

**Nifty may display back-and-forth moves.**

**The next big catalyst:**

US Nonfarm Payrolls to trickle in this Friday, February 3rd.

# Technically, Nifty's major support is seen only at its 200-DMA at 17290 mark, hurdles are at 17757 and then at 18057 mark.



**Daily Research Reports**

## Good Morning & Welcome to Friday's trading session at Dalal Street, dated February 3rd 2023.

In early action, SGX Nifty is aiming to stabilize.

Our **call of the day** suggests that Nifty may display may back-and-forth moves but that said buying on dips should be the preferred strategy.

Market sentiment however remains dicey as Adani saga still remains on the front pages.

# Meanwhile, the 3-big positive catalysts:

1. Chairman Jerome Powell acknowledging that the disinflationary process has started.
2. WTI oil prices sluggish at around \$76.25 a barrel.
3. Wall Street surges to a 5-month high while European stocks rise to a 9-month high.

## Outlook for Friday: Volatility is likely to be the hallmark.

NSE puts Adani group shares like Adani Ent, Adani Ports and Ambuja Cement under ASM framework.

Well, when a stock is included in the ASM list, it serves as a warning to the investors about unusual activity in the stock.

Adani group's stocks have nosedived after the Hindenburg report's release where the American short seller accused the company of using tax havens and flagged debt concerns.

According to media reports, Country's largest public sector bank, State Bank of India has given loans of as much as Rs 21,000 crore (\$2.6 billion) to Adani Group firms.

Meanwhile, Dinesh Kumar Khara, chairman of SBI, said earlier on Thursday the Adani Group companies were servicing the loans and he doesn't see an "immediate challenge" to whatever the bank has lent so far.

The Reserve Bank of India, the nation's banking regulator, had asked lenders for details of their exposure to the conglomerate following a rout in group companies' stock prices

# On radar will be the next big catalyst:

US Nonfarm Payrolls to trickle in this Friday, February 3rd.

**Meanwhile, it is likely to be a busy week for India Inc. as Q3 results to trickle in are as follows:**

### INDICES

Nifty	17610	-0.03%
Bank Nifty	40669	0.39%
Nifty Auto Index	13214	0.05%
Nifty FMCG Index	45982	2.28%
Nifty Infra Index	4997	-0.24%
Nifty IT Index	30567	1.83%
Nifty Media Index	1857	0.50%
Nifty Midcap Index	8581	0.30%
Nifty Metal Index	5908	-4.35%
Nifty Pharma Index	12306	-0.40%
Nifty Reality Index	409	0.38%
Nifty Smallcap Index	9448	0.59%
Sensex	59932	0.38%
SGX Nifty	17632	0.18%

### Outlook for the Day

Volatile day likely.

### Nifty Outlook

Intraday	Neutral (17500-17800)
Medium Term	Positive (17100-19000)
Long Term	Positive (15000-19501)

### Key Levels to Watch

Nifty Support	17290/16747
Nifty Resistance	17887/18057

### Pivot Level

Nifty	17453
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# Friday, 3rd February: ITC, SBI, Divi's Labs, Bank of Baroda, Tata Power, InterGlobe Aviation, Paytm, Marico, Mahindra & Mahindra Financial Services, Zydus Lifesciences, Manappuram Finance, Aarti Industries, India Cements, Intellect Design Arena, JK Tyre.

# Saturday, 4th February: MCX India, Affle (India), Apex Frozen Foods, Atul Auto, Birla Corporation, Dalmia Bharat, Finolex Industries, India Pesticides, Relaxo Footwears, Rossari Biotech, Skipper, and Voltamp Transformers.

## TOP SECTORS:

# **Bullish Sectors:** AUTO, IT, FMCG

# **Bearish Sectors:** MEDIA, PHARMA

## STOCKS IN FOCUS:

# **BULLISH VIEW:** ALKEM LABORATORIES, LIC HOUSING FINANCE, TATA CHEMICALS, METROPOLIS HEALTHCARE, AND AMBUJA CEMENTS, SYNGENE INTERNATIONAL, IDFC, STATE BANK OF INDIA, PERSISTENT SYSTEMS, JK CEMENT, AND BRITANNIA INDUSTRIES.

# **BEARISH VIEW:** BIRLASOFT, ADANI PORTS, ACC, COROMANDEL INTERNATIONAL, AND HDFC LIFE INSURANCE COMPAN SYNGENE INTERNATIONAL, ONGC, TATA STEEL, JUBILANT FOODWORKS, GUJARAT GAS, SYNGENE INTERNATIONAL, ONGC, TATA STEEL, JUBILANT FOODWORKS, GUJARAT GAS.

# Our **chart of the day** is bearish on INDAL STEEL & POWER, RAIN INDUSTRIES and TATA COMMUNICATION and OBEROI REALITY on any strength with an interweek perspective.

