

Rough session on cards amidst;

1. Central bankers across the globe are seen juggling to tame inflation without halting economic progress.
2. Investors' sentiments could whipsaw juggling between mounting inflation and recession concerns.

Nifty bulls will have to battle hard to recapture the psychological 16,000 mark.



Daily Research Reports

Good Morning & Welcome to Wednesday's trading session at Dalal Street, dated 29th of June 2022.

Well, if last four-days of gains at Dalal Street are any indication then it appears a bottom has been found after the brutal sell-off which had taken Nifty down to 15183 mark.

But this morning, judging by early action at SGX Nifty, it appears pessimist will dismiss the market's recent gains as simply a bear-market rally with more pain ahead.

Blame the pessimism to rise in bond yields and crude oil prices as central bankers across globe seen juggling to tame inflation without halting economic progress.

On the positive side, the news flow on Covid from China could reignite hopes of global growth prospects into the second half of the year.

So, Dalal Street has ample arguments for either direction – so, expect it to be another gut-wrenching ride.

The market is facing a long list of challenges from expectations for slower economic growth around the world to the restraining effect of rising interest rates. And the Russian war is still creating uncertainty as investors guess how much pain it will ultimately inflict.

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

Nifty (15850): Buy between 15650-15700 zone. Strict stop at 15321. Targets 15957/16181. Aggressive targets at 16400-16501 zone.

Bank Nifty (33642): Buy between 33250-33400 zone. Strict stop at 32511. Targets 34250/34677. Aggressive targets at 35793 mark.

Outlook for Wednesday: Nifty may wobble...

Traders will brace for the final revision of the U.S Q1 GDP print to trickle in at 6 PM IST.

A panel discussion titled "Policy panel" at the ECB Forum on Central Banking in Sintra, Portugal will also 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.

INDICES

Nifty	15850	0.11%
Bank Nifty	33642	-0.50%
Nifty Auto Index	11833	1.25%
Nifty FMCG Index	38173	0.18%
Nifty Infra Index	4603	0.68%
Nifty IT Index	28509	0.58%
Nifty Media Index	1903	0.54%
Nifty Midcap Index	7399	0.11%
Nifty Metal Index	4744	1.67%
Nifty Pharma Index	12215	-0.06%
Nifty Reality Index	389	0.67%
Nifty Smallcap Index	8533	-0.34%
Sensex	53177	0.03%
SGX Nifty	15737	-0.74%

Outlook for the Day

Nifty likely to trade volatile

Nifty Outlook

Intraday	Neutral (15601-15921)
Medium Term	Neutral (14251-17001)
Long Term	Positive (12500-19001)

Key Levels to Watch

Nifty Support	15621/15351
Nifty Resistance	15957/16181

Pivot Level

Nifty	16211
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Meanwhile, the 10-year US Treasury yields higher at 3.22% as traders assess rate hikes, recession risk.

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 15351 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.

IT & Software stocks could be bright spots on the side on the backdrop of depreciating Indian Rupee. We like INFOSYS, MINDTREE, LTI and TECH MAHINDRA on the buy side on any early declines.

Easing China COVID curbs should boost metals stocks like Hindalco, NALCO and Tata Steel.

TOP SECTORS:

Bullish Sectors: Auto, Metals, IT.

Bearish Sectors: Pharma.

STOCKS IN FOCUS:

BULLISH VIEW: ASHOK LEYLAND, MARUTI, M&M, ESCORTS, BHARTI AIRTEL, FEDERAL BANK, TECH MAHINDRA, LTI, MINDTREE, INFOSYS, GALAXY SURFACTANTS.

BEARISH VIEW: BIOCON, INDIAMART, LUPIN, INDIA BULLS HOUSING FINANCE, INDIGO, SBI CARDS BANDHAN BANK, TITAN, IPCA LABS.

Our **chart of day** is bullish on stocks like GALAXY SURFACTANTS, ASHOK LEYLAND and TECH MAHINDRA with an interweek/intermonth perspective.

The 1 Stock to Buy Right Now: ASHOK LEYLAND (Buy at CMP 145): Look to buy at CMP, and on any corrective dips between 115-120 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.

