategies

Future Call: SELL IPCALABS DECEMBER FUTURES between 1955-1961 zone. Targets at 1901 and then at 1875. Stop: 2001. Holding Period: Intraday. Analyst's Remark: Breaking Down (IPCALABS DECEMBER Futures CMP 1940.45)

Option Call: SELL NIFTY 09th DECEMBER CE Strike Price 17400 at CMP 341.50. Maximum Profit: Rs. 17,075. Loss: Unlimited. Stop: Exit Call Option if NIFTY moves above 17675. (NIFTY DECEMBER Futures CMP 17536.40).

Market Summary:

- Nifty November Futures ended Tuesday's session at a discount of -23 vs premium of +33.
- The 25th November expiry Put-Call Open Interest Ratio was at 0.67 for Nifty whereas it was 0.70 for Bank Nifty.
- The 25th November expiry Put-Call Volume Ratio was at 0.82 for the Nifty and 0.93 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 18000 Strike Price, followed by 17800 Strike Price for 25th November Series. Unwinding was seen at strike prices 17900-19000.
- Maximum Put Open Interest (OI) was seen at strike price 17000 followed by 17500 strike prices for 25th November series. Unwinding was seen at strike prices 17700-18100.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 37500 Strike Price and Maximum Put Open Interest stands at 36500 Strike Price.
- As per Tuesday's provisional data available on the NSE, FIIs sold shares worth Rs. 4477.06 crores in the Indian Equity Market. DIIs on the other hand bought shares worth Rs. 1412.05 crores in the Indian Equity market.
- Long Buildup: SAIL, MCDOWELL-N, BHARTIARTL.
- Short Buildup: INFY, IPCALABS, MUTHOOTFIN, ASIANPAINT.
- Short Covering: ITC, BANKBARODA, VEDL.
- Long Unwinding: WIPRO, ICICIPRULI, MARUTI, ICICIGI.
- Stocks banned in F&O segment:** ESCORTS, IDEA.
- New in Ban: NIL.
- Out of Ban: NIL.

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

Nifty Spot	17503.35 (+0.50%)
Bank Nifty Spot	37272.80 (+0.39%)
VIX	18.015 (+2.83%)
Premium	-23 vs +33
Nifty Future OI	0.7 crores (-22.19%)
Bank Nifty Future OI	18.02 lakhs (-8.45%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	6292.34	5567.85
NSE Cash Vol. (Rs. in Cr)	76,249.45	74,859.93
NSE Derivative Vol. (Rs. in Cr)	69,23,226	67,23,198

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	4,76,601	42,672
Stock Future Volumes	24,62,174	1,83,428
Index Option Volumes	7,05,50,488	64,08,213
Stock Option Volumes	36,30,825	2,88,913
Total	7,71,20,088	69,23,226

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
17400	16.02 (-21%)
17500	46.17 (+40%)
17600	44.79 (-5%)

Puts	in lakhs (% Change)
17200	29.8 (+45%)
17300	42.38 (+54%)
17400	41.8 (+26%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	212	206	219	214	201	DOWN	DOWN	DOWN
CARDAMOM 1	1505	1475	1535	1478	2690	DOWN	UP	DOWN
CASTOR 1	6538	6407	6669	6478	5379	UP	UP	UP
CHANA 1	5240	5135	5345	5109	5002	UP	UP	UP
COPPER 1	738	723	753	739	725	DOWN	UP	UP
COTTON 1	31810	31174	32446	32293	25241	UP	DOWN	UP
CRUDEOIL 1	5826	5709	5943	6077	5159	DOWN	DOWN	DOWN
GOLD 1	47483	46533	48433	48321	47131	DOWN	DOWN	UP
GUARGUM5 1	11380	11152	11608	12314	7699	DOWN	DOWN	UP
GUARSEED10 1	6161	6038	6284	6606	4746	DOWN	DOWN	UP
JEERAUNJHA 1	16260	15935	16585	15462	14025	UP	UP	UP
LEAD 1	184	178	189	187	176	DOWN	DOWN	DOWN
MENTHAOIL 1	927	908	946	943	958	DOWN	DOWN	UP
NATURALGAS 1	376	365	387	398	284	DOWN	DOWN	UP
NICKEL 1	1577	1545	1609	1521	1376	UP	UP	UP
RMSEED 1	8299	8133	8465	8197	7183	UP	UP	UP
RUBBER 1	19350	18963	19737	17795	16869	UP	UP	UP
SILVER 1	62616	61364	63868	65221	66578	DOWN	DOWN	UP
SYBEANIDR 1	6429	6300	6558	5567	6816	UP	UP	UP
ZINC 1	276	268	285	277	245	DOWN	UP	DOWN