# **The 1 stock to buy sell right now:** Sell RAIN INDUSTRIES (168). Sell at CMP. Stop 177. Targets 155/151. Aggressive targets at 142. (Interweek Strategy). Rationale: Weakening Momentum.

## WHAT TECHNICALS TELLS US

### Daily chart of Nifty:



**# Nifty:** In yesterday's trade, volatility and choppiness was the bulls regrouped at lowers.

The technical landscape is now suggesting a major support at 17287-17300 zone.

Immediate upside hurdles are at 17757 mark. Confirmation of strength now only above 18057 mark.

Nifty's 200 DMA at 17290 mark.

### Daily chart of Bank Nifty:



**# Bank Nifty:** In yesterday's trade, Bank Nifty witnessed massive choppiness.

Bank Nifty ended yesterday's trade with gains of 0.39% as against Nifty's losses of 0.03%.

PSU Bank index inched 0.17% lower while Nifty Private Bank index inched up 0.68%.

Bank Nifty's all-time-high is at 44151.80 mark.

Interweek support for Bank Nifty seen at 39419 mark. Only on any close below 39419, there is valid confirmation of more bearishness which could lead Bank Nifty down towards its biggest intermonth support and at 200-DMA at 38765 mark.

## DERIVATIVE & INSTITUTIONAL CUES:

# The **Nifty options data** suggests Nifty is likely to be in a trading range of 17000-18000 zone. Maximum Call OI is at 18000 followed by 18500 strike price. So, the 18000 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 17500 levels followed by 17000 levels. Call writing was seen at 17600 and then at 17700 strike price, while there was meaningful Put writing at 17600 and then at 17000 strike prices.

# The Volatility index has spiked to 15.77 levels as on February 2nd

# As per Friday's provisional data available on the NSE, FIIs sold shares worth Rs. 5977.90 crores in the Indian Equity Market. DIIs however bought shares worth Rs. 4,252.30 crores.

# As per Monday's provisional data available on the NSE, FIIs sold shares worth Rs. 6,792.80 crores in the Indian Equity Market. DIIs however bought shares worth Rs. 5,512.60 crores.

# As per Tuesday's provisional data available on the NSE, FIIs sold shares worth Rs. 5,439.60 crores in the Indian Equity Market. DIIs however bought shares worth Rs. 4,506.30 crores.

# In yesterday's budget day, both the FIIs and DIIs turned out to be net buyers to the tune of Rupees 1785 and 530 crores respectively.

# As per Thursday's provisional data available on the NSE, FIIs sold shares worth Rs. 3,065.40 crores in the Indian Equity Market. DIIs however bought shares worth Rs. 2,371.40 crores.

# Nifty's Put-Call Open Interest Ratio is at 1.11.

# **Stocks in Ban for today's trade:** Adani Ports, Ambuja Cement.

## ECONOMIC CUES:

# The Bank of England and the European Central Bank are set to raise rates by 50bps on Thursday, February 2nd.

# US Nonfarm Payrolls to trickle in this Friday, February 3rd.

# GST collection at nearly Rs 1.56 lakh crore in January, second highest ever.

The positive take away from Finance Minister Nirmala Sitharaman's 2023 Union Budget speech was that the central government is expected to achieve its fiscal deficit target for the current financial year (FY23) of 6.4 percent of GDP, and is targeting a fiscal deficit of 5.9% of GDP for FY24.

The big bang economic push with outlay for capital expenditure in the Union Budget 2023-24 was stepped up sharply by 33% to Rs 10 lakh crore or 3.3% of the GDP in 2023-24.

Also there were no change in the long-term capital gains tax (LTCG) and the short-term capital gains tax (STCG) structures.

## GLOBAL STOCK MARKETS:

Wall Street traded higher in Thursday's trade after Technology stocks surged, following Wednesday's remarks from Federal Reserve Chairman Jerome Powell and strong earnings from Meta Platforms..

Meanwhile, the Dow has gained 2.3% this year, the S&P 500 is up 5.2%, and the Nasdaq has surged 10%.

**RECAP OF PREVIOUS DAY'S TRADING SESSION:****Sensex outperforms Nifty in day's trade but market mood remains sour overall.**

# Nifty (-06, 17610).

# Sensex (+224, 59932)

The benchmark Sensex yet again outperformed Nifty in today's trade but the key negative takeaway was that market mood remained sour overall. The benchmarks did recover from intraday lows but could not register a promising bullish close.

Blame it to Adani group stocks as they sank in today's session as well after it abandoned its flagship company's \$2.5 billion stock offering. As a result, the group's market losses tumbled to more than \$100 billion and sparking worries about the potential systemic impact.

