

The Good News: Risk sentiment likely to improve as banking jitters ease.

Yellen says banking system is 'sound'

Nifty's immediate goalpost is at 17211 mark.
That said, confirmation of strength only above Nifty 200- DMA at 17450 mark.

Stocks with positive bias: IEX, SRF and INDIAN HOTELS.



Daily Research Reports

Good Morning & Welcome to Friday's trading session at Dalal Street, dated March 17th 2023.

Our **call of the day** suggests, risk-on theme will on works – as Nifty will aim to reverse its recent drubbing and most importantly, will rally into the close.

The positive catalysts:

- 1) Fears ebb over the Credit Suisse crisis on reports that the Swiss National Bank offered a lifeline to **Credit Suisse**

Credit Suisse rebounded from a record low after saying it would borrow up to \$54 billion from the Swiss central bank.

Sparking the turnaround were reports that several of the country's largest banks – including **JPMorgan Chase** and **Bank of America** – will provide beaten-down regional lender **First Republic Bank** with a massive injection of deposits.

- 2) Yellen says banking system is 'sound'
- 3) Nifty at an extremely oversold technical conditions.
- 4) WTI Oil at \$68 a barrel – heads for weekly loss of 9.5%.
- 5) Positive global cues.

Overnight, the **Nasdaq Composite** jumped 2.5% to 11,717, the **S&P 500** soared 1.8% to 3,960, and the **Dow Jones Industrial Average** gained 1.2% to 32,246.

- 6) According to the CME FedWatch, the Fed funds futures market puts the probability of a 25 basis-point interest-rate increase at its March 22 meeting at 79%. The probability of no hike lands at 21%.

Technically, Nifty's immediate goalpost is at 17211 mark. That said, confirmation of strength only above Nifty 200- DMA at 17450 mark.

The gyan mantra: Make hay while the sun shines.

Outlook for Friday: Pessimism to prevail

The positive takeaway from yesterday's session was that the pause-button was hit to the recent selling.

Amidst this backdrop, Nifty bulls will aim to hunt for a positive session in today's session. Immediate goal post is at 17211 mark. That said, confirmation of strength only above Nifty 200- DMA at 17450 mark.

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.

INDICES

Nifty	16986	0.08%
Bank Nifty	39133	0.21%
Nifty Auto Index	12305	0.19%
Nifty FMCG Index	44971	1.14%
Nifty Infra Index	5068	0.29%
Nifty IT Index	28517	-0.69%
Nifty Media Index	1736	4.16%
Nifty Midcap Index	8455	0.52%
Nifty Metal Index	5472	-2.58%
Nifty Pharma Index	11743	0.94%
Nifty Reality Index	387	1.11%
Nifty Smallcap Index	9033	-0.52%
Sensex	57635	0.14%
SGX Nifty	16853	-0.58%

Outlook for the Day

Positive session on cards

Nifty Outlook

Intraday	Positive (16950-17350)
Medium Term	Neutral (15100-18000)
Long Term	Positive (14251-19501)

Key Levels to Watch

Nifty Support	16601/15183
Nifty Resistance	17450/17633

Pivot Level

Nifty	17959
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SECTORS:

Bullish Sectors: IT, BANKS, METAL

Bearish Sectors: PHARMA.

STOCKS IN FOCUS:

BULLISH VIEW: BAJAJ AUTO, BPCL, ICICI PRUDENTIAL LIFE INSURANCE, PIRAMAL ENTERPRISES, ZYDUS LIFE SCIENCES, POWER GRID CORPORATION OF INDIA, BERGER PAINTS, PETRONET LNG, INDUS TOWERS, PVR.

BEARISH VIEW: ONGC, HERO MOTOCORP, NATIONAL ALUMINIUM COMPANY, METROPOLIS HEALTHCARE, TATA STEEL, SBI LIFE INSURANCE COMPANY, CITY UNION BANK, VEDANTA, HINDALCO INDUSTRIES, SAMVARDHANA MOTHERSON INTERNATIONAL

Our **chart of the day** is bullish on IEX, SRF and INDIAN HOTELS with an interweek perspective.

The 1 stock to buy right now: Buy IEX (CMP 152): Buy at CMP. Stop 141. Targets 155/161. Aggressive targets at 173. (Interweek Strategy). Rationale: Breakout Play.

WHAT TECHNICALS TELLS US

Daily chart of Nifty:



Nifty: In yesterday's trade, the benchmark Nifty after a lower open aimed to move above the dotted lines but ended on a flat note. The positive takeaway was that Nifty snapped a 5-day losing streak.

Nifty's technical landscape is suggesting a rebound play amidst oversold conditions with interweek support at 16851 mark. Immediate hurdles at 17221 mark and then at 17450 mark.

Nifty's 200 DMA at 17450 mark.

Daily chart of Bank Nifty:



Bank Nifty: In yesterday's trade, Bank Nifty was seen consolidating with positive bias and most importantly, was seen mostly outperforming benchmark Nifty.

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

Bank Nifty ended yesterday's trade with 0.21% gains as against Nifty's gains of 0.09%.

Nifty PSU Bank index was also seen aiming to recover and ended with positive bias, up 0.57% while Nifty Private Bank index ended with 0.07% loss.

Intraday support for Bank Nifty seen at 38613 mark on closing basis. A close below intraday support at 38613, 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 39613 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 18000 followed by 17500 strike price. So, the 18000 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 17000 levels followed by 16500 levels. Call writing was seen at 17000 and then at 17400 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.