Technical Strategy

JINDAL STEEL & POWER LTD. (JSPL)	333
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.

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 15351 mark. Nifty hurdles seen at its psychological to 16000 mark. Biggest interweek hurdles at 16183 mark. Nifty's 200 - DMA at 17183 mark. We expect, Nifty to trade choppy for the day.

ALL ABOUT NIFTY:

NIFTY (CMP 15850):

- # SUPPORT: 15647/15351
- # RESISTANCE: 15957/16181
- # RANGE: 15650-15950
- # 21 DMA: 15979
- # 50 DMA: 16297
- # 200 DMA: 17183
- # BIAS: Neutral

Bank Nifty: In yesterday's trading session, Bank Nifty traded with slight negative bias as caution prevailed towards the close. Bank Nifty will face a major hurdles placed at 34250 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 choppy in today's trade.

DERIVATIVE & INSTITUTIONAL CUES:

India VIX, which measures the expected volatility in the market has inched higher to 21.45 levels.

The **Nifty options data** for June series suggests Nifty is likely to be in a trading range of 15000-16500 zone. Maximum Call OI is at 16000 followed by 16500 strike price. So, the 16000 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 15000 levels followed by 15500 levels. Call writing was seen at 16200 and then at 16300 strike price, while there was meaningful Put writing at 15000 and then at 15700 strike prices.

In yesterday's trade, FIIs Foreign institutional investors (FIIs) net sold Rs 1244.40 crore worth of shares, whereas domestic institutional investors (DIIs) remained net buyers to the tune of Rs 1205.60 crore worth of shares.

In the June month so far, FIIs have net sold Rs 56,123 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:

A softer-than-expected reading of US consumer confidence from the Conference Board and a big miss on manufacturing activity from the Richmond Fed kept Wall Street lower in overnight trade.

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.

GLOBAL STOCK MARKETS:

Overnight at Wall Street, U.S. stocks turned lower as investors reacted to some rare positive news on Covid from China in hopes of finding a spark that could ignite global growth prospects into the second half of the year.

With central banks around the world essentially standing shoulder-to-shoulder in their inflation flight, vowing to lift interest rates and withdraw liquidity in order to blunt demand and tame consumer price increases, growth metrics have slowed and recession bets have increased.

The yield gap between 10-year Treasury bonds and 2-year notes is now hovering at around 7 basis points, modestly wider than last week but still close enough to the inversion level that traders cite as a signal for near-term recession.

Oil prices were also on the rise, buoyed by both bets on China demand and comments caught by a live microphone at the G-7 summit in Germany, where French President Emmanuel Macron told U.S. President Joe Biden that major producers such as Saudi Arabia and the United Arab Emirates could only make modest increases to their output capacity.

G-7 leaders also said they would look into ways in which they could ban cross-border shipments of Russian crude sold above a pre-set price as part of a broadening package on sanctions on Moscow linked to its war on Ukraine.

RECAP OF PREVIOUS DAY'S TRADING SESSION:**After early morning volatility, Nifty ends above dotted lines.**

- # Nifty (+18, 15850).
- # Sensex (+16, 53177)

The positive takeaway from today's trading session was that risk-on theme did dominate at Dalal Street as Nifty bounced back from morning lows — taking cues from improving market sentiments in global stock markets.

Among sectors, Nifty Metal index was star outperformer, gaining 1.81% followed by Nifty Auto index, up 1.23%.

Long story short: Bulls now look for acceptance above Nifty's psychological 16000 mark

The key highlights of Tuesday's trade:

- # Nifty ends in green for 4th consecutive day.
- # Bank Nifty however ended 0.50% lower as against Nifty's gains of 0.11%.
- # Nifty's Major Gainers: ONGC (+5.16%) HINDALCO (+4.46%) COAL INDIA (+2.58%) M&M (+2.57%)
- # Nifty's Major Losers: TITAN (-3.44%) ASIAN PAINTS (-3.40%) BAJAJ FINSERV (-1.94%) ADANI PORTS (-2.26%) DIVIS LAB (-2.13%).

