

Our **chart of the day** is bullish on stocks like TATA POWER, HINDALCO, JINDAL STEEL & POWER, TATA MOTORS and STATE BANK OF INDIA with an inter-week perspective.

Nifty's Hurdles 18077.

Nifty's support at 18647/18557



Daily Research Reports

Good Morning & Welcome to Friday's trading session at Dalal Street, dated 21st of January 2022.

This Friday morning, SGX Nifty was seen attempting some serious dead cat bounce as helping sentiments are positive catalysts like:

1. China slashing interest rates.
2. U.S. bond yields were seen retreating.

We will spy with one big eye if the weak rebound attempt will again be swept aside by bears.

Technically, confirmation of strength only above Nifty 18077 mark. On the downside, the benchmark Nifty needs to hold above 17557 mark for any meaningful recovery.

Long Story short: "Risk-on" move should wait until Nifty clears 18,077 mark.

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

Nifty (17757): Sell between 17950-17975 zone. Strict stop at 18129. Targets 17647/17557. Aggressive targets at 17131-17201 zone.

Bank Nifty (37851): Sell only below 37591 mark. Stop 39113. Targets 37007/36551. Aggressive targets at 35881.

Outlook for Friday: Positive start...

The People's Bank of China cut one-year and five-year prime mortgage loan rates by 10 and 5 basis points Thursday -- 3.7% and 4.6% respectively.

All eyes will be on the U.S Dollar index which is seen preserving its strength at 95.69 mark.

Also, focus will be on Oil prices which have jumped to a 7-year high on reports of heating up geopolitical tensions. President Biden was said saying that he expects Russia to invade Ukraine. News reports suggest that Russian troops have been massing on the Ukraine border. Any escalation will result in the U.S Dollar gain and also oil prices likely to zoom higher amidst this backdrop.

Also, fueling pessimism are yesterday's institutional activity where FIIs were big sellers in Indian stock markets. Foreign institutional investors (FIIs) net sold shares worth Rs 4679.84 crores.

INDICES

Nifty	17757	-1.01%
Bank Nifty	37850	-0.50%
Nifty Auto Index	11583	-0.84%
Nifty FMCG Index	36681	-1.15%
Nifty Infra Index	5186	-0.14%
Nifty IT Index	36662	-1.66%
Nifty Media Index	2308	-0.70%
Nifty Midcap Index	8655	-0.28%
Nifty Metal Index	5831	0.52%
Nifty Pharma Index	13455	-1.66%
Nifty Reality Index	503	0.23%
Nifty Smallcap Index	11684	-0.05%
Sensex	59465	-1.06%
SGX Nifty	17970	-0.05%

Outlook for the Day

Positive start

Nifty Outlook

Intraday	Neutral (17611-18011)
Medium Term	Positive (17500-18607)
Long Term	Positive (15251-19001)

Key Levels to Watch

Nifty Support	17647/17567
Nifty Resistance	18077/18389

Pivot Level

Nifty	17489
--------------	-------

The street will also be apprehensive on Hindustan Unilever's (HUL) chairman and managing director Sanjiv Mehta's remarks that the rural economy is in slowdown mode and reversing it would require putting more cash in the hands of the consumer,

Meanwhile, the key corporate earnings to trickle in are:

Friday, 21st Jan: RELIANCE INDUSTRIES, SBI LIFE, PVR, L&T FINANCIAL, JSW STEEL, IDEA, HDFC LIFE, IDBI, HINDUSTAN ZINC, BANDHAN BANK.

TOP SECTORS:

Bullish View: ENERGY, METALS, PSU BANKS

Bearish view: PHARMA, FMCG, IT.

STOCKS IN FOCUS:

BULLISH VIEW: BHARATI AIRTEL, SBI, TATA MOTORS, TATA POWER, BANK OF BARODA.

BEARISH VIEW: INDUSIND BANK, RBL BANK, INFOSYS, LAL PATH LABS, METROPOLIS, M&M FINANCIAL.

Our **chart of the day** is bullish on stocks like TATA POWER, TATA MOTORS and STATE BANK OF INDIA with an inter-week perspective on any corrective declines.

The 1 Stock to Buy Right Now: BUY MACROTECH DEVELOPERS LTD (LODHA).

At CMP 1275 and ADD on Dips 1139-1151 zone.

Targets – 1351/1417.50/1507.50.

Stop Loss on closing basis – 1061.

Holding Period: Up to 90 Days.

