

**Nifty's ascent towards its all-time-high at 18,605 is on the radar.**

**Bullish looking stocks: ADANI PORTS, MPHASIS, TRENT, LARSEN, IEX, SRF, TATA POWER**



**Daily Research Reports**



## Good Morning & Welcome to Friday's trading session at Dalal Street, dated 14th of January 2022.

Before we start, here is wish that the Rising Sun on Makar Sankranti fills your life with Abundant Joy & Prosperity.

### A Very Happy Makar Sankranti to Our Readers!

In early action, SGX Nifty is seen flirting above the dotted lines which is in line with our call of the day suggesting that Nifty's ascent towards its all-time-high at 18,605 is on the radar.

Interestingly, the optimism around Dalal Street is despite the two big themes that still revolves around the uncertainties which lingers for investors, including:

1. When will price pressures start to ease?
2. When will the Fed start raising rates?

Technically speaking, the near-term technical landscape is aggressively bullish. It is likely to be all sunshine as long as Nifty stays above 17899.

### Before, we get into details — here is our preferred strategy:

# **Nifty (18257)**: Buy between 18157-18200 zone. Strict stop at 17863. Targets 18389/18605. Aggressive targets at 19000-19100 zone.

# **Bank Nifty (38470)**: Buy between 38000-38250 zone. Stop 37413. Targets 39101/39611. Aggressive targets at 40161.

## Outlook for Friday: We like SRF, RIL and Vedanta.

The big question: How much longer can the optimism last?

Or to put it straight, whether the boom at Dalal Street could be followed by a major bust?

Well, it's anyone's guess — but bull markets don't die of old age or overbought conditions. That said, bull markets could end because of excess of overleverage and most importantly, overconfidence.

At the moment, we see a lots of skepticism — be it FIIs selling, rising Covid cases which could derail global growth, inflation and a hawkish Federal Reserve on the backdrop.

### INDICES

<b>Nifty</b>	18258	0.25%
<b>Bank Nifty</b>	38470	-0.67%
<b>Nifty Auto Index</b>	11686	0.35%
<b>Nifty FMCG Index</b>	38088	0.25%
<b>Nifty Infra Index</b>	5262	0.66%
<b>Nifty IT Index</b>	38607	0.01%
<b>Nifty Media Index</b>	2324	0.54%
<b>Nifty Midcap Index</b>	8897	0.64%
<b>Nifty Metal Index</b>	5883	3.48%
<b>Nifty Pharma Index</b>	14051	1.57%
<b>Nifty Reality Index</b>	304	-0.73%
<b>Nifty Smallcap Index</b>	11821	0.61%
<b>Sensex</b>	61235	0.14%
<b>SGX Nifty</b>	18330	0.14%

### Outlook for the Day

A volatile session likely.

### Nifty Outlook

<b>Intraday</b>	Positive (18189-18407)
<b>Medium Term</b>	Positive (17500-18607)
<b>Long Term</b>	Positive (15251-19001)

### Key Levels to Watch

<b>Nifty Support</b>	18121/17877
<b>Nifty Resistance</b>	18605/19001

### Pivot Level

<b>Nifty</b>	17489
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Well, the benchmark Nifty will continue to make fresh all-time highs if inflation cools down again, the economic backdrop fosters EPS (corporate earnings-per-share) growth and the Fed only gradually and very rarely raises rates.

The gyan mantra for the day says that with multiple risks looming, it's as important as ever for investors to guard against complacency.

Helping sentiments would be a report from the World Bank which retained its growth forecast for India at 8.3% for FY22 and upgraded it to 8.7% for FY23 from 7.5% estimated earlier citing improving growth prospects, especially a reviving private capex cycle.

## TOP SECTORS:

# **Bullish View:** BANKS, METALS, IT, ENERGY, REALITY.

# **Bearish view:** MEDIA.

## STOCKS IN FOCUS:

# **BULLISH VIEW:** ADANI PORTS, MPHASIS, TRENT, LARSEN, IEX, SRF, TATA POWER, VEDANTA

# **BEARISH VIEW:** #BHARAT FORGE, HAVELLS, INDUSIND BANK, M&M FINANCIAL, RBL BANK, METROPOLIS.

# Our **chart of the day** is bullish on stocks like ADANI ENTERPRISES, ADANI PORTS, LARSEN, IEX, TATA POWER, VEDANTA and SRF with an inter-week perspective.

