

Thursday
16th March, 2023

The brutal sell-off on Dalal Street is seen getting worse as recession fears are likely to dominate trading in what has been a tough week amidst SVB & Credit Suisse woes.

NIFTY (CMP 16972):

SUPPORT: 16601/15183

RESISTANCE: 17221/17427



Daily Research Reports

Disclosures and Disclaimer : This report must be read with the disclosures in the Disclosure appendix, and with the Disclaimer, which forms part of it. This document does not contain any investment views or opinions.

Good Morning & Welcome to Thursday's trading session at Dalal Street, dated March 16th 2023.

This morning, pessimism is in the air as recession worries intensifies with Credit Suisse woes.

The brutal sell-off on Dalal Street is seen getting worse as recession fears likely to dominate trading in what has been a tough week amidst Credit Suisse woes.

That brings us to our call of the day which suggests: 'Goodbye, Nifty 17000 and probably, Hello, Nifty 16500'

Outlook for Thursday: Pessimism to prevail

Honestly speaking, the bears are likely to be everywhere at Dalal Street.

Blame it on:

- 1) European stocks plunging to a two-month low.
- 2) European banking stocks witnessed sharp decline which were led by Credit Suisse which tanked 29% in Wednesday's trading.
- 3) Concerns over Credit Suisse again worsened sentiment for U.S. bank stocks, where pessimism was still on the air after Silicon Valley Bank's collapse.

Overnight, JPMorgan Chase (JPM) was down 4.9%, and First Republic Bank (FRC) was sinking 14%.

Bottom-line: Flight to safety remains the preferred theme after Silicon Valley Bank was shut down by US regulators on Friday. Please note, SVB was the second largest bank failure in the American history.

The talk on the street is that the impacts of aggressive monetary policy by the Federal Reserve is being felt by U.S. banks.

Please note, the Federal Reserve has hiked interest rates eight times in an effort to slow down the economy and battle historically high inflation.

Flight to safety remains the key theme for the day:

- 1) The US Dollar spikes to 105 levels.
- 2) The benchmark 10-year US Treasury bond yield drops 3.39% levels.
- 3) Gold prices zoom higher to \$1930 per troy ounce.

INDICES

Nifty	16972	-0.42%
Bank Nifty	39052	-0.91%
Nifty Auto Index	12282	-0.51%
Nifty FMCG Index	44464	-0.56%
Nifty Infra Index	5053	-0.01%
Nifty IT Index	28717	-0.24%
Nifty Media Index	1666	-1.22%
Nifty Midcap Index	8411	-0.14%
Nifty Metal Index	5617	1.80%
Nifty Pharma Index	11634	0.31%
Nifty Reality Index	383	-0.85%
Nifty Smallcap Index	9080	0.41%
Sensex	57556	-0.59%
SGX Nifty	16853	-0.58%

Outlook for the Day

Sell on strength

Nifty Outlook

Intraday	Negative (16600-17200)
Medium Term	Neutral (15100-18000)
Long Term	Positive (14251-19501)

Key Levels to Watch

Nifty Support	16601/15183
Nifty Resistance	17221/17511

Pivot Level

Nifty	17959
--------------	-------

- 4) Wall Street stumbles.
- 5) SGX Nifty joins the conga-line of falling global stock markets.

SECTORS:

Bullish Sectors: METAL

Bearish Sectors: AUTO, MEDIA, IT, PHARMA.

STOCKS IN FOCUS:

BULLISH VIEW: GMR AIRPORTS INFRASTRUCTURE, PETRONET LNG, NAVIN FLUORINE INTERNATIONAL, MPHASIS, COFORGE, JK CEMENT, CROMPTON GREAVES CONSUMER ELECTRICALS, METROPOLIS HEALTHCARE, AND GLENMARK PHARMA, POLYCAB INDIA.

BEARISH VIEW: ASTRAL, GUJARAT GAS, MAHANAGAR GAS, UNITED SPIRITS, CUMMINS INDIA, ATUL, MARUTI SUZUKI INDIA, PIRAMAL ENTERPRISES, AND INDRAPRASTHA GAS, DIXON TECHNOLOGIES

Our **chart of the day** is bearish on GRASIM, CANARA BANK & LTI-MINDTREE with an interweek perspective.

The 1 stock to sell right now: Sell GRASIM (CMP 1559): Sell at CMP. Stop 1593. Targets 1521/1471. Aggressive targets at 1437. (Interweek Strategy). Rationale: Breaking Down.