- # Adv-Dec 32 — 17
- # Nifty PCR 0.91
- # INDIA VIX 21.45 (+2.12%)
- # Nifty MidCap (0.04%, 7394)
- # NiftySmallCap (-0.38%, 8529)
- # BANK Nifty (-0.50%, 33642)
- # Nifty IT (+0.74%, 28557)
- # USD/INR (+0.55%, 78.77)

IT stocks could do well on backdrop of depreciating Indian Rupee. We MINDTREE & LTI on any early dips.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
GRASIM	1343	1299	1271	1391	1487	Positive	Buy between 1321-1331 zone. Stop 1293. Targets 1391/1419. Aggressive targets at 1487. (Interweek Strategy). Rationale: Oversold zone.
MINDTREE	3027	2897	2721	3191	3271	Positive	Buy between 2925-2950 zone. Stop 2879. Targets 3121/3191. Aggressive targets at 3271. (Interweek Strategy). Rationale: Oversold zone.
LTI	4223	4119	4011	4289	4451	Positive	Buy between 4150-4175 zone. Stop 3991. Targets 4289/4327. Aggressive targets at 4451. (Interweek Strategy). Rationale: Oversold zone.
TATA MOTORS	418	403	393	427	445	Positive	Buy between 405-410 zone. Stop 399. Targets 427/435. Aggressive targets at 445. (Interweek Strategy). Rationale: Momentum Play.
TATA STEEL	879	847	829	911	1000	Positive	Buy at CMP. Stop 937. Targets 911/933. Aggressive targets at 1000. (Interweek Strategy). Rationale: Breakout Play.

Derivatives Strategies

Future Call: BUY MARUTI JUNE FUTURES at CMP 8510.95. Targets at 9001 and then at 9551 zone. Stop: 6801. Holding Period: Intraday. Analyst's Remark: Momentum Play (MARUTI JUNE Futures CMP 8510.95)

Option Call: SELL NIFTY 07th JULY PE Strike Price 16000 at CMP 281. Maximum Profit: ₹ 14,050/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY moves below 15701. (NIFTY JULY Futures CMP 15860.00)

Market Summary:

- Nifty June Futures ended Tuesday's session at a premium of +09 vs premium of +06.
- The 30th June expiry Put-Call Open Interest Ratio was at 0.91 for Nifty whereas it was 0.83 for Bank Nifty.
- The 30th June expiry Put-Call Volume Ratio was at 0.82 for the Nifty and 0.96 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 16000 Strike Price, followed by 16300 Strike Price for 30th June Series. Short Buildup was seen at strike prices 15800-16300.
- Maximum Put Open Interest (OI) was seen at strike price 15000 followed by 15500 strike prices for 30th June series. Short Buildup was seen at strike prices 15200-15800.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 35000 Strike Price and Maximum Put Open Interest stands at 33500 Strike Price.
- As per Tuesday's provisional data available on the NSE, FIIs sold shares worth Rs. 1244.44 crores in the Indian Equity Market. DIIs on the other hand bought shares worth Rs. 1205.63 crores.
- Long Buildup: ASHOKLEY, HINDALCO, M&M, MARUTI.
- Short Buildup: BANDHANBANK, TITAN, ASIANPAINT.
- Short Covering: ITC, ONGC, TECHM, RELIANCE.
- Long Unwinding: ICICIBANK, HDFC, KOTAKBANK, HUL.
- Stocks banned in F&O segment:** DELTACORP, SUNTV.
- New In Ban: NIL.
- Out of Ban: NIL.

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

Nifty Spot	15850.20 (+0.11%)
Bank Nifty Spot	33642.45 (-0.50%)
VIX	21.45 (+2.12%)
Premium	+09 vs +06
Nifty Future OI	0.78 crores (-8.16%)
Bank Nifty Future OI	12.00 lakhs (-19.67%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	2439.85	2559.68
NSE Cash Vol. (Rs. in Cr)	40,876.92	40,649.97
NSE Derivative Vol. (Rs. in Cr)	66,07,607	66,07,607

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	4,28,226	34,971
Stock Future Volumes	22,64,809	1,37,305
Index Option Volumes	7,50,38,452	61,84,317
Stock Option Volumes	39,39,632	2,51,014
Total	8,16,71,119	66,07,607