# **The 1 Stock to Buy Right Now:** Buy MPHASIS JANUARY Futures for 0-3 days at CMP 3313 for an objective of 3515. Stop 3141. F1 Alert: Momentum Play.

# Positive momentum likely as INFY and TCS Q3 results have delivered healthy growth across business verticals beating street expectations.

# TCS revenue for Q3FY22 was at Rs 48,885 cr, up 16.3% YoY and 4.3% QoQ. TCS announces Rs, 18,000 cr share buyback at 17% premium.

# Infosys ups guidance, posts 12% rise in Q3 net to Rs 5,809 cr.

# Mindtree too reported healthy growth in earnings for quarter ended December with profit growing 9.7 percent sequentially and total contract value crossing \$1.2 billion. The profit for Q3FY22 at Rs 437.5 crore grew by 9.7 percent and revenue at Rs 2,750 crore increased 6.3 percent compared to previous quarter, the company said in its BSE filing.

## Technical Strategy

<b>ADANI PORTS</b>	772
<b>Action</b>	BUY
<b>Target</b>	831
<b>Support</b>	721/679
<b>Resistance</b>	797/907
<b>Holding Period</b>	120-180 Days.

**Adani Ports and Special Economic Zone Limited (APSEZ)** is the largest commercial ports operator in India accounting for nearly one-fourth of the cargo movement in the country. Its presence across 13 domestic ports in seven maritime states of Gujarat, Maharashtra, Goa, Kerala, Andhra Pradesh, Tamil Nadu and Odisha presents the most widespread national footprint with deepened hinterland connectivity.

The Company's integrated services across three verticals, i.e. Ports, Logistics and SEZ, has enabled it to forge alliances with leading Indian businesses making APSEZ an undisputed leader in the Indian port sector.

### The positive catalysts in favor of the stock price are:

- Geographically, nearly 76% of APSEZ's capacity is on the west coast of India while 24% is on the east coast.
- APSEZ's strong logistic network enables seamless movement of cargo. Diversified cargo mix and increased efforts towards east coast (26%) and west coast (74%) parity derisks APL's portfolio from concentration and volatility risks. APSEZ has the capacity as well as ability to handle multiple cargo at its ports.
- APSEZ has a large land bank of 8,481 hectares of contiguous land at Mundra with requisite approvals and clearances in place.
- In spite of the pandemic, APL delivered 2% volume growth (ex Krishnapatnam) in FY21. Including Gangavaram Port and others, we expect ports volume growth of 36% and 23% to 335 MT and 412 MT in FY22E and FY23E, respectively.
- APSEZ is planning to invest in building multi modal logistics parks (MMLP) by increasing the number of MMLPs from five currently to 15 by FY26.
- APSEZ is aggressively exploring increasing its warehousing capacity from 0.4 million square feet (msf) in FY21 to 30 msf by FY26.

Technically, brace yourselves for a major rebound play on the daily charts from a classic 'higher consolidation pattern' breakout on the weekly charts. An impulse uptrend is seen forming on the weekly time scale, with positive SAR series, major confirmation above its October 2021 intermediate-highs at 830 mark.

Add to that a bullish divergence and a rising stochastic signal (on weekly charts) with recent increase in volumes signaling a larger rebound. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 737 zone.

**A potential entrance exists at CMP, targeting 787/807 mark and then aggressive targets at 857 mark. Holding Period: 3-5 Months+. Stop at 687.**



# Earnings will take center-stage in the days and weeks ahead. HCLTECH reports its Q3 today.

Saturday, 15th Jan: HDFCBANK.

## WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

### Daily chart of Nifty:



# **Technically speaking**, Nifty's biggest interweek support seen at 17899 mark. Technically, the said optimism could reverse and cause a nasty pessimism only if Nifty slips below 17,655 mark, targeting 17389 mark. Hurdles seen at 18389 zone and then all eyes will be on Nifty's all-time-high at 18605 mark..

Please note, Nifty's 200 day SMA is still at 16491 mark.

# **Bank Nifty**: Bank Nifty was seen struggling in Thursday's trade. The biggest support now seen at 37741 mark. Please note, the bears are likely to be everywhere only below 35501 mark. Below 35501 mark, we suspect, sharp corrective declines likely to take Bank Nifty towards 34011 mark. The biggest hurdles now seen at 39101 mark and then at 40211 mark. Buying on dips should be considered as the preferred strategy.