WHAT TECHNICALS TELLS US

Daily chart of Nifty:



Nifty: In yesterday's trade, the benchmark Nifty after a positive higher open stumbled and fell sharply to end the day with a negative bias. The negative takeaway was that the benchmark slipped way below its 200-DMA placed at 17447 mark.

Nifty's technical landscape is suggesting a desired consolidation with interweek support only at 16601 mark. Immediate hurdles at 17221 mark and then at 17427 mark.

The intraday bias continues to be bearish and will remain so as long Nifty trades below its biggest hurdles at 17511 mark.

Nifty's 200 DMA at 17447 mark.

Daily chart of Bank Nifty:



Bank Nifty: In yesterday's trade, Bank Nifty too traded with negative bias and most importantly, was seen mostly underperforming Nifty's weakness.

On the daily charts, Bank Nifty formed a bearish candle indicating some serious consolidation.

Bank Nifty ended yesterday's trade with 0.91% losses as against Nifty's loss of 0.42%.

Nifty PSU Bank index was also seen trading with negative bias, down 1.21% while Nifty Private Bank index ended with 0.85% loss.

Intraday support for Bank Nifty seen at 38527 mark on closing basis. A close below intraday support at 38527, there is valid confirmation of more bearishness which could lead Bank Nifty down towards its biggest intermonth support at 36570-36750 zone.

Bank Nifty's all-time-high is at 44151.80 mark. Bank Nifty's 200-DMA is placed at 39595 mark.

DERIVATIVE & INSTITUTIONAL CUES:

The **Nifty options data** suggests Nifty is likely to be in a trading range of 17000-17600 zone. Maximum Call OI is at 17200 followed by 17500 strike price. So, the 17500 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 16800 levels followed by 16900 levels. Call writing was seen at 17200 and then at 17100 strike price, while there was meaningful Put writing at 16900 and then at 16700 strike prices.

The Volatility index is hovering at 16.30 level.

As per Friday's provisional data available on the NSE, FIIs sold shares to the tune of Rs 2061.50 crore while DIIs bought shares worth Rupees 1350.10 crores.

As per Monday's provisional data available on the NSE, FIIs sold shares to the tune of Rs 1546.90 crore while DIIs bought shares worth Rupees 1418.60 crores.

As per Tuesday's provisional data available on the NSE, FIIs sold shares to the tune of Rs 3086.96 crore while DIIs bought shares worth Rupees 2121.94 crores.

As per Wednesday's provisional data available on the NSE, FIIs sold shares to the tune of Rs 1271.25 crore while DIIs bought shares worth Rupees 1823.94 crores.

Nifty's Put-Call Open Interest Ratio is at 0.87.

Stocks in Ban for today's trade: INDIABULLS HOUSING FINANCE, GNFC.

ECONOMIC CUES:

- 1) The US consumer price index rose 6% on an annual basis in February, down from 6.4% in the month prior and dead-on the CPI reading of 6% expected among economists surveyed by FactSet.

The CPI rose 0.4% in February from January, in line with economists' forecasts and down from a month-over-month gain of 0.5% in January

- 2) India's CPI in February remained above the RBI's upper tolerance limit of 6% for the second straight month.

Amidst this backdrop, expect another rate hike by 25 basis points by the Monetary Policy Committee (MPC) in its April meeting.

GLOBAL STOCK MARKETS:

In overnight trade at Wall Street, US stocks were falling as concerns about Credit Suisse caused the banking turmoil to go across the global.

Credit Suisse dropped to all-time lows after the chairman of its top shareholder, Saudi National Bank, ruled out investing any more into the Swiss bank in an Bloomberg interview. This news came one day after the bank released a report that had been delayed which described weakness in the firm's financial controls. American depository receipts of Credit Suisse were down 28%.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

The bear seen everywhere as Nifty is back below 17,000. Goodbye, Nifty 17000. Hello, Nifty 16500?

NIFTY (-71, 16972)

Sensex (-344, 57656)

Well, the haunting caption is on the front pages: Nifty is back below 17,000.

Honestly speaking, the breakdown was big as Nifty fell for the 5th day in a row.

The negative takeaway from today's Nifty's fall was that:

1. Bulls failed to capitalize on strong global cues after calm returned over SVB fallout.
2. Nifty bulls could not even hold on to any of the intraday gains.

Bank Nifty too ended on a negative note, down 0.91%. Nifty Metals however were star outperformers, up 1.85%. India VIX shot higher to 16.30

Bottom-line: Bears dominate Dalal Street

BUZZING STOCKS:

Top Index Gainers: ADANI ENTERPRISES (+5.74%) ADANI PORTS (+4.19%) ASIAN PAINTS (+3.11%).