**# BUZZING STOCKS:**

**Top Index Gainers:** BRITANNIA (+4.94%) ITC (+4.81%) INDUSINDBNK (+3.66%)

**Top Index Losers:** ADANI ENTERPRISES (-26.70%) ADANI PORTS (-7.20%) UPL (-5.82%).

# Adv-Dec 20 — 30

# Nifty PCR 1.12

# BANK NIFTY PCR 0.88

# INDIA VIX 15.73 (-6.26%)

# Nifty MidCap (+0.30%, 8581)

# NiftySmallC (+0.59%, 9448)

# BANK Nifty (+0.39%, 40669)

# Nifty IT (+1.83%, 30567)

# USD/INR (+0.37%, 82.30)

**Future Call:** SELL NIFTY FEBRUARY FUTURES at CMP 17671. Targets at 17398 and then at 17101 zone. Stop: 17801. Holding Period: Intraday. Analyst's Remark: Breaking Down (NIFTY FEBRUARY Futures CMP 17671)

**Option Call:** BUY NIFTY 09th FEBRUARY PE Strike Price 17400 at CMP 75. Maximum Loss: ₹ 3,750/-. Profit: Unlimited. Stop: Exit Put Option if NIFTY moves above 17825. (NIFTY FEBRUARY Futures CMP 17671)

### Market Summary:

- Nifty February Futures ended Thursday's session at a premium of +58 vs premium of +59.
- The 09th February expiry Put-Call Open Interest Ratio was at 0.70 for Nifty whereas it was 0.62 for Bank Nifty.
- The 09th February expiry Put-Call Volume Ratio was at 0.79 for the Nifty and 0.72 for Bank Nifty
- For Nifty, Maximum Call Open Interest (OI) stands at 18500 Strike Price, followed by 17600 Strike Price for 09th February Series. Short Buildup was seen at strike prices 17500-18500.
- Maximum Put Open Interest (OI) was seen at strike price 16100 followed by 17600 strike prices for 09th February series. Short Buildup was seen at strike prices 16900-17500.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 44000 Strike Price and Maximum Put Open Interest stands at 40500 Strike Price.
- As per Thursday's provisional data available on the NSE, FIIs sold shares worth Rs. 3065.35 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 2371.36 crores.
- Long Buildup: IDFCFIRSTB, ITC, M&M, BEL.
- Short Buildup: HDFC, BSOFT, UPL, RELIANCE.
- Short Covering: DLF, BHARTIARTL, IEX, M&MFIN.
- Long Unwinding: TATASTEEL, JUBLFOOD, JINDALSTEL
- Stocks banned in F&O segment: ADANI PORTS, AMBUJACEM.
- New in Ban: ADANI PORTS.
- Out of Ban: NIL.

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

<b>Nifty Spot</b>	17610.40 (-0.03%)
<b>Bank Nifty Spot</b>	40669.30 (+0.39%)
<b>VIX</b>	15.73 (-6.26%)
<b>Premium</b>	+58 vs +59
<b>Nifty Future OI</b>	1.07 crores (+2.71%)
<b>Bank Nifty Future OI</b>	24.83 lakhs (+4.42%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
<b>BSE Cash Vol. (Rs. in Cr)</b>	8256.83	3362.22
<b>NSE Cash Vol. (Rs. in Cr)</b>	68,414.29	68,724.43
<b>NSE Derivative Vol. (Rs. in Cr)</b>	4,05,97,151	2,82,61,182

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
<b>Index Future Volumes</b>	5,00,979	47,796
<b>Stock Future Volumes</b>	12,45,174	75,282
<b>Index Option Volumes</b>	41,78,20,970	4,02,17,423
<b>Stock Option Volumes</b>	38,40,154	2,56,650
<b>Total</b>	42,34,07,277	4,05,97,151

### Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
18500	1.55 (+32%)
18600	0.8 (+82%)
18700	0.8 (+23%)

Puts	in lakhs (% Change)
17300	0.53 (-13%)
17400	0.62 (+41%)
17500	0.77 (+20%)





Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	225	218	232	217	211	UP	UP	UP
COPPER 1	778	762	793	762	691	UP	DOWN	UP
COTTON 1	28620	28048	29192	30245	39532	DOWN	DOWN	DOWN
CRUDEOIL 1	6304	6178	6430	6428	7399	DOWN	DOWN	DOWN
GOLD 1	57814	56658	58970	56235	51594	UP	UP	UP
LEAD 1	185	180	191	188	182	UP	UP	DOWN
MENTHAOIL 1	1026	1006	1047	1030	1018	DOWN	UP	UP
NATURALGAS 1	209	203	215	291	547	DOWN	DOWN	DOWN
SILVER 1	70290	68884	71696	68780	61058	UP	UP	UP
		0	0					
GUARGUM5 1	12750	12495	13005	12911	10679	DOWN	DOWN	DOWN
GUARSEED10 1	6018	5898	6138	6105	5389	DOWN	DOWN	UP
JEERAUNJHA 1	33000	32340	33660	33460	24731	DOWN	UP	UP
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Disclosure of interest statement – • Analyst interest of the stock / Instrument(s) : - No. • Firm interest of the stock / Instrument (s) : - No.