## DERIVATIVE & INSTITUTIONAL CUES:

# **India VIX**, which measures the expected volatility in the market, ended 2.78% lower at 16.70 levels in yesterday's trade.

# The **Nifty options** data for January series suggests Nifty is likely to be in a trading range of 17500-18500 zone. Maximum Call OI is at 18500 followed by 18000 strike price. So, the 18500 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 17500 levels followed by 18000 levels. Call writing was seen at 18500 and then at 18600 strike price, while there was meaningful Put writing at 18200 and then at 18000 strike prices.

# In yesterday's trade, FIIs sold shares to the tune of Rs. 1390.85 crores.

# The Put-Call Open Interest Ratio is at 1.66 for Nifty.

# **Stock banned in F&O segment:** Indiabulls Housing Finance, Vodafone Idea, SAIL.

## **ECONOMIC CUES:**

# The World Bank retained its growth forecast for India at 8.3% for FY22 and upgraded it to 8.7% for FY23 from 7.5% estimated earlier citing improving growth prospects, especially a reviving private capex cycle.

## **GLOBAL STOCK MARKETS:**

In overnight trade at Wall Street, U.S. stocks traded mixed as sentiments switched focus from inflation to 4th quarter earnings following December inflation data.

U.S headline inflation hits 7%, the highest since 1982, while core CPI jumps to 5.5%.

The benchmark 10-year Treasury note yields eased to 1.73% following the CPI data. Federal Reserve Chairman Jerome Powell told lawmakers during his Senate confirmation hearing on Capitol Hill Tuesday that he expects inflationary pressures -- recently dismissed as 'transitory' -- to persist throughout much of the year.

In the week gone at Wall Street, the Dow Jones ended 0.29% lower at 36231.66, the S&P 500 1.87% lower at 4677.02 and the Nasdaq ended 4.53% lower at 14935.90.

## **RECAP OF PREVIOUS DAY'S TRADING SESSION:**

### **Nifty's ascent towards 18,605 is on the radar.**

# Nifty (+45, 18258)

# Sensex (+85, 61235)

# Adv-Dec 36 — 14

# Nifty PCR 1.66

# INDIA VIX 16.70 (-2.78%)

# Nifty MidCap (+0.64%, 8897)

# NiftySmallC (+0.65%, 11826)

# BANK Nifty (-0.02%, 38597)

# Nifty IT (+1.16%, 38654)

# USD/INR (-0.04%, 73.88)

As widely expected, Nifty scaled higher for the fifth straight day and most importantly, shot near to its all-time-high at 18605 mark.

Interestingly, the gains came despite US CPI surging to the highest level since June 1982 and core CPI registering the biggest advance since 1991. The stronger readings reinforce the need for quicker interest rate hikes by the Federal Reserve.

Also, in a double whammy for the economy, India's retail inflation rate shot up to a five month high in December and growth in factory output decelerated to a nine-month low in November.

Bottom-line: Upwards and upwards goes Nifty — with absolutely no signs of hesitation.

**The key highlights of yesterday's trade:**

- # Nifty gains for 5th day in a row as Nifty Metals outperforms, up 3.5%.
- # The Nifty MidCap & SmallCap indices end the day on a positive note.
- # Bank Nifty (-0.67%) underperforms Nifty gains of 0.25%.
- # Top Index Gainers: TISCO (+6.26%) JSWSTEEL (+4.3%) SUN PHARMA (+2.5%).
- # Top Index Losers: WIPRO (-5.97%) ASIANPAINTS (-2.42%) HCLTECH (-1.86%).

**SRF: Aiming psychological 3000 mark with interweek perspective. We also like TRENT.**

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
ADANI ENTERPRISES	1853	1803	1753	1889	2001	Positive	Buy between 1821-1831 zone. Stop 1789. Targets 1889/1907. Aggressive targets at 2001. Breakout Play (Interweek Strategy).
BIOCON	370	356	341	377	393	Positive	Buy at CMP. Stop 353. Targets 377/393. Aggressive targets at 407. Biggest support at 356. (Interweek Strategy).
SRF	2657	2569	2455	2751	3051	Positive	Buy at CMP. Stop 2449. Targets 2751/2809. Aggressive targets at 3051. Key support at 2455. (Interweek Strategy).
TRENT	1183	1111	1000	1251	1501	Positive	Buy between 1145-1160 zone. Stop 1103. Targets 1251/1309. Aggressive targets at 1501. Biggest support at 1000. (Intermonth Strategy).
VEDANTA	340	321	315	357	387	Positive	Buy at CMP. Stop 319. Targets 341/357. Aggressive targets at 387. Biggest support at 321. (Interweek Strategy).

