

## This week's key themes:

1) Oil prices at \$87 a barrel amid geopolitical concerns and are up nearly 22% for the year to date.

Hence, Inflation will be front and center this week with the March US Consumer Price Index (CPI) set for release Wednesday, April 10th.

Nifty's immediate hurdles are placed at 22619 levels.



## Daily Research Reports

## # Good Morning & Welcome to Monday's trading session at Dalal Street, dated April 8th 2024.

### # The Good news: In early action, Gift Nifty is seen jumping out of gate.

# **The positive catalyst:** Investors shrug-off strong US payrolls data and have lowered rate-cut expectations.

# Friday's US NFP data suggested that the U.S. economy added 303,000 new jobs in March – well way above economists' expectations for 200,000.

Also please note, the unemployment rate edged down to 3.8% from 3.9%.

### # The big question: Why are markets rallying?

# Agreed, the blowout jobs numbers clearly suggests that the US economy is not showing any signs of slowing down and most importantly, consumer spending should be strong in the near term.

# Well, the big positive takeaway from Friday's NFP is that there is a hope that the Fed could start to cut interest rates as the average hourly earnings — rose at their slowest annual rate since June 2021.

# Also, investors are seen placing more importance on strong Q4 corporate India's profits than on the Fed's rate-cut plans.

# So, all bullish eyes on the upcoming earning season as TCS officially sets afire the ceremonial starters pistol for Q4 earning season on April 12th.

## Outlook on Monday: Nifty will aim to climb above 22630 mark.

# Strictly speaking, the optimism at Dalal Street is such that Nifty is defying gravity...

The unstoppable rally has lifted Nifty above the historic psychological 22,500 mark and most importantly, the benchmark logged new all-time-high at 22619 mark.

# That said, volatility is likely to be the hallmark of this week's trading with several key events on the horizon.

- 1) We will spy with one big eye on how markets are reacting to higher oil prices.

Oil prices are trading firm at their 5-months highs at \$87 a barrel amid geopolitical concerns and prospects of higher demand. Crude Oil prices are up nearly 22% for the year to date.

## INDICES

Nifty	22513	0.00%
Bank Nifty	48493	0.90%
Nifty Auto Index	21600	-0.24%
Nifty FMCG Index	53925	0.54%
Nifty Infra Index	8362	-0.40%
Nifty IT Index	35248	-0.50%
Nifty Media Index	1916	-0.39%
Nifty Midcap Index	13978	0.27%
Nifty Metal Index	8699	0.17%
Nifty Pharma Index	19160	0.19%
Nifty Reality Index	938	1.43%
Nifty Smallcap Index	16355	0.84%
Sensex	74248	0.03%
SGX Nifty	22661	0.40%

## Outlook for the Day

Consolidation day likely.

## Nifty Outlook

Intraday	Positive (22450-22700)
Medium Term	Positive (21700-23000)
Long Term	Positive (20900-23500)

## Key Levels to Watch

Nifty Support	22278/22069
Nifty Resistance	22621/23000

## Pivot Level

Nifty	21901
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Amidst this backdrop, the trading theme shall revolve around Inflation, inflation and inflation.

- 2) Inflation will be front and center this week with: The March US Consumer Price Index (CPI) set for release Wednesday, April 10th.
- 3) FIIs were net sellers in the week gone by to the tune of Rs. 3836 Cr.

# Bottom-line: Despite headwinds, bears at the moment are still lacking conviction.

Technically, the line in the sand is at Nifty's support at 22121 mark.

### STOCKS TO WATCH:

#### SECTORS:

# **Bullish Sectors:** PSE, Metals, Banks, Auto

# **Bearish Sectors:** FMCG.

# **BULLISH STOCKS:** Ipca Laboratories, Hindustan Copper, Eicher Motors, Divis Laboratories, HDFC Bank, L&T Finance Holdings, Exide Industries,

# **BEARISH STOCKS:** Bajaj Finance, Grasim, LTIM, Tech Mahindra.

# Our **chart of the day** bullish on stocks like EICHER MOTORS, CANARA BANK, IPCA LAB and M&M with an interweek perspective on any corrective declines.

# **The 1 stock to buy right now:** Buy EICHER MOTORS (CMP 4031): Buy at CMP. Stop at 3823. Targets 4101/4201. Aggressive targets at 4551. (Intermonth Strategy). Rationale: Momentum Play.