Allocation: 3%

BINOCULAR (BO) Calls: Predominantly Delivery Trades.

WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

Technical Strategy

TATA POWER	249
Action	BUY
Target	301
Support	232/202
Resistance	267/305
Holding Period	45-60 Days.

Incorporated in the year 1919, Tata Power is India's largest integrated private power company with significant international presence and specializes in generating, transmission and distribution of electricity. Tata Power is present across the entire power value chain of conventional & renewable energy and next-generation customer solutions.

On the operating front, the consolidated revenue was up 54.5% YoY at INR99.8bn in Q1FY22 primarily led by the acquisition of Odisha discoms and strong execution across the solar EPC segment. Also, all-round improvements seen in both B2B & B2C verticals and across its generation, transmission and distribution operations. The solar EPC order backlog stood strong at Rs. 72.6bn. The firm has set targets of generating revenue of over Rs. 27,000cr in FY25, with capex spends of Rs. 15,000cr over the next 5 years.

Tata Power has an installed generation capacity of 12,808 MW in India and a presence in all the segments of power sector, viz. Fuel & Logistics, Generation (thermal, hydro, solar and wind), Transmission, Distribution and Trading. The tailwinds are in favour for the renewables and ancillary businesses and thereby could fetch higher valuations. We expect market to ascribe higher valuation to segregated portfolio of clean energy businesses on back of a) asset light b) higher growth expectations and c) ESG compliant portfolio.

The macro environment has become favourable for clean and energy businesses which is expected to yield better valuations. The firm acquired four licenses for retail power distribution in Odisha, thereby expanding its total customer base to over 11.7mn. Tata Power, through its solar arm, has been providing 29 years of manufacturing of cells and modules by focusing on cutting-edge technology and world-class innovation. Tata Power's transition into the green segment is gaining strong momentum with nearly 40%/10% market share enjoyed by its EV charging/solar EPC segments. Its solar pump/solar rooftop business witnessed 8x/4x growth during Q1FY22 with the highest ever order book of ~INR11bn across solar pumps.

On the EV front, the company has tied up with OEM partners to provide home charging facilities to EV car buyers and most importantly, has set up close to 500 public charging points in nearly 100 cities and plans to expand to over 3,000 charging points in the next one year.

Establish long positions at CMP, and on dips between 221-227.50 zone targeting 267 and then aggressive targets at psychological 300 mark. Stop at 197. Holding period 2-3 months.

Daily chart of Nifty:



Technically speaking, immediate intraday support on Nifty is placed at 17647 mark. Below 17647 levels, Nifty can swiftly slip towards 17567-17575 zone.

Bulls are likely to regain control only above the 18077 mark. Above 18077 mark, all eyes will be on Nifty's magical goalpost at 18605 mark and then at aggressive inter-month targets at 19001 mark.

Please note, Nifty's 200 day SMA is still at 16577 mark.

Bank Nifty: Bank Nifty was seen struggling in yesterday's trade as well. The biggest support now seen at 37591 mark. Please note, the bears are likely to be everywhere only below 37591 mark. Below 337591 mark, we suspect, sharp corrective declines likely to take Bank Nifty towards 35551 mark. The biggest hurdles now seen at 39101 mark and then at 40211 mark.

DERIVATIVE & INSTITUTIONAL CUES:

India VIX, which measures the expected volatility in the market, ended 0.15% lower at 17.79 levels in Thursday'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 18300 followed by 18500 strike price. So, the 18500 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 18000 levels followed by 17500 levels. Call writing was seen at 18300 and then at 18200 strike price, while there was meaningful Put writing at 17900 and then at 18200 strike prices.

As per Thursday's provisional data available on the NSE, FIIs sold shares worth Rs. 4679.84 crores in the Indian Equity Market. DIIs however bought shares worth Rs. 769.26 crores

The Put-Call Open Interest Ratio is at 0.76 for Nifty.

Stock banned in F&O segment: BHEL, ESCORTS, INDIABULLS HOUSING FINANCE, VODAFONE IDEA, GRANNULES.

IPO Note:

AGS Transact Technologies launched its initial public offering (IPO) on January 19th. The price band for the offer, which closes January 21, has been fixed at Rs 166-175 a share.

The company aims to raise Rs 680 crore the IPO, which is entirely an offer for sale by shareholders.

AGS Transact Technologies' initial public offering (IPO) has got a good response, with the Rs 680-crore issue being subscribed 1.28 times by the second day of bidding.

