

Expect a volatile session as the chatter will continue to build around the next Fed meeting which is scheduled to conclude this Wednesday, 20th September.

The street will be scouring on the policy statements, the Summary of Economic Projections (SEP) and Powell's presser for clues on future interest rates and growth of the US economy.

The Fed is expected to hold interest rates steady but futures traders are pricing in a 33% chance the Fed will hike rates in November.

Nifty's interweek hurdles at 20,500 mark.



Daily Research Reports

Good Morning & Welcome to Monday's trading session at Dalal Street, dated September 18th 2023.

Dalal Street is likely to start Monday's session with a thud as weighing on investors' sentiment will be a weak lead from Wall Street in Friday's trade where the Nasdaq Composite dropped 1.6% to 13,708, the S&P 500 fell 1.2% to 4,450, and the Dow Jones index slipped 0.8% to 34,618.

Also denting investors sentiment will be rising crude oil price is a key cause of concern, but we suspect, markets likely to defy negative global cues and continue to march forward.

We say so because:

- 1) Nifty has outperformed its global peers this month, up over 5% for September.
- 2) The street widely expects the Federal Reserve to stay put in its FOMC meet this Wednesday.
- 3) Domestic economic figures released this month are net-net positive for Dalal Street.

Outlook for Monday: Nifty is likely to consolidate.

Meanwhile, the week is likely to remain busy as key economic data points are slated to release one by one starting with:*

1. US FOMC meet this Tuesday-Wednesday (Sep 19-20): As mentioned earlier, Federal Reserve may decide to pause interest rate hikes in the September meeting and may keep Fed funds rate in the range of 5.25-5.5 percent. However, a rate hike in November can't be ruled out amidst rising inflation and given the FOMC's determination to bring the inflation rate to 2%.
2. The Bank of England will also announce its policy decision on September 21st.
3. The Bank of Japan will follow with its policy decision on September 22nd.

In the week gone by, FIIs were net sellers again at -Rs. 746.6 crores despite Nifty continuing to gallop higher. For the entire month of September too, FIIs are net sellers at Rs. 9580.1 crores.

Please note, spiking US treasury yields also likely to act as an impediment for FII buying in domestic markets.

SECTORS:

Bullish Sectors: PHARMA, BANKS, IT, METALS

INDICES

| | | |
|-----------------------------|-------|--------|
| Nifty | 20192 | 0.44% |
| Bank Nifty | 46231 | 0.50% |
| Nifty Auto Index | 16426 | 1.58% |
| Nifty FMCG Index | 51895 | -0.48% |
| Nifty Infra Index | 6283 | 0.02% |
| Nifty IT Index | 33355 | 0.94% |
| Nifty Media Index | 2327 | -0.10% |
| Nifty Midcap Index | 9639 | 0.82% |
| Nifty Metal Index | 7036 | -0.16% |
| Nifty Pharma Index | 15584 | 0.61% |
| Nifty Reality Index | 587 | -0.39% |
| Nifty Smallcap Index | 12794 | 0.41% |
| Sensex | 67839 | 0.47% |
| SGX Nifty | 20167 | -0.44% |

Outlook for the Day

Volatile session likely

Nifty Outlook

| | |
|--------------------|------------------------|
| Intraday | Positive (20000-20250) |
| Medium Term | Positive (19500-20500) |
| Long Term | Positive (17500-21500) |

Key Levels to Watch

| | |
|-------------------------|-------------|
| Nifty Support | 20001/19857 |
| Nifty Resistance | 20251/20551 |

Pivot Level

| | |
|--------------|-------|
| Nifty | 19451 |
|--------------|-------|

Bearish Sectors: MEDIA

STOCKS IN FOCUS:

BULLISH VIEW: PFC, PNB, CONCOR, COALINDIA NMDC, SAIL, BHEL, ASHOKLEY, INDIACEM, JSWSTEEL, JINDALSTEL, TATAPOWER, AMBUJACEM, GMRINFRA, NTPC, MCX, ICICIBANK, RBLBANK, PERSISTENT, NAUKRI, TVSMOTOR, HDFCBANK., SBIN, BHARTIARTL.

