

Bear market rally is on and that brings us to the big question: Will the bears really go away?

Technically speaking...

Nifty's bullish bias stays intact as long as 15353 support holds.

Nifty shorts are likely to get squeezed above 16181 mark.



Daily Research Reports

Good Morning & Welcome to Monday's trading session at Dalal Street, dated 27th of June 2022.

This Monday morning, judging by early action at SGX Nifty, it appears **Nifty bulls will be all around Dalal Street.**

Yes, if the strong positive close at Wall Street in Friday's trade is any indication, then **Nifty shall join the conga-line of rising global stock markets.**

The newly optimistic investors will be seen positioning aggressively on the buy side as are also getting **the much-needed boost from a reduction in the U.S bond yields.** The yield on the benchmark 10-year Treasury note was trading at 3.134%, down from last week's close of 3.231%.

Also helping sentiments will report from the Indian Meteorological Department (IMD) which on Saturday predicted that an intense spell of rainfall very likely to continue along west coast during next 5 days. The weather department also said that increased rainfall activity is likely to prevail over Northwest and Central India from 27 June.

This should definitely help on building positive sentiments and enough to send Nifty near the psychological 16000 levels and trigger action in the beaten down stocks.

Now, before we get into details, here is the preferred trade on Nifty and Bank Nifty:

Nifty (15699): Buy between 15650-15700 zone. Strict stop at 15321. Targets 15907/16181. Aggressive targets at 16400-16501 zone.

Bank Nifty (33627): Buy at CMP. Strict stop at 32511. Targets 34175/34677. Aggressive targets at 35793 mark.

Outlook for Monday: Positive start...

At the moment, the street is clearly seen brushing off rate worries. Please note, Fed is strongly committed to bringing inflation back down, and moving expeditiously to do so.

Honestly speaking, **bear market rally is on and that brings us to the big question of the week: Are the bears really gone?**

Hopefully, Fed's ongoing interest rate increases will be appropriate. Pace of future rate increases by Fed will continue to depend on incoming data and evolving economic outlook. We suspect rate hike decisions will fluctuate from meeting by meeting.

INDICES

Nifty	15699	0.92%
Bank Nifty	33627	1.49%
Nifty Auto Index	11583	1.97%
Nifty FMCG Index	37779	1.24%
Nifty Infra Index	4522	0.91%
Nifty IT Index	27778	-0.89%
Nifty Media Index	1893	2.54%
Nifty Midcap Index	7314	1.41%
Nifty Metal Index	4597	1.63%
Nifty Pharma Index	12178	0.42%
Nifty Reality Index	383	0.27%
Nifty Smallcap Index	8391	1.76%
Sensex	52728	0.88%
SGX Nifty	15829	0.81%

Outlook for the Day

Positive session likely

Nifty Outlook

Intraday	Positive (15621-15921)
Medium Term	Neutral (14251-17001)
Long Term	Positive (12500-19001)

Key Levels to Watch

Nifty Support	15601/15351
Nifty Resistance	15989/16181

Pivot Level

Nifty	16211
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The Fed has just increased its benchmark funds rate by 75 basis points — its largest rate increase since 1994. The Swiss National Bank also surprised markets in recent days with its first rate hike since 2007 while the Bank of England implemented its fifth rate rise in a row.

The central banks and the street suspects recession is imminent and consumers across globe are reacting accordingly. With spending about to drop and inflation still surging we have an incredibly poor environment for risk assets.

The biggest negative catalyst surrounding Dalal Street too are the uncertainty evolving around Indian economy amidst inflationary concerns, monetary tightening, elevated crude oil prices, geopolitical crisis, lofty valuations, depreciating rupee, and constant FII outflows.

Amidst these headwinds, a gut-wrenching week most likely for perma-bulls camp and while strategists largely remain optimistic about stocks' long-term prospects, investors might need to gird themselves for more of the tumultuous same over the coming weeks.

That brings us to the **call of the week** continues to caution on any excessive strength and suggests, 'the expected rebound likely to be a pause before more market declines, and most importantly, investors should not hurry up and buy any excessive strength'. Well, there is still no respite for the bulls to stick their heads out as the bear storm hits world markets with a bang.

We still suspect, the benchmarks at Dalal Street to trade volatile with any excessive upside capped around 16200-16400 zone and probably collapse heavily if Nifty slips below its biggest support at 15300 mark. With Fed and other central banks across the globe trying to rein on inflation desperately, it's going to be a tough call to take bullish bets on any excessive strength from hereon.

