

Our call of the day suggests Nifty will cling to marginal gains.

We say so because Nifty benefits from the broad weakness in the US Dollar, hopes for more stimulus from China, positive global cues on backdrop of dovish Fed expectations.

Technically, any corrective declines to Nifty 19621 are likely to find decent support.



Daily Research Reports

Good Morning & Welcome to Tuesday's trading session at Dalal Street, dated November 21st 2023.

The trading theme revolves around dovish Federal Reserve expectations about the path forward for interest rates.

So, all eyes will be on the November FOMC minutes to be released this Tuesday around 11:30 PM IST.

The street will look for more signals for possible end to the rate hike cycle given the falling inflation.

The Fed, which held rates steady at 5.25-5.50% in November policy meeting, is focussing on a few important things like bringing inflation at 2% target, report maximum employment and avoid recession or, looking for soft landing for the US economy, as well as avoid excessive policy tightening which can hit the banking sector.

The talk in the street is that the Fed may start rate cuts in the first half of 2024, instead of the second half.

The positive takeaway is that according to the CME FedWatch Tool, traders are pricing in less than a 1% chance that the central bank raises rates again before cutting them.

Agreed, inflation pressures are easing but honestly speaking bulls can declare victory only above Nifty 19,889.

Please note, if the Nifty moves above the 19889 mark then it's safe to assume that Christmas has come early to Dalal Street and stock markets across the globe.

We believe, positive Wall Street cues should lift Nifty's sentiments.

From a technical perspective, for the day, any corrective declines to Nifty 19621 are likely to find decent support.

Bottom-line: Bulls optimism indicates that the Federal Reserve will be successful in engineering a "soft landing" for the U.S. economy.

Outlook for Tuesday: Bullish consolidation shall be the preferred theme.

In yesterday's trade, Nifty met with some supply despite hopes for more stimulus from China, positive global cues on backdrop of dovish Federal Reserve expectations and a weaker US Dollar.

Meanwhile, countdown begins for the most awaited Tata Technologies IPO which opens on November 22nd at a price band of Rs 475-500 per share.

INDICES

Nifty	19694	-0.19%
Bank Nifty	4359	-1.31%
Nifty Auto Index	16777	-0.76%
Nifty FMCG Index	52550	-0.39%
Nifty Infra Index	6419	-0.16%
Nifty IT Index	3283	0.60%
Nifty Media Index	2262	-0.60%
Nifty Midcap Index	11920	0.12%
Nifty Metal Index	6772	-0.48%
Nifty Pharma Index	15807	0.01%
Nifty Reality Index	691	-0.25%
Nifty Smallcap Index	13873	-0.07%
Sensex	65655	-0.21%
SGX Nifty	19738	-0.02%

Outlook for the Day

Consolidation day likely.

Nifty Outlook

Intraday	Positive (19600-19850)
Medium Term	Positive (18900-20250)
Long Term	Positive (17500-21000)

Key Levels to Watch

Nifty Support	19621/19471
Nifty Resistance	19889/20251

Pivot Level

Nifty	20147
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We have a subscribe rating as the IPO gives investors an opportunity to invest in a leading global engineering services company with deep expertise in the automation industry focused on engineering research and development.

We also have assigned a 'Subscribe' rating to IREDA's IPO which opens on November 21.

Fedbank Financial Services IPO will open for subscription on November 22

SECTORS:

Bullish Sectors: AUTO, PSE, METAL, PHARMA, REALITY.

Bearish Sectors: MEDIA.

STOCKS IN FOCUS:

BULLISH VIEW: IndiaMART InterMESH, Exide Industries, Coal India, City Union Bank, SBI Card, Oberoi Realty, Metropolis Healthcare, India Cements, Hero MotoCorp, Torrent Pharma.

BEARISH VIEW: Ipca Laboratories, Apollo Hospitals Enterprise, MRF, UltraTech Cement, Alkem Laboratories, Balkrishna Industries, Bajaj Finance, Aditya Birla Fashion & Retail, Bandhan Bank, L&T Finance Holdings.

Our **chart of the day** is bullish on INDIGO, SIEMENS, MUTHOOOTH FINANCE, TATA CONSUMER and TITAN on any intraday weakness with an inter-week perspective.

The 1 stock to buy right now:

Buy PI INDUSTRIES

Entry Price: 3689

Target: 4500

Stop Loss: 3301

Holding Period: 0-365 Days

Rationale: Momentum Play.

WHAT TECHNICALS TELLS US

Daily chart of Nifty:



Nifty: In yesterday's trade, the benchmark Nifty witnessed massive consolidation and the positive takeaway was that Nifty ended just a tad below the dotted lines.