BEARISH VIEW: ITC, APOLLOTYRE, INDHOTEL, HUL, MCDOWELL-N.

Our **chart of the day** is bullish on DR REDDYS LAB, ULTRATECH CEMENT and TECH MAHINDRA on any intraday weakness with an inter-month perspective.

The 1 stock to buy right now: Buy ULTRATECH CEMENT (CMP 8728): Buy between 8670-8675 zone. Stop 8519. Targets 8789/8809. Aggressive targets at 8901. (Interweek Strategy). Rationale: Momentum Play.

WHAT TECHNICALS TELLS US

Daily chart of Nifty:



Nifty: In Friday's trade, the benchmark Nifty witnessed some serious buying as momentum buying was the preferred theme despite overbought technical conditions.

Nifty new all-time-high is now placed at 20222.45 mark.

Technically speaking, biggest interweek support now seen at 19821 mark.

The technical landscape continues to be bullish with Nifty bulls now aiming aggressive psychological 20500 mark.

Nifty's 200 DMA at 18449 mark.

Daily chart of Bank Nifty:



Bank Nifty: In Friday's trade, Bank Nifty too witnessed massive buying as the benchmark ended way above the dotted lines and most importantly, was seen mirroring benchmark Nifty's move.

Bank Nifty ended 0.50% higher while Nifty ended 0.44% higher.

Nifty PSU Bank index ended 0.53% higher and Nifty Private Bank index ended 0.64% higher.

Bank Nifty's fresh new all-time-high continues to be at 46369.50 mark.

Intraday support for Bank Nifty now seen at 45921 mark on closing basis and then major supports are placed at 4523 mark.

In today's trade, Bank Nifty is likely face resistance at its all-time-high at 46370 mark. Bank Nifty's 200-DMA is placed at 43048 mark.

DERIVATIVE & INSTITUTIONAL CUES:

The **Nifty options data** suggests Nifty is likely to be in a trading range of 19800-20600 zone. Maximum Call OI is at 20500 followed by 20000 strike prices. So, the 20500 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 20000 levels followed by 19500 levels. Call writing was seen at 20400 and then at 20500 strike price, while there was meaningful Put writing at 19500 and then at 19400 strike prices.

The Volatility index is hovering at 10.90 level.

As per Friday's provisional data available on the NSE, FIIs bought shares worth Rs. 164 crores in the Indian Equity Market. DIIs too bought shares worth Rs. 1939 crores

Nifty's Put-Call Open Interest Ratio is at 1.507

Stocks in Ban for today's trade: BALRAMPUR CHINI MILLS, BHEL, CHAMBAL FERTILISER, HINDUSTAN COPPER, INDIABULLS HOUSING FINANCE, IEX, INDIA CEMENTS, MANAPPURAM FINANCE, REC, SAIL.

ECONOMIC CUES:

India's headline retail inflation rate fell to 6.83 percent in August, data released by the Ministry of Statistics and Programme Implementation on September 12, as vegetable prices cooled somewhat compared to the previous month.

At 6.83 percent, the Consumer Price Index (CPI) inflation print for August is 61 basis points lower than July's 15-month high of 7.44 percent. However, it is the second month in a row that inflation has come in higher than the upper bound of the Reserve Bank of India's (RBI) tolerance limit of 2-6 percent. It is also the 47th month in a row that it has stayed above the central bank's medium-term target of 4 percent.

India's industrial output grew by 5.7 percent in July, according to data released by the Ministry of Statistics and Programme Implementation on September 12. At 5.7 percent, the latest industrial growth figure as per the Index of Industrial Production (IIP) is at a five-month high.

It is also above the consensus estimate of 5 percent.

Markets are pricing in an 93% chance that the Fed will keep rates unchanged at its September meeting.

The Fed is scheduled to meet on September 19-20.

GST collection grows 11% YoY to around Rs 1.6 trillion in August. The collection from Goods and Services Tax (GST) was Rs 1,43,612 crore in August 2022.

