

Bears come to life at Dalal Street after yesterday's terrifying session.

Volatility is likely to be the hallmark of today's trading session amidst monthly expiry of February F&O contracts.

Confirmation of strength on Nifty only above 22150 mark.



Daily Research Reports

Good Morning & Welcome to Thursday's trading session at Dalal Street, dated February 29th 2024.

Nifty slumped in yesterday's terrifying session, and the negative takeaway was that the benchmark ended way below the critical psychological 22000 mark.

The small-cap and mid-cap indices too tumbled around 2% after capital markets regulator SEBI advised mutual funds to protect investor interest by limiting flows, rebalancing portfolios and other measures.

The 3-big negative catalysts surrounding Dalal Street:

- 1) FIIs unimpressed with strength in the Indian stock markets. (Please note, month-to-date FIIs have sold to the tune of Rs. 17,650 crore. Interestingly, this month, DIIs have net bought worth Rs. 23,782 crore).
- 2) The recent FOMC Minutes suggests that the Federal Reserve is in no rush to cut rates and that's on the heels of recent higher-than-expected inflation readings.
- 3) Anxiety ahead of Thursday's release of the January Personal Consumption and Expenditures (PCE) index, the Fed's preferred measure of inflation that tracks consumer spending. (Honestly speaking, the key PCE inflation data could suggest the narrative of when and by how much the Federal Reserve could cut interest rates this year).

Long story short: Until, the Fed slays the inflation beast, volatility will continue to be the hallmark and Nifty and its stocks just can't not stomach higher.

Outlook for Thursday: An up-and-down session is quite likely.

Volatility is likely to be hallmark of today's trading session amidst monthly expiry of February F&O contracts.

Reliance Industries announces Rs 70,352 crore JV with Disney to merge streaming, TV assets in India.

NSE has announced that Shriram Finance will replace UPL in Nifty50. The changes will come into place on March 28, 2024. Additionally, Jio Financial Services will enter Nifty Next 50.

NSE in its press release also said that Adani Wilmar, Muthoot Finance, PI Industries, Procter and Gamble Health and Hygiene Care will exit from Nifty Next 50

All eyes on the India's GDP numbers for the quarter ended December 2023 due on February 29.

Investors will be keeping a close eye on the auto sales data for February, which will be announced on Friday, March 1st.

INDICES

Nifty	21951	-1.11%
Bank Nifty	45963	-1.34%
Nifty Auto Index	20372	-2.00%
Nifty FMCG Index	53825	-0.89%
Nifty Infra Index	8055	-1.78%
Nifty IT Index	37742	-0.34%
Nifty Media Index	2069	-3.46%
Nifty Midcap Index	13618	-2.25%
Nifty Metal Index	7850	-1.88%
Nifty Pharma Index	18943	-0.64%
Nifty Reality Index	910	-2.11%
Nifty Smallcap Index	15875	-1.87%
Sensex	72305	-1.08%
SGX Nifty	22171	-0.10%

Outlook for the Day

Volatile session likely

Nifty Outlook

Intraday	Neutral (21750-22100)
Medium Term	Positive (21300-22500)
Long Term	Positive (20050-23000)

Key Levels to Watch

Nifty Support	22750/21557
Nifty Resistance	22101/22301

Pivot Level

Nifty	21821
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Vodafone Idea plans to raise about Rs 45,000 crore via equity and debt; promoters to participate. (The company said it will call for a meeting of its shareholders on April 2, 2024 and expects to complete Rs 20,000-crore equity fund raise in the coming quarter).

STOCKS TO WATCH:

SECTORS:

Bullish Sectors: PHARMA.

Bearish Sectors: FMCG, METAL, PSU BANK, PRIVATE BANKS.

BULLISH STOCKS: BHARTIARTL, INFY, TCS, JK CEMENT.

BEARISH STOCKS: ASHOK LEYLAND, DIXON TECHNOLOGIES, REC, PFC, LTIM, DIVIS LAB, BAJAJ FINANCE, BAJAJ FINSERV, HEROMOTO CORP,

Our **chart of the day** suggests value buying and bargain hunting shall be the preferred theme and gain traction at Dalal Street. We are quite bullish on TATA MOTORS, and INFY with inter-month perspective.