#### FII/DII & OPTIONS DATA:

# The Put-Call Open Interest Ratio was at 1.17 for Nifty.

# In Friday's trade, FIIs net bought to the tune of Rupees 1659 crores.

# DIIs however sold to the tune of Rupees 3370 crores.

# The **Nifty options data** suggests Nifty is likely to be in a trading range of 21500-22700 zone. Maximum Call OI is at 22700 followed by 22500 strike prices. So, the 22700 mark is now Nifty's crucial resistance zone.

Maximum Put open interest stands at 22500 levels followed by 22400 levels. So, the 22000 mark is now Nifty's biggest support zone for the day.

Call writing was seen at 22700 and then at 23100 strike price, while there was meaningful Put writing at 22500 and then at 22400 strike prices.

# INDIA VIX has dropped towards 11.22 levels.

# **Stocks banned in F&O segment:** BANDHAN BANK, HINDCOPPER, SAIL, ZEE ENTERTAINMENT.

## WHAT TECHNICALS TELLS US

### Daily chart of Nifty:



**# Nifty:** In Friday's trading session, Nifty witnessed massive consolidation and the positive takeaway was that the bulls regrouped on any intraday declines.

Nifty's new all-time-high continues to be at 22619 mark.

In the process, Nifty formed a small-bullish spinning top candlestick pattern.

The technical landscape suggests Nifty's major support at 22339 mark. Interweek support seen at 22077 and then at 21770 mark.

Nifty's 200 DMA at 20497 mark.

### Daily chart of Bank Nifty:



**# Bank Nifty:** In Friday's trading session, Bank Nifty witnessed massive momentum buying on the way up and the positive takeaway was that the benchmark ended way above the dotted lines.

Bank Nifty was mostly seen outperforming benchmark Nifty's up consolidation.

Bank Nifty ended with 0.90% gains as against Nifty's unchanged closing.

Interestingly, in yesterday's trade, Nifty PSU Bank index ended 0.74% higher while Nifty Private Bank index ended 0.90% higher.

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

Intraday support for Bank Nifty now seen at 47600/46529 and then at 44831 on closing basis.

In today's trade, Bank Nifty is likely face resistance at 48636 mark and then hurdles are placed at 49500. Bank Nifty's 200-DMA is placed at 45496 mark.

**ECONOMIC CUES:**

# Federal Reserve held interest rate steady at a 23-year high of 5.25%-5.5% for the fifth consecutive time.

# Chair Jerome Powell's comments at the press conference suggested policymakers are not deterred by the strong labor market or recent higher-than-expected inflation.

He mentioned that strong hiring alone wouldn't delay rate cuts and noted easing in overall price growth.

**GLOBAL STOCK MARKETS:**

# In Friday's trade at Wall Street, U.S. stocks were gaining despite yields on both the 2-year and 10-year Treasury yields spiked to the high end of their year-to-date ranges as expectations for a June rate cut dropped (to a 51% chance vs yesterday's 59%, according to CME Group's FedWatch tool.

As on Friday's close, the Dow Jones Average was up 0.8% at 38,904, the S&P 500 was 1.1% higher at 5,204, and the Nasdaq Composite had jumped 1.2% to 16,248.

**RECAP OF PREVIOUS DAY'S TRADING SESSION:**

**Despite ending on a flattish note in Friday's trade, Nifty ended the week on a higher note and also claimed a new record high!**