USD/INR: Positive bias to continue. Immediate targets seen at 74.89 mark.

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
MCX GOLD	47483	46871	46129	47915	48913	Neutral	Gold slips as the Dollar Index hits its highest in 16-month, while US Treasury yields soars. Intraday Strategy: Sell between 47001-47151 zone, targeting 46871/46129. Strict Stop at 48077.
MCX SILVER	62616	61789	59783	64501	66243	Neutral	Silver slipped in yesterday's trade amidst profit booking from higher levels. Strength now likely only above 66243. Intraday Strategy: Sell between 63000-63251 zone, targeting 61789/59783. Strict Stop at 65019.
MCX CRUDE OIL	5826	5510	5279	5897	6111	Neutral	Oil prices traded rangebound in yesterday's trade. Key support now seen at 5510 zone. Confirmation of strength only above 5897. Intraday Strategy: Buy only above 5897, targeting 6011/6111 mark. Strict Stop at 5489.
MCX COPPER	737.95	717	707	757	783	Neutral	Copper prices traded sluggish in yesterday's trade. Major intraday hurdles now at 757 mark. Intraday strategy: Sell at CMP. Targets 717/707. Strict stop at 761.
MCX NATURAL GAS	376.5	361	343	383	427	Neutral	MCX Natural Gas prices inched up in yesterday's trade amidst value buying. Key support seen at 343. Confirmation of strength above 383. Intraday Strategy: Buy only above 383, targeting 411/437 mark. Stop at 363.
USD-INR	74.42	74.13	73.69	74.89	75.15	Positive	USD/INR traded sideways in yesterday's trade. Key support now seen at 74.13. Interweek hurdles seen at 74.89 zone. Interweek Strategy: Buy at CMP, targeting 74.89/75.25 mark. Strict Stop at 73.89.

The Dollar Index hits its highest in 16-month, while US Treasury yields soared

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD (USD)	1783	1761	1729	1811	1859	Neutral	Key support at 1793 mark. Interweek Strategy: Establish sell positions between 1803-1811 zone. Targets 1761/1729 mark with stop at 1829.
SILVER (USD)	24.41	23.40	22.75	25.09	27.90	Neutral	Key hurdles at 26.09. Interweek Strategy: Establish sell positions at CMP. Targets 23.40/22.75 with stop at 25.41.
WTI CRUDE OIL (USD)	78.23	75	72.59	79	81.5	Neutral	Oil prices traded range-bound in yesterday's trade. Interweek Strategy: Establish buy positions only above 79. Targets 81.50/83.50. Stop at 74.59.
EUR/USD	1.1266	1.1198	1.1079	1.1313	1.1569	Negative	Interweek Strategy: Establish sell positions between 1.1301-1.1325 zone. Targets 1.1198/1.1079 with stop at 1.1589.
US Dollar Index	96.41	95.49	93.75	97.75	101.00	Positive	Interweek Strategy: Establish buy positions at CMP. Targets 97.75/101 with stop at 95.01.
DOW JONES	35586	35513	33759	37101	37896	Positive	Wall Street mostly traded lower on Tuesday, as bond yields jumped. Positive bias to continue for Dow Jones. Interweek Strategy: Establish buy positions at CMP. Targets 36709/37101 mark with stop at 35311.

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