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

Technically speaking, Nifty's technical picture continues to be positive with biggest intraday hurdles now at 19889 mark. Biggest interweek support now seen at 19471 mark and then next supports are placed at the 19289 mark.

Nifty's 200 DMA at 18728 mark.

Daily chart of Bank Nifty:



Bank Nifty: In yesterday's trade, Bank Nifty witnessed massive consolidation as bears were aiming hard to take over the negative baton from weak Friday's closing. Bank Nifty was seen mostly Nifty's sideways action.

Bank Nifty ended flat, unchanged as against Nifty's loss of 0.19%.

Nifty PSU Bank index ended 0.10% higher while Nifty Private Bank index ended 0.10% lower.

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

Intraday support for Bank Nifty now seen at 43000 and then at 42589 mark on closing basis. Major inter-month supports are placed at 41500 mark

In today's trade, Bank Nifty is likely face resistance at 44000 mark and then hurdles are placed at 44801. Bank Nifty's all-time-high is at 46370 mark. Bank Nifty's 200-DMA is placed at 43294 mark.

DERIVATIVE & INSTITUTIONAL CUES:

The **Nifty options data** suggests Nifty is likely to be in a trading range of 19100-19800 zone. Maximum Call OI is at 19800 followed by 19900 strike prices. So, the 19800 mark is still Nifty's crucial resistance zone. Maximum Put open interest stands at 19000 levels followed by 19600 levels. Call writing was seen at 19800 and then at 19700 strike price, while there was meaningful Put writing at 19000 and then at 19600 strike prices.

The Volatility index is hovering at 12.14 level.

Nifty's Put-Call Open Interest Ratio is at 1.06.

Stocks in Ban for today's trade: BHEL, Indiabulls Housing Finance, NMDC, Chambal Fertilisers and Chemicals, Delta Corp, Hindustan Copper, India Cements, Manappuram Finance, MCX India, RBL Bank, Zee Entertainment Enterprises

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ECONOMIC CUES:

U.S. inflation pressures slowed again last month, Commerce Department data indicated Tuesday, with core consumer prices falling to a fresh two-year low and challenging the Federal Reserve's near-term rate hike forecasts.

The headline consumer price index for October was pegged by the Commerce Department at 3.2%, well south of the prior month's tally of 3.7% and inside Wall Street's 3.3% forecast, powered in part by falling oil and energy prices. On a monthly basis, the index showed inflation was unchanged from September, down from the 0.4% pace recorded last month and the 0.6% gain tallied in August.

So-called core inflation, which strips out volatile components like food and energy, slowed to 4.0%, the lowest in two years, while the monthly reading of 0.2% matched also came inside Street forecasts.

GLOBAL STOCK MARKETS:

At Wall Street, US stocks were seen rising on Monday to start an abridged trading week ahead of Thanksgiving, with corporate earnings in focus alongside economic data releases that could shift expectations about the path forward for interest rate

On Friday, the Dow Jones Industrial Average closed with a fractional gain at 34,947, while the S&P 500 (+0.1% at 4,514) and the Nasdaq Composite (+0.1% at 14,125) muscled higher.

In the week gone by, the Dow jumped 1.8%, the S&P 500 surged 2.1% and the Nasdaq gained 2.2% – their third straight weekly win.

Investors were still enthused by lower-than-expected CPI inflation readings and the likelihood they mark the end of the Federal Reserve's interest-rate increases.

The headline inflation slowed to 3.2%, inside the Street's 3.3% forecast, while core pressures eased to a fresh two year low of 4%.

The producer price index for final demand fell 0.5% in October from September. Retail sales slipped 0.1% in October, the first decline from March, but came in better than expectations for a decline of 0.3%.

The 10-year yield was at 4.45%.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Nifty witnesses a quite cautious start as all anxious eyes on the FOMC minutes to trickle in on Tuesday, November 21st.

NIFTY (-38, 19694)**Sensex (-140, 65655)**

Strictly speaking, Nifty struggled to capitalize on positive global cues.

Last week, the Dow had gained 1.9%, the S&P 500 climbed 2.2% and the Nasdaq Composite added 2.4%, with all three benchmarks notching their third straight winning week on increased bets that the Federal Reserve is done raising rates.

Investors also seen shrugging-off hopes for more stimulus from China. Nifty Metal index slipped 0.48%.

Meanwhile, countdown begins for Tata Technologies IPO to open on November 22nd.

Long story short: Nifty needs to reclaim the 19889 mark to unleash fresh upside.