The 1 stock to buy right now: Buy TATA MOTORS (CMP 958). Buy between 935-940 zone. Stop at 913. Targets 977/993. Aggressive targets at 1017. (Interweek Strategy). Rationale: Momentum Play.

Meanwhile, five new stocks will be part of the MSCI Global Standard Index when the rejig comes into effect on February 29. These 5-stocks are:

1. BHEL
2. GMR Airports Infrastructure
3. NMDC
4. Punjab National Bank
5. Union Bank of India.

FII/DII & OPTIONS DATA:

The Put-Call Open Interest Ratio was at 0.53 for Nifty.

In yesterday's session, FIIs were net sellers to the tune of Rupees 1879 crores.

DIIs however bought to the tune of Rupees 1827 crores.

Stocks banned in F&O segment: INDUS TOWER, SAIL.

WHAT TECHNICALS TELLS US

Daily chart of Nifty:



Nifty: In yesterday's trade, Nifty witnessed massive drubbing and the negative takeaway was that benchmark ended on a ugly note.

In the process, Nifty formed a big bearish candlestick pattern.

Nifty's all-time-high continues to be at 22249.40 mark.

Meanwhile, the recent sequence of higher high/low is still intact on time frames but that said the technicals are suggesting weakening momentum.

The technical landscape suggests Nifty's major support at 21807 mark. Interweek support seen at 21505 mark.

Nifty's 200 DMA at 20030 mark.

Daily chart of Bank Nifty:



Bank Nifty: In yesterday's trade, Bank Nifty witnessed volatile movements and the negative takeaway was that the benchmark ended way below the dotted lines.

Bank Nifty was mostly seen underperforming benchmark Nifty's bearish move.

Bank Nifty ended with 1.34% losses as against Nifty's 1.11% loss.

Interestingly, in Wednesday's trade, Nifty PSU Bank index ended 2.30% lower while Nifty Private Bank index ended 1.51% lower.

Bank Nifty's fresh new all-time-high continues to be at 48636.45 mark.

Intraday support for Bank Nifty now seen at 45505/44429 and then at 43721 on closing basis.

In today's trade, Bank Nifty is likely face resistance at 46401/46900 mark and then hurdles are placed at 48636. Bank Nifty's 200-DMA is placed at 45095 mark

ECONOMIC CUES:

The US economy expanded an annualized 3.2% in Q4 2023, slightly below 3.3% in the advance estimate, following a 4.9% rate in Q3.

The update primarily reflected a downward revision to private inventory investment that was partly offset by upward revisions to state and local government spending and consumer spending.

GLOBAL STOCK MARKETS:

Overnight, US stocks were mostly lower and mostly wobbling in Wednesday's session as investors digested the latest economic data and looked ahead to the Federal Reserve's preferred inflation gauge.

After touching record levels last week, the big three indexes were on the back foot ahead of a crucial inflation reading on Thursday.

Expectations for cuts may be affected by new data out Thursday showing the latest readings for the Fed's preferred inflation index. Markets are currently pricing in the first reduction in June, compared with March at the start of the year, according to the CME Fedwatch tool.

There will also be a spate of officials from the Fed delivering remarks in the coming days, which investors will scrutinize for hints of what the central bank will do when its monetary policy committee next meets over March 19-20.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Nifty slumps in a terrifying session, ends below psychological 22000 mark.

Massive Profit Booking Blamed.

NIFTY (-247, 21951)**Sensex (-790, 72305)**

It was sea of red at Dalal Street as all sectoral indices had nothing to offer but blood, toil, tears and sweat.

Nifty Media (-3.5%), Nifty Reality, PSU Banks, Auto, Metal and Nifty PSE indices received fresh drubbing, down 2% each, and most importantly, ended on an ugly note.

Well, the main reason for the pessimism can also be attributed to lack of direction ahead of Thursday's release of the January US Personal Consumption and Expenditures (PCE) index, the Fed's preferred measure of inflation that tracks consumer spending.

Meanwhile, shares of debt-laden Vodafone Idea tumbled 13.88% after the fundraising announcement by the company failed to lift investors' sentiment.