## Derivatives Strategies

**Future Call:** BUY NATIONALUM JANUARY FUTURES at CMP 113.75. Targets at 116 and then at 121 zone. Stop: 111.25. Holding Period: Intraday. Analyst's Remark: Momentum Play (NATIONALUM JANUARY Futures CMP 113.75)

**Option Call:** SELL NIFTY 20th JANUARY PE Strike Price 18100 at CMP 108.05. Maximum Profit: Rs. 5,402.50. Loss: Unlimited. Stop: Exit Put Option if NIFTY moves below 18157. (NIFTY JANUARY Futures CMP 18289.60).

### Market Summary:

- Nifty January Futures ended Thursday's session at a premium of +32 vs premium of +15.
- The 20th January expiry Put-Call Open Interest Ratio was at 1.09 for Nifty whereas it was 0.73 for Bank Nifty.
- The 20th January expiry Put-Call Volume Ratio was at 0.87 for the Nifty and 0.84 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 18200 Strike Price, followed by 19000 Strike Price for 20th January Series. Short buildup was seen at strike prices 18600-19200.
- Maximum Put Open Interest (OI) was seen at strike price 18000 followed by 18200 strike prices for 20th January series. Short buildup was seen at strike prices 17000-18200.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 38500 Strike Price and Maximum Put Open Interest stands at 38400 Strike Price.
- As per Thursday's provisional data available on the NSE, FIIs sold shares worth Rs. 1065.32 crores in the Indian Equity market.
- Long Buildup: NMDC, BIOCON, NATIONALUM, TATASTEEL.
- Short Buildup: HAVELLS, VOLTAS, APOLLOHOSP.
- Short Covering: SUNPHARMA, DELTACORP, VEDL, TCS.
- Long Unwinding: MOTHERSUMI, HCLTECH, KOTAKBANK.
- Stocks banned in F&O segment:** IBULHSGFIN, IDEA, SAIL.
- New in Ban: NIL.
- Out of Ban: DELTACORP, RBLBANK.

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

<b>Nifty Spot</b>	18257.80 (+0.25%)
<b>Bank Nifty Spot</b>	38469.95 (-0.67%)
<b>VIX</b>	16.705 (-2.78%)
<b>Premium</b>	+32 vs +15
<b>Nifty Future OI</b>	1.03 crores (+2.54%)
<b>Bank Nifty Future OI</b>	22.03 lakhs (-8.72%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
<b>BSE Cash Vol. (Rs. in Cr)</b>	5198.08	5550.66
<b>NSE Cash Vol. (Rs. in Cr)</b>	66,651.61	63,758.74
<b>NSE Derivative Vol. (Rs. in Cr)</b>	1,52,64,361	72,79,125

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
<b>Index Future Volumes</b>	2,64,738	24,806
<b>Stock Future Volumes</b>	9,90,201	74,144
<b>Index Option Volumes</b>	15,72,47,841	1,48,76,749
<b>Stock Option Volumes</b>	38,78,683	2,88,662
<b>Total</b>	16,23,81,463	1,52,64,361

### Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
18200	25.43 (+146%)
18300	24.79 (+135%)
18400	14.88 (+96%)

Puts	in lakhs (% Change)
18200	23.33 (+242%)
18300	9.67 (+576%)
18400	2.42 (+375%)





Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	233	226	240	226	210	UP	UP	UP
CARDAMOM 1	1505	1475	1535	1478	2690	DOWN	UP	DOWN
CASTOR 1	6096	5974	6218	5948	5693	DOWN	UP	DOWN
CHANA 1	5240	5135	5345	5109	5002	UP	UP	UP
COPPER 1	754	739	769	747	736	DOWN	UP	UP
COTTON 1	35480	34770	36190	33551	27271	UP	UP	UP
CRUDEOIL 1	6058	5937	6179	5655	5346	UP	UP	UP
GOLD 1	47777	46821	48733	47980	47606	DOWN	DOWN	UP
GUARGUM5 1	11744	11509	11979	11060	8535	UP	UP	DOWN
GUARSEED10 1	6417	6289	6545	6132	5140	UP	UP	DOWN
JEERAUNJHA 1	17680	17326	18034	16551	14572	UP	UP	UP
LEAD 1	190	184	195	188	180	DOWN	UP	UP
MENTHAOIL 1	982	962	1002	999	959	DOWN	DOWN	UP
NATURALGAS 1	326	316	336	293	304	UP	UP	DOWN
NICKEL 1	1623	1591	1655	1563	1433	UP	UP	UP
RMSEED 1	7425	7277	7574	7811	7454	DOWN	DOWN	DOWN
RUBBER 1	16300	15974	16626	16656	17203	DOWN	DOWN	DOWN
SILVER 1	61856	60619	63093	61755	65610	DOWN	DOWN	DOWN
SYBEANIDR 1	6373	6246	6500	6315	7066	DOWN	UP	UP
ZINC 1	290	281	298	287	256	UP	UP	DOWN

**MCX Gold: Heating US inflation key negative catalyst. Weakness now only below 47011 mark. Major hurdles at 48169 mark.**

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
MCX GOLD	47735	47011	46871	48169	48545	Neutral	Gold prices wavered amidst scorching Inflation update from the U.S. where headline inflation hits 7% while core CPI jumps to 5.5%. Biggest hurdles at 48169 mark. Intraday strategy: Sell at CMP, targeting 47601/47011/46871 and then aggressive targets at 46011 with stop at 48211.
MCX SILVER	61878	61203	59901	62563	64011	Neutral	Silver prices too traded choppy tracking uninspiring overnight gold session. Upside likely to be capped. Intraday strategy: Sell only below 61203, targeting 59129//58151 and then aggressive targets at 57501 with stop at 62753.
MCX CRUDE OIL	6076	5957	5805	6189	6355	Neutral	Oil prices were seen consolidating after recent big run up amidst value buying. Key support seen at 5805 while major hurdles at 6189. Intraday Strategy: Buy between 6000-6025 zone, targeting 6189/6355 mark. Strict Stop at 5923.
MCX COPPER	756.00	745	733	773	807	Positive	Copper prices wavered in yesterday's trade. Key support at 733 mark. Intraday strategy: Buy at CMP. Targets 773/805. Strict stop at 741.
MCX NATURAL GAS	317.0	301	289	349	381	Positive	MCX Natural Gas prices tanked hard in yesterday's trade amidst massive profit booking. Key intraday support seen at 301. Hurdles at 349. Intraday Strategy: Buy at CMP, targeting 349/381/401 mark. Stop at 283.
USD-INR	73.89	73.57	73.21	74.21	74.57	Neutral	USD/INR was seen consolidating in yesterday's session amidst oversold technical conditions. Key support now seen at 73.57 zone. Interweek hurdles now seen at 74.21 zone. Interweek Strategy: Sell between 74.01-74.05 zone, targeting 73.57/73.21 mark. Strict Stop at 74.23.

Wall Street were mixed on Thursday after data showed producer prices rose at a slower-than-expected pace in December.

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD (USD)	1819	1791	1773	1835	1851	Neutral	Key support at 1791. Interweek Strategy: Establish sell positions only below 1807 zone. Targets 1791/1760/1745 mark with stop at 1841.
SILVER (USD)	23.16	20.50	19.00	23.46	25.05	Neutral	Key hurdles at 25.05. Interweek Strategy: Establish sell positions at CMP. Targets 20.50/19 with stop at 23.71.
WTI CRUDE OIL (USD)	82.34	81.45	79.75	85.5	87.9	Positive	Oil prices wavered in yesterday's trade as consolidation was the preferred theme. Interweek Strategy: Establish buy positions between 82-82.50 zone. Targets 85.50/87.50. Stop at 80.60.
EUR/USD	1.1465	1.1289	1.1135	1.1554	1.1671	Neutral	Interweek Strategy: Establish sell positions only below 1.1289. Targets 1.1079/1.0981 with stop at 1.1475.
US Dollar Index	94.79	93.75	92.45	97.75	101.00	Positive	Interweek Strategy: Establish buy positions at CMP. Targets 97.75/101 with stop at 93.50.
DOW JONES	36305	35871	35359	36857	37891	Positive	Dow wavered in yesterday's trade as markets were still showing concern about tighter monetary policy. Interweek Strategy: Establish buy positions at CMP. Targets 36857/37891 mark with stop at 35701.

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