**NIFTY (-0, 22514) Sensex (+21, 74248) Bank Nifty (+432, 48493)**

# Nifty finally ended on a flat note, thanks to robust buying seen in Banking & Realty space in today's session.

# However, even today, the market breadth tilted towards the bears' side.

# In broader markets space, Nifty SmallCap index outperformed, up 0.84%, and even MidCap 50 outperformed, up 0.27%.

**Long Story Short:** A promising end at last.

**# BUZZING STOCKS FOR THE DAY:**

**Top Index Gainers:** KOTAKBANK (+1.99%) SBILIFE (+1.56%) HDFCBANK (+1.47%)

**Top Index Losers:** GRASIM (-1.95%) ULTRACEMCO (-1.74%) L&T (-1.42%)

# Adv-Dec 20—28

# INDIA VIX 11.33 (+0.98%)

# NIFTY PCR (10th APR) 0.90

# NIFTY PCR (25th APR) 1.17

# Nifty MidCap 50 (+0.27%, 13978)

# Nifty SmallC (+0.84%, 16355)

# BANK Nifty (+0.90%, 48493)

# Nifty IT (-0.50%, 35248)

# USD/INR (-0.17%, 83.36)



## Market Summary:

- Nifty April Futures ended Friday's session at a premium of +95 vs premium of +121.
- The 25th April expiry Put-Call Open Interest Ratio was at 1.18 for Nifty.
- The 25th April expiry Put-Call Volume Ratio was at 1.03 for the Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 22500 Strike Price, followed by 23000 Strike Price for 25th April Series. Short Buildup was seen at strike prices 22800-23500.
- Maximum Put Open Interest (OI) was seen at strike price 22500 followed by 22000 strike prices for 25th April series. Short Buildup was seen at strike prices 22300-22500.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 48000 Strike Price and Maximum Put Open Interest stands at 48000 Strike Price.
- As per Thursday's provisional data available on the NSE, FII bought shares worth Rs. 1659.27 crores in the Indian Equity Market. DIIs on the other hand, sold shares worth Rs. 3370.42 crores.
- Long Buildup: ICICIBANK, SBIN, TATACHEM, VOLTAS.
- Short Buildup: BAJFINANCE, BSOFT, GRASIM.
- Short Covering: DLF, IDFC, ICICIPRULI.
- Long Unwinding: BANDHANBNK, OFSS, LTTS.
- Stocks banned in F&O segment:** BANDHANBNK, HINDCOPPER, SAIL, ZEEL.
- New in Ban: BANDHANBNK.
- Out of Ban: NIL.

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

<b>Nifty Spot</b>	22513.70 (-0.0042%)
<b>Bank Nifty Spot</b>	48493.05 (+0.90%)
<b>VIX</b>	11.33 (+0.98%)
<b>Premium</b>	+95 vs +121
<b>Nifty Future OI</b>	0.97 crores (-1.26%)
<b>Bank Nifty Future OI</b>	20.72 lakhs (+14.06%)

<b>Cash Volumes (INR in Cr.)</b>	<b>Yesterday</b>	<b>Day Before Yesterday</b>
<b>BSE Cash Vol. (Rs. in Cr)</b>	7618.28	6941.97
<b>NSE Cash Vol. (Rs. in Cr)</b>	96,980.46	113,884.78
<b>NSE Derivative Vol. (Rs. in Cr)</b>	2,576,750	8,182,907

<b>Derivatives Vol. (INR in Cr.)</b>	<b>No of contracts</b>	<b>Turnover (Rs. In cr.)</b>
<b>Index Future Volumes</b>	70,798	6,080
<b>Stock Future Volumes</b>	476,448	39,708
<b>Index Option Volumes</b>	28,928,098	2,461,320
<b>Stock Option Volumes</b>	785,539	69,642
<b>Total</b>	30,260,883	2,576,750

## Major Changes in Nifty Options (OI)

<b>Calls</b>	<b>in lakhs (% Change)</b>
22800	0.22 (+10%)
22900	0.14 (+17%)
23000	0.59 (-3%)

<b>Puts</b>	<b>in lakhs (% Change)</b>
21900	0.15 (+7%)
22100	0.26 (-10%)
22300	0.29 (+16%)





Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	222.85	214.43	221.03	207.28	201.95	UP	UP	UP
COPPER 1	803.15	776.28	798.23	756.07	723.32	UP	UP	UP
CRUDEOIL 1	7123	7095	7210	6773.57	6561.21	UP	UP	UP
GOLD 1	70037	69307	70124	66543.43	61108.18	UP	UP	UP
LEAD 1	185.85	178.15	181.4	179.01	183.14	UP	UP	UP
NATURALGAS 1	149.5	153.37	158.57	146.53	212.86	UP	UP	UP
NICKEL	1587	1556	1619	1634	1950	DOWN	DOWN	DOWN
SILVER 1	79984	77734.33	79742.33	75419.19	72444	UP	UP	UP
STEEL 1	41880	41042	42718	42176	44666	DOWN	DOWN	DOWN
ZINC 1	233.65	220.42	227.37	220.56	220.26	UP	UP	UP
CASTOR 1	6081	5986	6055	5880.05	5940.24	UP	UP	UP
DHANIYA 1	7608	7456	7760	7928	7257	DOWN	DOWN	UP
GUARGUM5 1	10471	10251.67	10421.67	10148.48	11119.74	UP	UP	DOWN
GUARSEED10 1	5273	5203.33	5287.33	5189.24	5574.93	UP	UP	DOWN
JEERAUNJHA 1	24450	23746.67	24586.67	25094.76	44167	DOWN	DOWN	DOWN
MENTHAOIL 1	922.6	923.73	929.13	929.93	921.99	UP	DOWN	UP
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