GLOBAL STOCK MARKETS:

Overnight at Wall Street, U.S. stocks traded firmly higher as Treasury bond yields eased and the U.S Dollar also steadied. Investors continued to track interest rate markets ahead of next week's Fed policy meeting.

Tech stocks rose with traders buying beaten-down shares in the Nasdaq Composite, which fell into correction territory -- defined as a 10% slide from a recent high -- during the Wednesday session amid the worst January performance for the Nasdaq since 2008.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Falling-Manic continues to grip Dalal Street — just like Faceplant.

Nifty (-181, 17757)

Sensex (-634, 59465)

Adv-Dec 15 — 35

Nifty PCR 0.76

INDIA VIX 17.79 (-0.15%)

Nifty MidCap (-0.28%, 8655)

NiftySmallC (+0.03%, 11692)

BANK Nifty (-0.50%, 37851)

Nifty IT (-1.60%, 36687)

USD/INR (+.10%, 74.50)

As expected, Nifty traded with sharp losses as sentiments were driven negatively by the only monumental catalyst that auguring ill for Indian equities: Rising U.S Treasury yields.

The 10-year US Treasury yield have soared to a two-year high of 1.90%, while the yield on the 2-year bond reached 1.06%.

On the backdrop, remains the narrative of aggressive Federal Reserve's tightening of its monetary policy. The street are fears that the US Federal Reserve will have to accelerate further its tightening pace.

Also, breaking the back of this bullish market are rising oil prices which have jumped to 7-Year Highs amidst supply concerns and drone strikes.

Bottom-line: Commanding attention from here-on would be the two-day FOMC meeting beginning Jan. 25th.

The key highlights of yesterday's trade:

- # Nifty tanks for 3rd day in a row. Sensex too ends below 60000 mark.
- # Nifty IT index continues to get drubbing, down 1.60% and 6% from its highs.
- # Nifty Pharma index too falls 1.53% for the day
- # Bank Nifty (-0.42%) mildly outperforms as against Nifty losses of 0.90%.
- # Top Index Gainers: POWERGRID (+4.8%) BHARTI AIRTEL (+2%) GRASIM (+1.66%).
- # Top Index Losers: BAJAJ FINSERV (-4.6%) BAJAJ AUTO (-3.7%) DIVIS LAB (-2.9%).

When in doubt, buy Tata Power. Jindal Steel & Power too looks attractive.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
BEL	212	205	199	225	251	Positive	Buy at CMP. Stop 197. Targets 225-233. Aggressive targets at 251. Key support at 199. (Intermonth Strategy).
JINDAL STEEL & POWER	418	407	393	427.5	451	Positive	Buy at CMP. Stop 403. Targets 427.50/439. Aggressive targets at 451. Key support at 393. (Intermonth Strategy).
TRENT	1170	1111	1063	1221	1273	Positive	Buy between 1145-1155 zone. Stop 1051. Targets 1201/1221. Aggressive targets at 1273. Key support at 1111. (Intermonth Strategy).
SBI	511	501	489	533	551	Positive	Buy between 503-507 zone. Stop 485. Targets 533/551. Aggressive targets at 575. Key support at 501. (Intermonth Strategy).
TATA POWER	249	233	219	267	305	Positive	Buy between 243-247 zone. Stop 529. Targets 267/281. Aggressive targets at 305. Key support at 219. (Intermonth Strategy).

Derivatives Strategies

Future Call: SELL RELIANCE JANUARY FUTURES at CMP 2492.70. Targets at 2421 and then at 2365 zone. Stop: 2545. Holding Period: Intraday. Analyst's Remark: Weakening Momentum (RELIANCE JANUARY Futures CMP 2492.70)

Option Call: SELL NIFTY 27th JANUARY CE Strike Price 17700 at CMP 213. Maximum Profit: Rs. 10,650. Loss: Unlimited. Stop: Exit Call Option if NIFTY moves above 18035. (NIFTY JANUARY Futures CMP 17808).