Long story short: The bear was everywhere

BUZZING STOCKS FOR THE DAY:

Top Index Gainers: HUL (+0.77%) BHARTIARTL (+0.16%) INFY (+0.14%)

Top Index Losers: POWERGRID (-4.22%) BAJAJ AUTO (-3.82%) APOLLOHOSP (-3.77%)

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INDIA VIX 16.33 (+3.81%)

Nifty PCR (29th FEB) 0.53

BANKNIFTY PCR (29th FEB) 0.57

Nifty MidCap 50 (-2.25%, 13618)

NiftySmallC (-1.87%, 15875)

BANK Nifty (-1.34%, 45963)

Nifty IT (-0.34%, 37742)

USD/INR (-0.03%, 82.99)

Market Summary:

- Nifty February Futures ended Wednesday's session at a premium of +56 vs premium of +06.
- The 29th February expiry Put-Call Open Interest Ratio was at 0.52 for Nifty whereas it was 0.57 for Bank Nifty.
- The 29th February expiry Put-Call Volume Ratio was at 0.97 for the Nifty and 1.13 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 23000 Strike Price, followed by 22500 Strike Price for 29th February Series. Short Buildup was seen at strike prices 22000-22700.
- Maximum Put Open Interest (OI) was seen at strike price 21500 followed by 21000 strike prices for 29th February series. Short Covering was seen at strike prices 21900-22300.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 47000 Strike Price and Maximum Put Open Interest stands at 44000 Strike Price.
- As per Wednesday's provisional data available on the NSE, FII sold shares worth Rs. 1879.23 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 1827.45 crores.
- Long Buildup: ICICIGI.
- Short Buildup: HDFCBANK, PFC, RELIANCE, KOTAKBANK.
- Short Covering: INFY, HAVELLS, PIIND.
- Long Unwinding: IDFCFIRSTB, GAIL, SBIN, TATAMOTORS.
- **Stocks banned in F&O segment:** INDUSTOWER, SAIL.
- New in Ban: NIL.
- Out of Ban: ABFRL, CANBK, ZEEL.

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

Nifty Spot	21951.15 (-1.11%)
Bank Nifty Spot	45963.15 (-1.34%)
VIX	16.33 (+3.81%)
Premium	+56 vs 06
Nifty Future OI	0.52 crores (-24.06%)
Bank Nifty Future OI	13.36 lakhs (-26.86%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	7102.69	9698.71
NSE Cash Vol. (Rs. in Cr)	93,572.23	97,554.75
NSE Derivative Vol. (Rs. in Cr)	5,595,174	4,673,603

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	204,929	16,717
Stock Future Volumes	1,750,615	141,778
Index Option Volumes	65,316,980	5,386,995
Stock Option Volumes	581,894	49,684
Total	67,854,418	5,595,174

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
23600	0.31 (-28%)
23700	0.14 (+8%)
23800	0.34 (+62%)

Puts	
22000	1.06 (-39%)
22100	0.49 (-59%)
22200	0.48 (-53%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	198	192	204	200	202	DOWN	DOWN	DOWN
COPPER 1	727	712	742	719	719	UP	UP	DOWN
CRUDEOIL 1	6521	6391	6651	6349	6445	UP	UP	DOWN
GOLD 1	62241	60996	63486	62326	60249	DOWN	DOWN	UP
LEAD 1	179	173	184	179	184	DOWN	UP	DOWN
NATURALGAS 1	157	152	162	156	220	UP	UP	DOWN
NICKEL	1432	1404	1461	1634	1950	DOWN	DOWN	DOWN
SILVER 1	68825	67449	70202	71101	72114	DOWN	DOWN	DOWN
STEEL 1	42690	41836	43544	42820	45286	UP	UP	DOWN
ZINC 1	215	208	221	216	220	DOWN	UP	DOWN
		0	0					
CASTOR 1	5730	5615	5845	5793	5946	DOWN	DOWN	UP
DHANIYA 1	8020	7860	8180	7722	7113	UP	UP	UP
GUARGUM5 1	10323	10117	10529	10217	11246	UP	UP	DOWN
GUARSEED10 1	5301	5195	5407	5315	5620	UP	DOWN	DOWN
JEERAUNJHA 1	24410	23922	24898	26618	46716	DOWN	DOWN	DOWN
MENTHAOIL 1	919	901	937	908	926	DOWN	UP	DOWN
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