

The biggest positive catalyst: Both FIIs and DIIs are turning out to be net buyers at Dalal Street. So far in this May month, FII's have bought shares worth Rs 20257 crores.

Q4 to trickle in today: ONGC, M&M, Sun Pharma, Grasim, Engineers India, Astra Microwave, BEML, BHEL, Chambal Fertilisers, City Union Bank, Easy Trip Planners, Finolex Cables, HUDCO, Karnataka Bank, Info Edge (India), NCC, Shree Renuka Sugars.



Daily Research Reports

Good Morning & Welcome to Friday's trading session at Dalal Street, dated May 26th 2023.

Our **call of the day** suggests that the wind is still seen blowing in the bulls' sails with Nifty's immediate target at 18500 mark.

That said, investors should brace for more volatility in financial markets as US lawmakers wrestle over the debt limit and traders are anxious for news on whether or not the government would come to an agreement to avoid defaulting on its debt.

Here are key themes for the day:

- 1) Overnight, the Nasdaq and S&P 500 got a boost from a 25% rally in Nvidia shares.
- 2) On the other hand, the Dow Jones traded with negative bias as the US debt ceiling impasse continued to weigh on investors' mood with Fitch Ratings putting the US on credit watch for a possible downgrade.
- 3) The positive takeaway was House Speaker McCarthy's statement that negotiators have made some progress and that he instructed his team to work 24 hours to get the deal.
- 4) Meanwhile, the US economy grew by an annualized 1.3% on quarter in Q1 2023, slightly higher than 1.1% in the advance estimate and market forecasts of 1.1%.

Well, this reinforces the need for more hikes from the Fed.

Outlook for Friday: The wind still seen blowing in the bulls' sails.

In yesterday's trade, the benchmark Nifty ended comfortably in green after bulls and bears jostled around the mentioned Nifty' support at 18181 mark.

So, where are we headed?

Technically speaking, if yesterday's bullish consolidation is any indication, then expect Nifty to aim its major hurdles at 18473 mark.

Nifty biggest support to watch is at 18181 mark. Only below 18181, expect waterfall of selling towards Nifty's psychological 18000 mark.

Bank Nifty's up-trend to extend dramatically only if it establishes beyond it's all-time-high at 44153. Above 44153, all eyes on psychological 45,000.

Bottom-line: The wind still seen blowing in the bulls' sails.

INDICES

Nifty	18321	0.20%
Bank Nifty	43681	0.01%
Nifty Auto Index	14030	0.29%
Nifty FMCG Index	49657	0.61%
Nifty Infra Index	5416	0.67%
Nifty IT Index	28929	0.13%
Nifty Media Index	1692	-0.06%
Nifty Midcap Index	9332	0.69%
Nifty Metal Index	5873	0.30%
Nifty Pharma Index	12456	0.12%
Nifty Reality Index	467	1.12%
Nifty Smallcap Index	9958	0.09%
Sensex	61873	0.16%
SGX Nifty	18409	0.52%

Outlook for the Day

Positive session likely.

Nifty Outlook

Intraday	Positive (18250-18500)
Medium Term	Neutral (17650-18888)
Long Term	Positive (15500-19501)

Key Levels to Watch

Nifty Support	18181/18050
Nifty Resistance	18473/18888

Pivot Level

Nifty	17701
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Please note, so far in this May month, FII's have bought shares worth Rs 20257 crores.

Q4 earnings to trickle in today: ONGC, M&M, Sun Pharma, Grasim, Engineers India, Astra Microwave, BEML, BHEL, Chambal Fertilisers, City Union Bank, Easy Trip Planners, Finolex Cables, HUDCO, Karnataka Bank, Info Edge (India), NCC, Shree Renuka Sugars.

SECTORS:

Bullish Sectors: BANKS, AUTO, IT

Bearish Sectors: METALS, MEDIA.

STOCKS IN FOCUS:

BULLISH VIEW: Bajaj Auto, Hindustan Aeronautics, Titan Company, Indus Towers Tata Communications, Delta Corp, Power Finance Corporation, ICICI Lombard General Insurance Company, Atul, Tech Mahindra

BEARISH VIEW: Ramco Cements, ONGC, Intellect Design Arena, Indiabulls Housing Finance Tata Chemicals, Ashok Leyland, HDFC, Biocon, Hindalco Industries Deepak Nitrite

Our **chart of the day** is bullish on INDIAN HOTELS, APOLLO TYRES, COFORGE and VEDANTA on any corrective declines with an inter-week perspective.