Market Summary:

- Nifty January Futures ended Thursday's session at a premium of +51 vs premium of +38.
- The 27th January expiry Put-Call Open Interest Ratio was at 0.74 for Nifty whereas it was 0.74 for Bank Nifty.
- The 27th January expiry Put-Call Volume Ratio was at 0.75 for the Nifty and 0.82 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 18000 Strike Price, followed by 19000 Strike Price for 27th January Series. Short buildup was seen at strike prices 17600-18800.
- Maximum Put Open Interest (OI) was seen at strike price 18000 followed by 17000 strike prices for 27th January series. Long buildup was seen at strike prices 16500-17900.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 38000 Strike Price and Maximum Put Open Interest stands at 38000 Strike Price.
- As per Thursday's provisional data available on the NSE, FIIs sold shares worth Rs. 4679.84 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 769.26 crores.
- Long Buildup: ICICIBANK, BHARTIARTL.
- Short Buildup: INFY, RELIANCE, TCS, HUL.
- Short Covering: ADANIANT, POWERGRID, GRANULES, GRASIM.
- Long Unwinding: AMARARAJABAT, HCLTECH, M&M.
- Stocks banned in F&O segment:** BHEL, ESCORTS, GRANULES, IBULHSGFIN, IDEA.
- New in Ban: NIL.
- Out of Ban: SAIL.

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

Nifty Spot	17757.00 (-1.01%)
Bank Nifty Spot	37850.85 (-0.50%)
VIX	17.79 (-0.15%)
Premium	+51 vs +38
Nifty Future OI	0.86 crores (-6.47%)
Bank Nifty Future OI	17.78 lakhs (-9.98%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	4677.64	6390.29
NSE Cash Vol. (Rs. in Cr)	63,520.91	67,398.58
NSE Derivative Vol. (Rs. in Cr)	1,86,25,229	1,06,19,316

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	4,27,159	39,070
Stock Future Volumes	11,00,007	81,261
Index Option Volumes	19,64,04,283	1,82,38,226
Stock Option Volumes	34,92,221	2,66,672
Total	20,14,23,670	1,86,25,229

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
17700	12.28 (+260%)
17800	29.25 (+447%)
17900	40.06 (+301%)

Puts	in lakhs (% Change)
17600	20.07 (+53%)
17700	20.05 (+48%)
17800	25.2 (+43%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	245	238	252	231	211	UP	UP	UP
CARDAMOM 1	1505	1475	1535	1478	2690	DOWN	UP	DOWN
CASTOR 1	6320	6194	6446	5979	5722	UP	UP	DOWN
CHANA 1	5240	5135	5345	5109	5002	UP	UP	UP
COPPER 1	758	743	773	749	737	DOWN	UP	UP
COTTON 1	36390	35662	37118	34560	27629	UP	UP	UP
CRUDEOIL 1	6428	6299	6557	5869	5390	UP	UP	UP
GOLD 1	48430	47461	49399	47889	47638	DOWN	UP	UP
GUARGUM5 1	12041	11800	12282	11177	8650	UP	UP	UP
GUARSEED10 1	6527	6396	6658	6215	5207	UP	UP	UP
JEERAUNJHA 1	17610	17258	17962	16868	14657	UP	UP	UP
LEAD 1	186	180	192	188	180	DOWN	DOWN	UP
MENTHAOIL 1	985	965	1005	1005	959	DOWN	DOWN	UP
NATURALGAS 1	274	266	282	299	307	DOWN	DOWN	DOWN
NICKEL 1	1730	1695	1764	1592	1444	UP	UP	UP
RMSEED 1	7900	7742	8058	7721	7507	UP	UP	UP
RUBBER 1	16469	16140	16798	16366	17205	DOWN	DOWN	DOWN
SILVER 1	65414	64106	66722	61999	65495	UP	UP	UP
SYBEANIDR 1	6402	6274	6530	6295	7076	DOWN	UP	UP
ZINC 1	299	290	308	289	257	UP	UP	UP

Positive bias on MCX Copper. Key support at 745. Aggressive buying advised only above 763 mark.

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
MCX GOLD	48430	47921	47693	48785	49333	Positive	MCX Gold traded with strength despite persistent concerns about inflation and volatile US government bond yields. Hurdles at 48785 mark. Intraday strategy: Buy between 48000-48251 zone, targeting 48785/49333 mark with stop at 47601.
MCX SILVER	65414	64398	63117	65211	67447	Positive	Silver prices flared up and was seen outperforming gold prices. Intraday strategy: Buy at CMP, targeting 66389/67447 and then aggressive targets at 68501 with stop at 63001.
MCX CRUDE OIL	6428	6221	6057	6557	6751	Positive	Oil prices were seen trading with positive bias amidst value buying. Key support seen at 6221 while major hurdles at 6557. Intraday Strategy: Buy between 6301-6351 zone, targeting 6557/6611/6751 mark. Strict Stop at 6197.
MCX COPPER	758.00	745	731	763	807	Positive	Copper prices flared up in yesterday's trade. Key support at 743 mark. Aggressive buying advised only above 763. Intraday strategy: Buy at CMP. Targets 763/787/807. Strict stop at 741.
MCX NATURAL GAS	273.7	255	241	289	311	Neutral	MCX Natural Gas prices were seen drifting down in yesterday's trade. Key intraday support seen at 255. Hurdles at 289. Intraday Strategy: Buy at CMP, targeting 289/305-311 zone. Stop at 237.
USD-INR	74.50	74.03	73.21	74.81	75.03	Positive	USD/INR was seen consolidating in yesterday's trade. Key support now seen at 73.79 zone. Interweek hurdles now seen at 74.81 zone. Interweek Strategy: Buy between 74.25-74.35 zone, targeting 74.81/75.03 mark. Strict Stop at 73.97.