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
15700	25.17 (+17%)
15800	55.47 (+45%)
15900	54.88 (+22%)

Puts	in lakhs (% Change)
15800	58.28 (+44%)
15900	18.62 (-10%)
16000	22.72 (-16%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	213	207	219	225.35	241.61	DOWN	DOWN	DOWN
COPPER 1	704	690	718	760.06	762.62	DOWN	DOWN	DOWN
CRUDEOIL 1	8766	8591	8941	8978.67	6991.79	DOWN	DOWN	UP
GOLD 1	50846	49829	51863	50841.67	49422.29	DOWN	DOWN	DOWN
LEAD 1	176	171	181	184.3	185.55	DOWN	DOWN	DOWN
NICKEL 1	2000	1960	2040	2242.66	1817.11	DOWN	DOWN	DOWN
SILVER 1	59606	58414	60798	61111.19	63482.27	DOWN	DOWN	DOWN
ZINC 1	299.2	290	308	320.58	304.19	DOWN	DOWN	DOWN
CARDAMOM 1	1505	1475	1535	1478.42	2689.59	DOWN	UP	DOWN
CASTOR 1	7238	7093	7383	7389.33	6695.47	DOWN	DOWN	DOWN
CHANA 1	5240	5135	5345	5109.14	5002.21	UP	UP	UP
COTTON 1	42100	41258	42942	46372.86	37639.5	DOWN	DOWN	DOWN
GUARGUM5 1	9679	9485	9873	10724.86	11208.17	DOWN	DOWN	DOWN
GUARSEED10 1	5220	5116	5324	5633.9	6129.03	DOWN	DOWN	DOWN
JEERAUNJHA 1	21320	20894	21746	21117.86	18553.65	DOWN	UP	UP
MENTHAOIL 1	1014	994	1034	1042.87	1001.23	UP	DOWN	DOWN
NATURALGAS 1	525	515	536	614.84	426.65	DOWN	DOWN	DOWN
RMSEED 1	8241	8076	8406	7680.05	7535.1	UP	UP	UP
RUBBER 1	17730	17375	18085	17397.05	17262.5	UP	DOWN	UP
SYBEANIDR 1	7850	7693	8007	7316.19	6999.81	UP	UP	UP

Gold likely to witness positive action

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
MCX GOLD	50870	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	60220	58301	57001	61001	63651	Positive	Silver prices remained subdued but positive bias remains. Intraday strategy: Buy at CMP, targeting 62001/63651 with stop at 60350.
MCX CRUDE OIL	8833	8675	8425	9110	9451	Positive	Crude Oil prices likely witness some bounce. Intraday Strategy: Buy at CMP, targeting 9110/9451 mark. Strict Stop at 8675.
MCX COPPER	705.55	676	651	721	750	Neutral	Copper prices likely to struggle for direction. Intraday strategy: Buy only above 711 zone. Targets 721/731/750. Strict stop at 688.
MCX NATURAL GAS	529.0	511	475	556	575	Neutral	Natural Gas prices witnessing too many whipsaws. Intraday Strategy: Sell only below 517, targeting 475/443/427 zone. Stop at 533.
USD-INR	79.08	78.45	77.75	79.45	81.00	Positive	USD/INR price likely to continue with its ascent. Key support now seen at 78.45 zone. Interweek hurdles now seen at 81 zone. Interweek Strategy: Buy at CMP, targeting 79.45/81/82 mark. Strict Stop at 78.25.

Crude Oil likely to witness further bounce

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD (USD)	1820	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)	20.83	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)	111.58	105	101	114	119	Neutral	Oil prices likely to witness some ascent. Interweek strategy: Establish buy positions only above 112. Targets 114/119/123 zone. Stop at 107.
EUR/USD	1.0531	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	104.19	102.35	97.05	107.00	111.00	Positive	Interweek Strategy: Buy at CMP. Targets 107/111 with stop at 102.35.
DOW JONES	31037	30851	30451	31451	31701	Neutral	Interweek Strategy: Establish Buy positions only above 31451. Targets 31651/32001 mark with stop at 30851.

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