BUZZING STOCKS:

Top Index Gainers: DIVISLABS (+1.99%) BHARTIARTL (+1.74%) WIPRO (+1.20%)

Top Index Losers: ADANIENET (-2.62%) BAJFINANCE (-2.15%) M&M (-1.99%)

Adv-Dec 21—27

INDIA VIX 12.14 (+2.62%)

Nifty PCR (23rd NOV) 0.73

Nifty PCR (30th NOV) 1.06

BANKNIFTY PCR (30th NOV) 0.91

Nifty MidCap 50 (+0.12%, 11920)

NiftySmallC (-0.07%, 13873)

BANK Nifty (+0.0023%, 43585)

Nifty IT (+0.60%, 32383)

USD/INR (+0.13%, 83.37)

Market Summary:

- Nifty November Futures ended Monday's session at a premium of +58 vs premium of +71.
- The 30th November expiry Put-Call Open Interest Ratio was at 1.07 for Nifty whereas it was 0.91 for Bank Nifty.
- The 30th November expiry Put-Call Volume Ratio was at 0.98 for the Nifty and 0.84 for Bank Nifty
- For Nifty, Maximum Call Open Interest (OI) stands at 20000 Strike Price, followed by 19800 Strike Price for 30th November Series. Short Buildup was seen at strike prices 19700-20100.
- Maximum Put Open Interest (OI) was seen at strike price 19000 followed by 19500 strike prices for 30th November series. Long Unwinding was seen at strike prices 18300-18500
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 44500 Strike Price and Maximum Put Open Interest stands at 43000 Strike Price.
- As per Monday's provisional data available on the NSE, FIIs sold shares worth Rs. 645.72 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 77.77 crores.
- Long Buildup: COALINDIA, BHARTIARTL, SAIL, INDHOTEL.
- Short Buildup: BAJFINANCE, BALKRISHNIND, ADANIENT.
- Short Covering: OBEROIRLTY, BALRAMCHIN, SBICARD.
- Long Unwinding: RBLBANK, SBILIFE, SUNPHARMA, ALKEM.
- Stocks banned in F&O segment:** BHEL, CHAMBALFERT, DELTACORP, HINDCOPPER, IBULHSGFIN, INDIACEM, MANAPPURAM, MCX, NMDC, RBLBANK, ZEEL.
- New in Ban: BHEL, IBULHSGFIN, NMDC.
- Out of Ban: NIL.

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

Nifty Spot	19694.00 (-0.19%)
Bank Nifty Spot	43584.95 (+0.0023%)
VIX	12.14 (+2.62%)
Premium	+58 vs +71
Nifty Future OI	1.0 crores (-5.60%)
Bank Nifty Future OI	21.74 lakhs (-4.93%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	5225.53	6359.29
NSE Cash Vol. (Rs. in Cr)	67,378.25	81,496.58
NSE Derivative Vol. (Rs. in Cr)	2,707,536	2,253,934

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	63,111	5,244
Stock Future Volumes	319,666	23,456
Index Option Volumes	34,559,771	2,639,395
Stock Option Volumes	534,847	39,441
Total	35,477,395	2,707,536

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
19700	1.22 (+79%)
19800	2.27 (+49%)
19900	1.38 (-11%)

Puts	
19800	0.72 (-19%)
19900	0.12 (-8%)
20000	0.07 (-22%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	205	199	211	205	205	UP	DOWN	UP
COPPER 1	717	702	731	704	734	DOWN	UP	DOWN
CRUDEOIL 1	6545	6414	6676	6715	6459	DOWN	UP	DOWN
GOLD 1	60705	59491	61919	60538	59000	DOWN	UP	UP
LEAD 1	191	185	196	186	184	UP	UP	DOWN
NATURALGAS 1	242	235	249	266	216	DOWN	DOWN	UP
NICKEL	1464	1435	1493	1634	1950	DOWN	DOWN	DOWN
SILVER 1	72691	71237	74145	71595	71247	UP	UP	DOWN
STEEL 1	44350	43463	45237	44013	46714	-	-	-
ZINC 1	228	221	235	224	231	-	-	-
		0	0					
CASTOR 1	6160	6037	6283	5958	6220	UP	UP	UP
DHANIYA 1	8022	7862	8182	7296	6969	UP	UP	UP
GUARGUM5 1	11650	11417	11883	11528	11779	DOWN	UP	DOWN
GUARSEED10 1	5760	5645	5875	5725	5736	DOWN	UP	DOWN
JEERAUNJHA 1	45610	44698	46522	45969	47052	DOWN	UP	DOWN
MENTHAOIL 1	900	882	918	917	955	DOWN	DOWN	UP
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