Wall Street bounces after Nasdaq entered into correction territory. All eyes will be the two-day FOMC meeting beginning Jan. 25th.

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD (USD)	1843	1819	1789	1857	1877	Positive	Key support at 1789. Interweek Strategy: Establish sell positions only below 1819 zone. Targets 1791/1760/1745 mark with stop at 1861.
SILVER (USD)	24.23	22.75	20.50	25.05	27.75	Positive	Key hurdles at 25.05. Interweek Strategy: Establish buy positions at CMP. Targets 25.05/27.75 with stop at 22.57.
WTI CRUDE OIL (USD)	87.12	85.05	83.45	88.5	90	Positive	Oil prices traded with strength in last week's trade as value buying was the preferred theme. Interweek Strategy: Establish buy positions between 85-86.50 zone. Targets 88.50/90. Stop at 84.75.
EUR/USD	1.1319	1.1289	1.1135	1.1554	1.1671	Neutral	Interweek Strategy: Establish sell positions at CMP. Targets 1.1289/1.1079/1.0981 with stop at 1.1475.
US Dollar Index	95.60	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	35338	34911	34011	36013	36857	Positive	Dow jumps with joy as Treasury bond yields eased and the dollar held steady. Interweek Strategy: Establish buy positions at CMP. Targets 36857/37891 mark with stop at 35701.

Contact:

Khandwala Securities Limited

Head Office:

Vikas Building, Ground Floor, Green Street,
Fort, Mumbai - 400 023. India

Call : 022-40767373

DISCLAIMER: This is solely for information of clients of Khandwala Securities Limited and does not construe to be an investment advice. It is also not intended as an offer or solicitation for the purchase and sale of any financial instruments. Any action taken by you on the basis of the information contained herein is your responsibility alone and Khandwala Securities Limited, its subsidiaries or its employees or associates will not be liable in any manner for the consequences of such action taken by you. We have exercised due diligence in checking the correctness and authenticity of the information contained in this recommendation, but Khandwala Securities Limited or any of its subsidiaries or associates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this recommendation or any action taken on basis of this information.

Technical analysis studies market psychology, price patterns and volume levels. It is used to forecast future price and market movements. Technical analysis is complementary to fundamental analysis and news sources. The recommendations issued herewith might be contrary to recommendations issued by Khandwala Securities Limited in the company research undertaken as the recommendations stated in this report is derived purely from technical analysis. Khandwala Securities Limited has based this document on information obtained from sources it believes to be reliable but which it has not independently verified; Khandwala Securities Limited makes no guarantee, representation or warranty and accepts no responsibility or liability as to its accuracy or completeness. The opinions contained within the report are based upon publicly available information at the time of publication and are subject to change without notice. The information and any disclosures provided herein are in summary form and have been prepared for informational purposes. The recommendations and suggested price levels are intended purely for trading purposes. The recommendations are valid for the day of the report however trading trends and volumes might vary substantially on an intraday basis and the recommendations may be subject to change. The information and any disclosures provided herein may be considered confidential. Any use, distribution, modification, copying, forwarding or disclosure by any person is strictly prohibited. The information and any disclosures provided herein do not constitute a solicitation or offer to purchase or sell any security or other financial product or instrument. The current performance may be unaudited. Past performance does not guarantee future returns. There can be no assurance that investments will achieve any targeted rates of return, and there is no guarantee against the loss of your entire investment.

POTENTIAL CONFLICT OF INTEREST DISCLOSURE (as on date of report)

Disclosure of interest statement – • Analyst interest of the stock / Instrument(s) : - No. • Firm interest of the stock / Instrument (s) : - No.