TOP SECTORS:

Bullish Sectors: Banks, Auto.

Bearish Sectors: Pharma.

STOCKS IN FOCUS:

BULLISH VIEW: ASHOK LEYLAND, BAJAJ FINANCE, MARUTI, M&M, TATA MOTORS, ICICI BANK, FEDERAL BANK, SRF, WHIRLPOOL, PIDILITE, CANFIN HOMES, CANARA BANK, BOB, GALAXY SURFACTANTS.

BEARISH VIEW: BHARAT FORGE, BIOCON, INDIAMART, LUPIN, RAIN INDUSTRIES, INDIA BULLS HOUSING FINANCE, INDIA MART, INDIGO, RAIN INDUSTRIES, LUPIN, LAURUS LAB.

Technical Strategy

JINDAL STEEL & POWER LTD. (JSPL)	318
Action	BUY
Target	369
Support	304/293
Resistance	369/409
Holding Period	30-45 Days

Incorporated in the year 1979, **JINDAL STEEL AND POWER LIMITED (JSPL)** operates in Metals and Ferrous sector dominant presence in steel, power, mining and infrastructure and now commands market capitalisation of Rs 46,267 Cr.

JSPL's domestic steel business produces economical and efficient steel through backward and forward integration. It has an installed steel-making capacity of over 6.75 million tons per annum (MTPA); an installed power generation capacity of approximately 5,049 megawatts, and pellet-making capacity of over ten MTPA.

JSPL owns and operates state-of-the-art facilities in Chhattisgarh, Odisha and Jharkhand.

Promoter holding have gone down from 60.47 (30 Jun 2021) to 60.45 (31 Mar 2022). Also, Foreign Institutional Investors holding have gone down from 10.54 (30 Jun 2021) to 9.7 (31 Mar 2022)

At the moment, sentiments continue to take beating on backdrop of weak demand (negative sentiments on Chinese demand), lower ASP, higher-than-expected decline in steel prices, higher-than-expected increase in iron ore prices and high input cost like (coking coal prices) to dent earning results going forward.

Technically speaking, the biggest positive catalysts are prevailing bearish signs for JSPL, among them is excessive bearishness for steel and metal stocks. Technically, JSPL's stock price pattern suggests extremely oversold conditions.

We suspect, a rebound play quite likely which should take the stock towards 362 mark and then aggressive targets at 409 mark

The stock's 200 DMA is placed at 423 zone.

Establishing long positions at CMP should be the preferred trading strategy, targeting 345/363 mark and then aggressive targets at 400-409 zone. Stop below 289. Holding Period: 21-30 days.

Our **chart of day** is bullish on stocks like BAJAJ FINANCE, ASHOK LEYLAND and ESCORTS with an interweek/intermonth perspective.

The 1 Stock to Buy Right Now: ASHOK LEYLAND (Buy at CMP 140): Look to buy at CMP, and on any corrective dips between 113-119 zone, targeting 167.50-171 zone and then aggressive bigger 12-15 months targets at 200 mark. Stop at 107.

All eyes will be on the June Auto sales data.

WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

Daily chart of Nifty:



Nifty: Technically speaking, the downside risk on Nifty likely only on any close below 15363 mark. The perma-bulls will aim to carry over the positive baton from Friday's trade and lift Nifty above its psychological to 16000 mark. Biggest interweek hurdles at 16183 mark. Nifty's 200 - DMA at 17199 mark. We expect, Nifty to trade with positive bias for the day.

ALL ABOUT NIFTY:

NIFTY (CMP 15699):

SUPPORT: 15601/15351

RESISTANCE: 15921/16181

21 DMA: 16041

50 DMA: 16357

200 DMA: 17199

BIAS: Positive

Bank Nifty: In Friday's trading session, Bank Nifty traded with positive bias and most importantly, ended on a positive note. Bank Nifty will face a major hurdles placed at 33594 mark and then at 34879 mark. The biggest support for Bank Nifty seen at 33259 and then all eyes at 32155 mark. We expect, Nifty to trade with positive bias.

DERIVATIVE & INSTITUTIONAL CUES:

India VIX, which measures the expected volatility in the market has inched lower to 20.55 levels.