Top Index Losers: BHARTI AIRTEL (-1.92%) INDUSIND BANK (-1.90%) RELIANCE (-1.69%).

Adv-Dec 12 — 38

INDIA VIX 16.30 (+0.48%)

Nifty MidCap (-0.16%, 8410)

NiftySmallC (+0.29%, 9070)

BANK Nifty (-0.91%, 39051)

Nifty IT (-0.20%, 28728)

USD/INR (+0.44%, 82.60)

Market Summary:

- Nifty March Futures ended Wednesday's session at a premium of +56 vs premium of +97.
- The 29th March expiry Put-Call Open Interest Ratio was at 1.06 for Nifty whereas it was 0.87 for Bank Nifty.
- The 29th March expiry Put-Call Volume Ratio was at 0.85 for the Nifty and 0.75 for Bank Nifty
- For Nifty, Maximum Call Open Interest (OI) stands at 18000 Strike Price, followed by 17500 Strike Price for 29th March Series. Long Unwinding was seen at strike prices 18000-18400.
- Maximum Put Open Interest (OI) was seen at strike price 17000 followed by 16500 strike prices for 29th March series. Short Covering was seen at strike prices 17000-17400.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 39900 Strike Price and Maximum Put Open Interest stands at 39000 Strike Price.
- As per Monday's provisional data available on the NSE, FIIs sold shares worth Rs. 1271.25 crores in the Indian Equity Market. DIIs on the other hand bought shares worth Rs. 1823.94 crores.
- Long Buildup: GMRINFRA, IEX, TATASTEEL.
- Short Buildup: BANKBARODA, RELIANCE, SBIN, IGL.
- Short Covering: AMBUJACEM, KOTAKBANK, UPL, INFY.
- Long Unwinding: BHARTIARTL, MCDOWELL-N, GUJGASLTD.
- Stocks banned in F&O segment:** GNFC, IBULHSGFIN.
- New in Ban: NIL.
- Out of Ban: NIL.

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

Nifty Spot	16972.15 (-0.42%)
Bank Nifty Spot	39051.50 (-0.91%)
VIX	16.29 (+0.43%)
Premium	+56 vs +97
Nifty Future OI	1.24 crores (+0.28%)
Bank Nifty Future OI	27.32 lakhs (-3.44%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	2788.03	3482.95
NSE Cash Vol. (Rs. in Cr)	46,769.51	52,199.65
NSE Derivative Vol. (Rs. in Cr)	2,18,54,794	2,90,47,184

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	4,32,654	40,099
Stock Future Volumes	7,22,833	46,282
Index Option Volumes	23,02,35,794	2,15,50,182
Stock Option Volumes	33,25,872	2,18,232
Total	23,47,17,153	2,18,54,794

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
16900	0.12 (-35%)
17000	1.34 (+198%)
17100	1.69 (+117%)

Puts	
16700	1.06 (+74%)
16800	1.31 (+22%)
16900	1.18 (+71%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	204	197	210	209	207	DOWN	DOWN	DOWN
COPPER 1	754	739	769	765	690	DOWN	DOWN	DOWN
COTTON 1	28620	28048	29192	30245	39532	DOWN	DOWN	DOWN
CRUDEOIL 1	5585	5473	5697	6354	7116	DOWN	DOWN	DOWN
GOLD 1	58338	57171	59505	55983	52435	UP	UP	UP
LEAD 1	182	176	187	183	182	UP	DOWN	DOWN
MENTHAOIL 1	1004	984	1024	1021	1007	DOWN	DOWN	UP
NATURALGAS 1	205	198	211	208	487	UP	DOWN	UP
SILVER 1	67340	65993	68687	64406	61460	UP	UP	UP
GUARGUM5 1	11779	11543	12015	12058	10688	DOWN	DOWN	DOWN
GUARSEED10 1	5668	5555	5781	5724	5353	DOWN	UP	DOWN
JEERAUNJHA 1	32000	31360	32640	30862	26180	DOWN	UP	UP
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

Contact:

Khandwala Securities Limited

Vikas Building,
Ground Floor,
Green Street, Fort,
Mumbai - 400 023, India.
022-40767373

C-8/9, Dr. Herekar Park,
Near Kamla Nehru Park,
Off Bhandarkar Road,
Pune - 411 004.
020-66220300

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.