India's GDP growth rate hit a four-quarter high in April-June, rising to 7.8%.

At 7.8%, the latest quarterly growth number is slightly above expectations. Meanwhile, the RBI had forecast a growth rate of 8 percent.

GLOBAL STOCK MARKETS:

Wall Street in Friday's trade fell sharply where the Nasdaq Composite dropped 1.6% to 13,708, the S&P 500 fell 1.2% to 4,450, and the Dow Jones index slipped 0.8% to 34,618.

Weighing on investor sentiment were the United Auto Workers strike, which officially began on Friday after contract negotiations between union leaders and the country's three largest automakers stalled ahead of Thursday night's deadline.

The chatter also continued to build around the next Fed meeting which is scheduled to kick off this Tuesday and conclude Wednesday late evening at 11:30 PM IST with a policy announcement.

The street will be scouring on the policy statements, the Summary of Economic Projections (SEP) and Fed Chairman Powell's presser for clues on future interest rates and growth of the US economy.

The central bank is widely expected to hold interest rates steady this time around but as of now, futures traders are pricing in a 33% chance the Fed will hike rates in November.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Fresh all-time-high continues to be the new normal for benchmark Nifty. Nifty Auto index in top gear as Bajaj Auto (+6.15%) HeroMoto (+2.2%) M&M (+2.2%) accelerate.

NIFTY (+89, 20192)

Sensex (+320, 67839)

The positive takeaway from today's trading session was that Nifty closed well above the dotted lines and most importantly, scaled new all-time-high at 20222.45.

Amongst sectoral indices, Nifty Metal (+1.57%), Nifty IT (+0.83%) and Nifty Pharma (+0.64%) indices print decent gains

Nifty Small-cap and Large-cap too end with decent gains, up 0.42% each.

Nifty also took its stride the spike in WTI oil prices to \$90.50 a barrel. Oil prices are now flirting at their highest level in over ten-months underpinned by tightening supplies and expectations that OPEC+ leaders would extend output cuts through the rest of the year.

Long story short: Uncharted territory is the new normal for benchmark Nifty.

BUZZING STOCKS:

Top Index Gainers: BAJAJ AUTO (+6.29%) HEROMOTOCORP (+2.25%) M&M (+2.17%)

Top Index Losers: BPCL (-1.60%) HUL (-1.27%) ASIANPAINTS (-1.24%)

Adv-Dec 28—21

INDIA VIX 10.90 (-3.71%)

Nifty PCR (21st SEP) 1.16

Nifty PCR (28th SEP) 1.507

BANKNIFTY PCR (28th SEP) 1.15

Nifty MidCap (+0.46%, 11636)

NiftySmallC (+0.41%, 12794)

BANK Nifty (+0.50%, 46232)

Nifty IT (+0.94%, 33355)

USD/INR (+0.05%, 83.06)

Market Summary:

- Nifty September Futures ended Friday's session at a premium of +53 vs premium of +84.
- The 28th September expiry Put-Call Open Interest Ratio was at 1.47 for Nifty whereas it was 1.11 for Bank Nifty.
- The 28th September expiry Put-Call Volume Ratio was at 1.38 for the Nifty and 1.12 for Bank Nifty
- For Nifty, Maximum Call Open Interest (OI) stands at 20500 Strike Price, followed by 20000 Strike Price for 28th September Series. Short Covering was seen at strike prices 19600-20100.
- Maximum Put Open Interest (OI) was seen at strike price 20000 followed by 19500 strike prices for 28th September series. Long Unwinding was seen at strike prices 19100-19500.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 46000 Strike Price and Maximum Put Open Interest stands at 46000 Strike Price.
- As per Friday's provisional data available on the NSE, FIIs bought shares worth Rs. 164.42 crores in the Indian Equity Market. DIIs too bought shares worth Rs. 1938.57 crores.
- Long Buildup: TATASTEEL, BHARTIARTL, ASHOKLEY, RBLBANK.
- Short Buildup: GAIL, APOLLOTYRE, HINDPETRO.
- Short Covering: RECLTD, MANAPPURAM, SBIN, M&MFIN.
- Long Unwinding: BHEL, ONGC, RECLTD.
- Stocks banned in F&O segment:** BALRAMCHIN, BHEL, CHAMBALFERT, HINDCOPPER, IBULHSGFIN, IEX, INDIACEM, MANAPPURAM, RECLTD, ZEEL.
- New in Ban: CHAMBALFERT.
- Out of Ban: DELTACORP, NATIONALUM, SAIL.