The **Nifty options data** for June series suggests Nifty is likely to be in a trading range of 14500-16000 zone. Maximum Call OI is at 16000 followed by 15500 strike price. So, the 16000 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 15500 levels followed by 14000 levels. Call writing was seen at 15500 and then at 16000 strike price, while there was meaningful Put writing at 14000 and then at 14600 strike prices.

In Friday's trade, FIIs Foreign institutional investors (FIIs) net sold Rs 2354 crore worth of shares, whereas domestic institutional investors (DIIs) remained net buyers to the tune of Rs 2213 crore worth of shares.

In the June month so far, FIIs have net sold Rs 53,600 crore. FIIs have been net sellers for eighth consecutive month, net offloading more than Rs 3.50 lakh crore since October 2021. The net outflow by FIIs from equities has reached Rs 1.81 lakh crore so far in 2022.

Please note, apart from India, other emerging markets, including Taiwan, South Korea, Thailand and the Philippines witnessed outflow in this month so far.

FIIs selling likely to intensify as macro-data on the inflation front continues to dampen sentiments.

Risk-averse from FIIs camp will continue to be the preferred theme as long as Dalal Street is surrounded with uncertainty evolving around Indian economy amidst inflationary concerns, monetary tightening, elevated crude oil prices, geopolitical crisis, lofty valuations, depreciating rupee, and recession fears.

The Put-Call Open Interest Ratio is at 1.00 for Nifty.

ECONOMIC CUES:

Meanwhile, the week ahead kicks off with the US Durable Goods Orders and Pending Home Sales due for release on Monday. Tuesday will see the US CB Consumer Confidence data and BOE Deputy Governor Jon Cunliffe's speech. The US data could provide fresh hints on the strength of the economy, which could have a significant impact on the Fed sentiment and the dollar trades.

On Wednesday, traders will brace for the final revision of the US Q1 GDP print. However, a panel discussion titled "Policy panel" at the ECB Forum on Central Banking in Sintra, Portugal will hog the limelight. Fed Chief Powell, ECB President Christine Lagarde and BOE Governor Andrew Bailey will participate in the panel discussion, making it the most awaited event of the week.

India's finance ministry has said that the country is facing twin deficit problem due to commodity prices, subsidy.

The finance ministry has cautioned the re-emergence of the twin deficit problem in the economy, with higher commodity prices and rising subsidy burden leading to an increase in both fiscal deficit and current account deficit. It's also the first time the government has explicitly talked about the possibility of fiscal slippage in the current fiscal year.

GLOBAL STOCK MARKETS:

In Friday's trade at Wall Street, U.S Stocks ended sharply higher, marking Wall Street's first weekly gain in a month, shrugging off markets concerns around the world that suggest that growth concerns have overtaken inflation worries heading into the second half of the year.

The Dow Jones Industrial Average finished up 826 points, or 2.69%, to 31,503, while the S&P 500, which is down 20.36% for the year, gained 3.1% and the tech-focused Nasdaq rose 3.3%.

On Thursday, Federal Reserve Chairman Jerome Powell told Congressional lawmakers on Capitol Hill that he and his colleagues "can't fail" in their effort to bring inflation back to the 2% level needed for price stability in the world's biggest economy, a reiteration that points to more Fed rate hikes and slower economic growth.

"We really need to restore price stability," Powell told the House Financial Services Committee. "Because without that we're not going to be able to have a sustained period of maximum employment where the benefits are spread very widely. It's something that we need to do, we must do."

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Risk appetite returns as Nifty joins the conga-line of rising global stock markets.

Nifty (+143, 15699).

Sensex (+462, 52728)

Nifty bulls' maintained firm footing in today's trade and the positive takeaway was that the auto index was in top gear, rallying nearly 2% as Mahindra & Mahindra hit new high, up 4% on hopes of strong domestic demand.

The key highlights of Friday's trade:

All sectoral indices end in green except Nifty IT index which was down 0.87%

Nifty Media index was top gainers, up 2.55% followed by Nifty PSU Banks and Auto index, up 1.93 each.

Bank Nifty ended 1.49% higher outperforming Nifty's gains of 0.92%.

Nifty's Major Gainers: M&M (+4.36%) HEROMOTO CORP (+2.84%) INDUSIND BANK (+2.75%)

Nifty's Major Losers: TECH MAHINDRA (-1.04%) INFY (-0.77%) APOLLO HOSPITAL (-0.69%).