The 1 stock to buy right now: BUY INDIAN HOTELS (CMP 381): Buy at CMP. Stop 363. Targets 389/393. Aggressive targets at 405. (Interweek Strategy). Rationale: Momentum Play.

WHAT TECHNICALS TELLS US

Daily chart of Nifty:



Nifty: In yesterday's trade, after a lower open, Nifty bulls regrouped and took the benchmark Nifty well above the dotted lines and towards close, Nifty reversed all of its losses and ended well above the dotted lines.

In the process, Nifty made a solid comeback with long bullish candle.

Nifty's technical landscape is now suggesting some massive breakout play despite overbought conditions on the daily charts with interweek support at 18181 mark. Nifty's immediate hurdles are placed at 18473 mark and then at 18888 mark.

Nifty's 200 DMA at 17817 mark.

Daily chart of Bank Nifty:



Bank Nifty: In yesterday's trade, Bank Nifty was seen mirroring Nifty's rebound. Bank Nifty ended a tad 0.01% higher while Nifty finished with 0.20% gains.

Nifty PSU Bank index ended 0.45% lower while Nifty Private Bank index ended 0.09% higher.

Intraday support for Bank Nifty now seen at 43181 mark on closing basis and then major supports are placed at 42581 mark.

Bank Nifty's all-time-high is at 44151.80 mark. Bank Nifty's 200-DMA is placed at 41269 mark.

DERIVATIVE & INSTITUTIONAL CUES:

The **Nifty options data** suggests Nifty is likely to be in a trading range of 18000-18800 zone. Maximum Call OI is at 18400 followed by 18500 strike price. So, the 18500 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 18300 levels followed by 18100 levels. Call writing was seen at 18300 and then at 18400 strike price, while there was meaningful Put writing at 18300 and then at 18100 strike prices.

The Volatility index is hovering at 12.52 level.

As per Monday's provisional data available on the NSE, FIIs bought shares worth Rs. 922.89 crores in the Indian Equity Market. DIIs too bought shares worth Rs. 604.57 crores

As per Tuesday's provisional data available on the NSE, FII's bought shares worth Rs 182.51 crore, while domestic institutional investors (DII) bought shares worth Rs 397.29 crore.

As per Wednesday's provisional data available on the NSE, FII's bought shares worth Rs 1185.84 crore, while domestic institutional investors (DII) bought shares worth Rs 300.93 crore.

As per Thursday's provisional data available on the NSE, FII's bought shares worth Rs 589 crore, while domestic institutional investors (DII) bought shares worth Rs 338 crore.

Nifty's Put-Call Open Interest Ratio is at 1.48

Stocks in Ban for today's trade: NIL.

ECONOMIC CUES:

The US economy grew by an annualized 1.3% on quarter in Q1 2023, slightly higher than 1.1% in the advance estimate and market forecasts of 1.1%.

Ratings agency Fitch placed the US' "AAA" rating on watch for a potential downgrade, making it the first major agency to take such action.

On the economic front, revised German GDP data revealed that Europe's largest economy entered a recession in the first quarter, while consumer morale in the country showed improvement as June approached.

A second meeting between White House and Republican congressional negotiators on raising the US government's \$31.4-trillion debt ceiling broke up with no progress cited by either side and no additional meeting set.

GLOBAL STOCK MARKETS:

US stocks were higher in Thursday's trading despite negotiations to raise the U.S. debt ceiling were not reached a resolution yet.

Nvidia stock was surging after the chip maker provided strong revenue guidance for the July quarter, boosting fellow tech stocks.

The minutes from the Federal Reserve's latest meeting showed that several participants were open to pausing interest-rate hikes. Minutes from the May meeting also showed that Fed officials were uncertain about the need for further rate hikes moving forward.

According to the CME FedWatch Tool, 71% of traders were pricing in a Fed pause at the June meeting. That's slightly higher than the 67% earlier Wednesday.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

After a lower open, the benchmark Nifty struggled hard to move into positive territory but the positive takeaway was that Nifty bulls were able to shrug-off the negative baton from global pessimism.

Overall, it was an absolutely exciting and an inspiring session despite today being a May F&O series expiry day.

NIFTY (+36, 18321)

Sensex (+99, 61873)*

Nifty ended comfortably in green after bulls and bears jostled around the mentioned Nifty' support at 18181 mark.

Indecision however prevailed amidst uncertainty surrounding the US debt-ceiling on one hand as against FIIs/DIIs being net buyers in recent sessions.