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

| | |
|-----------------------------|----------------------|
| Nifty Spot | 20192.35 (+0.44%) |
| Bank Nifty Spot | 46231.50 (+0.50%) |
| VIX | 10.90 (-3.71%) |
| Premium | +53 vs +84 |
| Nifty Future OI | 1.10 crores (+1.27%) |
| Bank Nifty Future OI | 16.25 lakhs (+0.52%) |

| Cash Volumes (INR in Cr.) | Yesterday | Day Before Yesterday |
|--|------------------|-----------------------------|
| BSE Cash Vol. (Rs. in Cr) | 5552.12 | 5228.39 |
| NSE Cash Vol. (Rs. in Cr) | 1,12,918.11 | 76,497.82 |
| NSE Derivative Vol. (Rs. in Cr) | 15,67,224 | 45,94,982 |

| Derivatives Vol. (INR in Cr.) | No of contracts | Turnover (Rs. In cr.) |
|--------------------------------------|------------------------|------------------------------|
| Index Future Volumes | 60,321 | 5,044 |
| Stock Future Volumes | 4,21,587 | 34,737 |
| Index Option Volumes | 1,88,32,702 | 14,82,928 |
| Stock Option Volumes | 5,37,238 | 44,515 |
| Total | 1,98,51,848 | 15,67,224 |

Major Changes in Nifty Options (OI)

| Calls | in lakhs (% Change) |
|--------------|----------------------------|
| 20400 | 0.44 (+29%) |
| 20600 | 0.25 (+39%) |
| 20700 | 0.15 (+50%) |

| Puts | in lakhs (% Change) |
|-------------|----------------------------|
| 20100 | 0.41 (+52%) |
| 20200 | 0.38 (+138%) |
| 20300 | 0.09 (+80%) |

| Stock | CMP | Support | Resistance | 21 DMA | 200 DMA | Intraday | Short Term | Long Term |
|--------------|-------|---------|------------|--------|---------|----------|------------|-----------|
| ALUMINIUM 1 | 202 | 196 | 208 | 199 | 207 | UP | DOWN | DOWN |
| COPPER 1 | 734 | 719 | 748 | 731 | 741 | UP | DOWN | UP |
| CRUDEOIL 1 | 7544 | 7393 | 7695 | 6848 | 6291 | UP | UP | UP |
| GOLD 1 | 58999 | 57819 | 60179 | 58925 | 58062 | DOWN | DOWN | DOWN |
| LEAD 1 | 190 | 184 | 195 | 185 | 184 | UP | UP | UP |
| MENTHAOIL 1 | 941 | 922 | 960 | 972 | 969 | DOWN | DOWN | UP |
| NATURALGAS 1 | 222 | 215 | 228 | 219 | 245 | DOWN | DOWN | UP |
| NICKEL | 1726 | 1692 | 1761 | 1738 | 2044 | DOWN | DOWN | DOWN |
| SILVER 1 | 72165 | 70722 | 73608 | 72263 | 70531 | UP | DOWN | DOWN |
| ZINC 1 | 226 | 219 | 233 | 216 | 245 | UP | UP | UP |
| | | 0 | 0 | | | | | |
| COPPER 1 | 734 | 719 | 748 | 731 | 741 | UP | DOWN | UP |
| GUARGUM5 1 | 12228 | 11983 | 12473 | 12872 | 11768 | UP | DOWN | UP |
| GUARSEED10 1 | 6052 | 5931 | 6173 | 6207 | 5775 | UP | DOWN | UP |
| JEERAUNJHA 1 | 61270 | 60045 | 62495 | 58357 | 42153 | UP | UP | UP |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |

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