As per Thursday's provisional data available on the NSE, FIIs sold shares to the tune of Rs 282.06 crore while DIIs bought shares worth Rupees 2051.45 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 European Central Bank hiked interest rates by 50 bps to combat inflation, but said the future rate path would depend on incoming data due to the European and US banking system turmoil.

2) 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

3) 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 popped higher after a group of 11 banks agreed to give struggling First Republic a lifeline. The bank's stock soared and shares of regional banks stabilized.

Credit Suisse stock also rose after it announced it will borrow from the Swiss central bank.

FedEx stock jumped after the close as the company's third-quarter earnings soundly beat Wall Street estimates.

The Dow Jones Industrial Average rose 372 points, or 1.2%, the S&P 500 was up 1.8%, and the Nasdaq Composite jumped 2.5%.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Nifty ends a tad above the dotted line but misses to reclaim 17000 mark NIFTY (+13, 16985)

Sensex (+79, 57635)

Amidst volatility, Nifty wavered and struggled for direction despite a positive shift in the risk sentiment, as fears ebb over the Credit Suisse crisis.

The positive takeaway however was that Nifty snapped a five-day losing streak.

Bank Nifty too ended a tad above the dotted lines, up 0.21%. Nifty Metals index however tumbled the most on recession fears, down 2.32%.

Long story short: All eyes turn to the ECB rate hike decision this evening for fresh trading direction.

BUZZING STOCKS:

Top Index Gainers: BPCL (+6.02%) HUL (+2.45%) ASIAN PAINTS (+2.45%).

Top Index Losers: HINDALCO (-5.08%) TATA STEEL (-3.08%) INDUSIND BANK (-2.27%).

Adv-Dec 32 — 18

INDIA VIX 16.21 (-0.48%)

Nifty PCR 1.09

BANK NIFTY PCR 0.93

Nifty MidCap (+0.71%, 8471)

NiftySmallC (-0.40%, 9044)

BANK Nifty (+0.21%, 39133)

Nifty IT (-0.20%, 28728)

USD/INR (-0.18%, 82.73)

Market Summary:

- Nifty March Futures ended Thursday's session at a premium of +84 vs premium of +56.
- The 29th March expiry Put-Call Open Interest Ratio was at 1.07 for Nifty whereas it was 0.85 for Bank Nifty.
- The 29th March expiry Put-Call Volume Ratio was at 0.97 for the Nifty and 0.91 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 Buildup was seen at strike prices 17000-17400.
- Maximum Put Open Interest (OI) was seen at strike price 17000 followed by 16500 strike prices for 29th March series. Long Unwinding was seen at strike prices 17100-17500.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 41000 Strike Price and Maximum Put Open Interest stands at 39000 Strike Price.
- As per Wednesday's provisional data available on the NSE, FIIs sold shares worth Rs. 282.06 crores in the Indian Equity Market. DIIs on the other hand bought shares worth Rs. 2051.45 crores.
- Long Buildup: GMRINFRA.
- Short Buildup: MOTHERSON, INFY, RELIANCE, INDUSINDBNK.
- Short Covering: POWERGRID, HINDPETRO, AMBUJACEM, DABUR.
- Long Unwinding: NMDC, HEOROMOTOCORP, CUMMINSIND, ASTRAL.
- 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	16985.60 (+0.079%)
Bank Nifty Spot	39132.60 (+0.21%)
VIX	16.21 (-0.55%)
Premium	+84 vs +56
Nifty Future OI	1.23 crores (-0.72%)
Bank Nifty Future OI	26.97 lakhs (-1.26%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	3046.49	2788.03
NSE Cash Vol. (Rs. in Cr)	52,693.55	46,769.51
NSE Derivative Vol. (Rs. in Cr)	4,74,32,008	2,18,54,794

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	5,87,629	54,089
Stock Future Volumes	9,31,164	60,021
Index Option Volumes	50,65,73,661	4,70,89,405
Stock Option Volumes	34,42,982	2,28,493
Total	51,15,35,436	4,74,32,008

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
16900	0.047 (+103%)
17000	0.56 (+107%)
17100	0.19 (+19%)
Puts	
17200	0.27 (-18%)
17300	0.35 (-5%)
17400	0.017 (+23%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	204	198	210	209	207	DOWN	DOWN	DOWN
COPPER 1	751	736	766	765	690	DOWN	DOWN	DOWN
COTTON 1	28620	28048	29192	30245	39532	DOWN	DOWN	DOWN
CRUDEOIL 1	5711	5597	5825	6354	7116	DOWN	DOWN	DOWN
GOLD 1	58016	56856	59176	55983	52435	UP	UP	UP
LEAD 1	182	176	187	183	182	UP	DOWN	DOWN
MENTHAOIL 1	1006	986	1027	1021	1007	DOWN	DOWN	UP
NATURALGAS 1	210	204	217	208	487	UP	DOWN	UP
SILVER 1	66580	65248	67912	64406	61460	UP	UP	DOWN
GUARGUM5 1	11247	11022	11472	12058	10688	DOWN	DOWN	DOWN
GUARSEED10 1	5448	5339	5557	5724	5353	DOWN	DOWN	DOWN
JEERAUNJHA 1	31905	31267	32543	30862	26180	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.