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Nifty PCR 1

INDIA VIX 20.55 (-1.58%)

Nifty MidCap (+1.39%, 6366)

NiftySmallCap (+1.62%, 8379)

BANK Nifty (+1.49%, 33627)

Nifty IT (-0.087%, 27785)

USD/INR (+0.06%, 78.34)

Opportunity is everywhere on the buy side. We like Bajaj Finance.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
BAJAJ FINANCE	5588	5465	5367	5806	6100	Positive	Buy at CMP. Stop 5437. Targets 5707/5806. Aggressive targets at 6100. (Interweek Strategy). Rationale: Oversold zone.
BALRAMPUR CHINNI	372	363	352	387	409	Positive	Buy at CMP. Stop 351. Targets 387/395. Aggressive targets at 409. (Interweek Strategy). Rationale: Oversold zone.
CANARA BANK	186	179	171	199	211	Positive	Buy at CMP. Stop 177. Targets 195/199. Aggressive targets at 211. (Interweek Strategy). Rationale: Oversold zone.
GRASIM	1323	1299	1271	1391	1487	Positive	Buy at CMP. Stop 1287. Targets 1391/1419. Aggressive targets at 1487. (Interweek Strategy). Rationale: Oversold zone.
PIDILITE	2169	2121	2071	2207	2289	Positive	Buy at CMP. Stop 2111. Targets 2207/2221. Aggressive targets at 2289. (Interweek Strategy). Rationale: Momentum Play.

Derivatives Strategies

Future Call: BUY INDUSIND BANK JUNE FUTURES at CMP 809. Targets at 825 and then at 851 zone. Stop: 785. Holding Period: Intraday. Analyst's Remark: Rebound Play (INDUSIND BANK JUNE Futures CMP 212.45)

Option Call: SELL NIFTY 30th JUNE PE Strike Price 15800 at CMP 190.70. Maximum Profit: ₹ 9,535/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY moves below 15575. (NIFTY JUNE Futures CMP 15718.90)

Market Summary:

- Nifty June Futures ended Friday's session at a premium of +19 vs premium of +35.
- The 30th June expiry Put-Call Open Interest Ratio was at 1.00 for Nifty whereas it was 1.03 for Bank Nifty.
- The 30th June expiry Put-Call Volume Ratio was at 0.81 for the Nifty and 0.92 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 16000 Strike Price, followed by 16500 Strike Price for 30th June Series. Long Buildup was seen at strike prices 15700-16400.
- Maximum Put Open Interest (OI) was seen at strike price 15500 followed by 14500 strike prices for 30th June series. Short Covering was seen at strike prices 14300-15600.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 35000 Strike Price and Maximum Put Open Interest stands at 32000 Strike Price.
- As per Friday's provisional data available on the NSE, FIIs sold shares worth Rs. 2353.77 crores in the Indian Equity Market. DIIs on the other hand bought shares worth Rs. 2213.44 crores.
- Long Buildup: HDFCBANK, ICICIBANK, INDUSINDBANK, HUL.
- Short Buildup: TECHM, LTTS, LTI, APOLLOHOSP, PERSISTENT.
- Short Covering: TATAPOWER, JSWSTEEL, ADANIEN, TATASTEEL.
- Long Unwinding: MPHASIS, COFORGE, ATUL.
- Stocks banned in F&O segment:** DELTACORP, IBULSHGFIN, RBLBANK, SUNTV.
- New In Ban: NIL.
- Out of Ban: NIL

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

Nifty Spot	15699.25 (+0.92%)
Bank Nifty Spot	33627.45 (+1.49%)
VIX	20.55 (-1.58%)
Premium	+19 vs +35
Nifty Future OI	0.99 crores (-1.91%)
Bank Nifty Future OI	20.01 lakhs (+3.17%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	2346.96	2392.34
NSE Cash Vol. (Rs. in Cr)	40,356.21	42,435.38
NSE Derivative Vol. (Rs. in Cr)	51,54,714	1,08,74,284

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	4,27,328	34,523
Stock Future Volumes	12,03,956	71,901
Index Option Volumes	5,89,29,758	48,08,823
Stock Option Volumes	37,78,069	2,39,466
Total	6,43,39,111	51,54,714

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
15700	44.73 (+45%)
15800	7.33 (+67%)
15900	47.1 (+128%)