Nifty Reality index gains 1.18% while Nifty PSU Banks index sobs 0.43%. BAJAJ AUTO, ADANI ENTERPRSES and BHARTI AIRTEL sizzle 2.9% each.

Long story short: Nifty clings to decent gains as the wind still seen currently blowing in the bulls' sails.

BUZZING STOCKS:

Top Index Gainers: BAJAJ AUTO (+2.95%) ADANIENT (+2.92%) BHARTIARTL (+2.82%)

Top Index Losers: WIPRO (-1.18%) TATAMOTORS (-0.94%) INDUSINDBNK (-0.92%)

Adv-Dec 30—19

INDIA VIX 12.52 (-4.50%)

Nifty PCR 1.48

BANK NIFTY PCR 1.23

Nifty MidCap (+0.69%, 9332)

NiftySmallC (+0.09%, 9958)

BANK Nifty (+0.01%, 43681)

Nifty IT (+0.13%, 28929)

USD/INR (+0.06%, 82.75)

Market Summary:

- Nifty May Futures ended Thursday's session at a premium of +04.
- The 29th June expiry Put-Call Open Interest Ratio was at 1.49 for Nifty whereas it was 1.22 for Bank Nifty.
- The 29th June expiry Put-Call Volume Ratio was at 1.11 for the Nifty and 0.87 for Bank Nifty
- For Nifty, Maximum Call Open Interest (OI) stands at 19000 Strike Price, followed by 18500 Strike Price for 29th June Series. Long Buildup was seen at strike prices 18200-19000.
- Maximum Put Open Interest (OI) was seen at strike price 18000 followed by 17000 strike prices for 29th June series. Short Buildup was seen at strike prices 17300-18300.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 45000 Strike Price and Maximum Put Open Interest stands at 43000 Strike Price.
- As per Thursday's provisional data available on the NSE, FIIs bought shares worth Rs. 589.10 crores in the Indian Equity Market. DIIs too bought shares worth Rs. 338.44 crores.
- Long Buildup: IDFCFIRSTB, TATAPOWER, ITC, RELIANCE.
- Short Buildup: HDFCBANK, HDFC, TATACHEM, PVRINOX.
- Short Covering: SAIL, RBLBANK, ADANI PORTS, L&TFH.
- Long Unwinding: ICICIBANK, ASHOKLEY, HINDALCO, INDIACEM.
- Stocks banned in F&O segment:** NIL.
- New in Ban: NIL.
- Out of Ban: DELTACORP, IBULHSGFIN.

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

Nifty Spot	18321.15 (+0.20%)
Bank Nifty Spot	43681.40 (+0.01%)
VIX	12.52 (-4.50%)
Premium	+04
Nifty Future OI	0.87 crores (+29.96%)
Bank Nifty Future OI	20.64 lakhs (+21.44%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	3544.83	4095.52
NSE Cash Vol. (Rs. in Cr)	55,552.25	60,024.95
NSE Derivative Vol. (Rs. in Cr)	54,22,686	26,33,800

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	1,36,817	13,097
Stock Future Volumes	7,11,427	49,548
Index Option Volumes	5,20,55,628	53,49,602
Stock Option Volumes	1,47,093	10,439
Total	5,30,50,965	54,22,686

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
18200	0.21 (+75%)
18300	0.31 (+63%)
18400	0.26 (+18%)

Puts	
18200	0.54 (+20%)
18300	0.45 (+29%)
18400	0.24 (+33%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	209	202	215	208	206	UP	UP	DOWN
COPPER 1	694	680	708	734	711	DOWN	DOWN	DOWN
COTTON 1	28620	28048	29192	30245	39532	DOWN	DOWN	DOWN
CRUDEOIL 1	5947	5828	6066	5976	6567	DOWN	UP	DOWN
GOLD 1	59470	58281	60659	60514	54628	UP	DOWN	UP
LEAD 1	183	177	188	184	183	UP	DOWN	UP
MENTHAOIL 1	942	923	961	960	994	DOWN	DOWN	UP
NATURALGAS 1	203	197	209	190	389	UP	DOWN	DOWN
SILVER 1	70220	68816	71624	74326	65046	DOWN	DOWN	DOWN
		0	0					
GUARGUM5 1	10615	10403	10827	11247	10878	DOWN	DOWN	DOWN
GUARSEED10 1	5401	5293	5509	5608	5430	DOWN	DOWN	DOWN
JEERAUNJHA 1	43615	42743	44487	44908	30271	UP	DOWN	UP
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