Puts	in lakhs (% Change)
15600	31.43 (+75%)
15700	32.03 (+125%)
15800	13.23 (+22%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	208	202	214	230	242	DOWN	DOWN	DOWN
COPPER 1	694	680	708	772	763	DOWN	DOWN	DOWN
CRUDEOIL 1	8384	8216	8552	9030	6945	DOWN	DOWN	UP
GOLD 1	50600	49588	51612	50877	49368	DOWN	DOWN	DOWN
LEAD 1	176	171	181	184	186	DOWN	DOWN	DOWN
NATURALGAS 1	489	479	499	643	425	DOWN	DOWN	DOWN
NICKEL 1	2056	2015	2097	2286	1811	DOWN	DOWN	DOWN
SILVER 1	59725	58531	60920	61409	63526	DOWN	DOWN	DOWN
ZINC 1	296	287	305	324	303	DOWN	DOWN	DOWN
CARDAMOM 1	1505	1475	1535	1478	2690	DOWN	UP	DOWN
CASTOR 1	7190	7046	7334	7438	6676	DOWN	DOWN	DOWN
CHANA 1	5240	5135	5345	5109	5002	UP	UP	UP
COTTON 1	41000	40180	41820	46827	37348	DOWN	DOWN	DOWN
GUARGUM5 1	10276	10070	10482	10964	11212	DOWN	DOWN	DOWN
GUARSEED10 1	5499	5389	5609	5729	6137	DOWN	DOWN	DOWN
JEERAUNJHA 1	20750	20335	21165	21147	18453	DOWN	DOWN	UP
MENTHAOIL 1	1047	1026	1068	1045	1000	UP	DOWN	UP
RMSEED 1	8241	8076	8406	7680	7535	UP	UP	UP
RUBBER 1	17730	17375	18085	17397	17263	UP	DOWN	UP
SYBEANIDR 1	7850	7693	8007	7316	7000	UP	UP	UP

Silver prices likely to witness some rebound play

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
MCX GOLD	50603	49775	48651	51660	53001	Positive	Buying on dips preferred for Gold. Key support at 49775. Intraday Strategy: Buy between 50300-50350 zone, targeting 51660/53001 with stop at 49671.
MCX SILVER	59755	58301	57001	61001	63651	Neutral	Silver prices outperformed Gold in Friday's trade. Intraday strategy: Buy only above 60201, targeting 62001/63651 with stop at 60350.
MCX CRUDE OIL	8381	8251	8001	8601	8851	Negative	Crude Oil prices likely to go down. Intraday Strategy: Sell between 8421-8442 zone, targeting 8251/8001 mark. Strict Stop at 8601.
MCX COPPER	697.05	676	651	721	750	Negative	Selling on strength preferred strategy for Copper as well. Intraday strategy: Sell between 704-708 zone. Targets 676/651. Strict stop at 724.
MCX NATURAL GAS	494.3	475	443	521	556	Negative	Natural Gas prices witnessing too many whipsaws. Intraday Strategy: Sell at CMP, targeting 475/443/427 zone. Stop at 521.
USD-INR	78.35	77.91	77.00	79.00	82.00	Positive	USD/INR price likely to continue with its ascent. Key support now seen at 77.91 zone. Interweek hurdles now seen at 79 zone. Interweek Strategy: Buy at CMP, targeting 79/82 mark. Strict Stop at 77.87.

Short covering + Value Buying likely to take Dow Jones upwards

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD (USD)	1828	1801	1776	1845	1871	Neutral	Buying on dips preferred for Gold Prices. Interweek Strategy: Buy between 1817-1821 zone. Targets 1845/1871 mark with stop at 1801.
SILVER (USD)	21.13	20.65	19.45	22.05	24.00	Neutral	Silver tumbled hard but buying on dips preferred. Interweek Strategy: Buy at CMP. Targets 22.05/23.75 mark with stop at 20.65.
WTI CRUDE OIL (USD)	107.06	103	97	110	117	Negative	Oil prices likely to witness more slide despite positive upmove. Interweek strategy: Establish Sell positions at CMP. Targets 103/97/89 zone. Stop at 112.
EUR/USD	1.0554	1.0321	1.0201	1.0575	1.0721	Negative	Interweek Strategy: Establish Sell positions at CMP. Targets 1.0321/1.0201 with stop at 1.0575.
US Dollar Index	103.90	102.35	97.05	107.00	111.00	Positive	Interweek Strategy: Buy at CMP. Targets 107/111 with stop at 102.35.
DOW JONES	31501	31101	30675	31741	32001	Positive	Interweek Strategy: Establish Buy positions at CMP. Targets 31741/32001 mark with stop at 31101.

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