

Well, the trading theme revolves around the US economy which grew much less than expected in Q1 but on the other inflationary pressures remained elevated.

# Bottom-line: Traders have scaled back their expectations regarding the timing of a Fed rate reduction, now completely factoring in the first cut only by December.



## Daily Research Reports

## # Good Morning & Welcome to Friday's trading session at Dalal Street, dated April 26th 2024.

### # This Friday morning, Gift Nifty skids in early action. Blame it on:

- 1) Wall Street tumbles in overnight trade.
- 2) Unsettling investors were the disappointing corporate earnings from Meta Platform shares which sank 11%.
- 3) The GDP figures for the US showed the economy slowed sharply. The US economy expanded an annualized 1.6% in Q1 2024, below forecasts of 2.5%.  
(On one hand, the US economy grew much less than expected in Q1 but on the other inflationary pressures remained elevated).
- 4) The core PCE prices increased by 3.7%, above expectations.  
(Traders have scaled back their expectations regarding the timing of a Fed rate reduction, now completely factoring in the first cut by December).
- 5) The US 10-year Treasury note yield rose to above 4.7%, the highest since early November.  
(Traders have scaled back their expectations regarding the timing of a Fed rate reduction, now completely factoring in the first cut by December).
- 6) Kotak Mahindra Bank had tumbled 11% in yesterday's trade after the Reserve Bank of India (RBI) barred the lender from taking on new customers through its online and mobile banking channels, and from issuing fresh credit cards, citing serious deficiencies and issues with compliance regarding its technology platforms.

## Outlook on Friday: Bullish consolidation shall prevail.

# Our call of the day suggests that any pauses or intraday corrective declines shall help refresh and strengthen the benchmark Nifty for the next big leg up.

# Well, keeping Nifty's downside limited will be sluggish oil prices towards \$82.75 a barrel as this also raises hopes of easing tensions in the Middle East.

# The India VIX, the volatility index tumbling at 10.73 is likely to act as the biggest positive catalyst in the near term as indicates that investors may be hoping or expecting continuation of the current regime in the general elections.

### # All eyes will be on Q4 earnings of:

Maruti Suzuki India

HCL Technologies

Bajaj Finserv

SBI Life Insurance

Shriram Finance

## INDICES

<b>Nifty</b>	22570	0.75%
<b>Bank Nifty</b>	48495	0.63%
<b>Nifty Auto Index</b>	22174	1.27%
<b>Nifty FMCG Index</b>	54292	0.67%
<b>Nifty Infra Index</b>	8548	0.69%
<b>Nifty IT Index</b>	33554	0.33%
<b>Nifty Media Index</b>	18889	0.48%
<b>Nifty Midcap Index</b>	13964	0.45%
<b>Nifty Metal Index</b>	9242	1.11%
<b>Nifty Pharma Index</b>	18878	1.57%
<b>Nifty Reality Index</b>	963	-0.25%
<b>Nifty Smallcap Index</b>	16887	0.84%
<b>Sensex</b>	74339	0.66%
<b>SGX Nifty</b>	22680	0.11%

## Outlook for the Day

Buy on dips

## Nifty Outlook

<b>Intraday</b>	Positive (22350-22650)
<b>Medium Term</b>	Positive (21700-23000)
<b>Long Term</b>	Positive (20750-23500)

## Key Levels to Watch

<b>Nifty Support</b>	22200/21709
<b>Nifty Resistance</b>	22550/22777

## Pivot Level

<b>Nifty</b>	22701
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Eveready Industries

Force Motors

Indiabulls Real Estate

Bank of Maharashtra

Mastek

SBI Cards

## STOCKS TO WATCH:

### # SECTORS:

# **Bullish Sectors:** AUTO, PSU BANKS, INFRA, METAL

# **Bearish Sectors:** IT, MEDIA

# **BULLISH STOCKS** (Long Build-up+ Short Covering): Vodafone Idea, ACC, RBL Bank, Sun TV Network, Shriram Finance, Hindustan Copper, Voltas, Bharti Airtel, Muthoot Finance, Eicher Motors. .

# **BEARISH STOCKS** (Long Unwinding + Short build-up): Ipca Laboratories, Metropolis Healthcare, Oracle Financial Services Software, AU Small Finance Bank, Kotak Mahindra Bank, India Hotels, Dalmia Bharat, SBI Life Insurance Company, Ramco Cements, Bata India

# Our **chart of the day** bullish on stocks like CUMMINS, DEEPAK NITRITE, SBI and COLPAL with an interweek/intermonth perspective on any corrective declines.

# **The 1 stock to buy right now:** Buy CUMMINS (CMP 3233): Buy at CMP. Stop at 3097. Targets 3289/3339. Aggressive targets at 3489. (Interweek Strategy). Rationale: Momentum Play.

## FII/DII & OPTIONS DATA:

# The Put-Call Open Interest Ratio was at 1 for Nifty.

# In yesterday's trade, FIIs turned out to be net sellers to the tune of Rupees 2823 crores.

# DIIs however bought to the tune of Rupees 6168 crores

# The **Nifty options data** suggests Nifty is likely to be in a trading range of 21700-23000 zone. Maximum Call OI is at 22600 followed by 22500 strike prices. So, the 22600 mark is now Nifty's crucial resistance zone.

Maximum Put open interest stands at 22600 levels followed by 22000 levels. So, the 22000 mark is now Nifty's biggest support zone for the day on closing basis.

Call writing was seen at 22600 and then at 22500 strike price, while there was meaningful Put writing at 22600 and then at 22500 strike prices.

# INDIA VIX has moved down towards 10.73 levels.

# **Stocks banned in F&O segment:** IDEA

## WHAT TECHNICALS TELLS US

### Daily chart of Nifty:



**# Nifty:** In yesterday's trading session, Nifty after a volatile start witnessed positive bias all-thru the session and the positive takeaway was that the benchmark ended way above the dotted lines.

In the process, Nifty formed a big bullish candle.

# Nifty and Sensex new all-time-high continues to be at 22775.70 & 75124 respectively.

The technical landscape suggests Nifty's major support at 22305 mark. Interweek support seen at 22000 and then at 21710 mark.

Nifty's 200 DMA at 20703 mark.

### Daily chart of Bank Nifty:



**# Bank Nifty:** In yesterday's trading session, Bank Nifty too witnessed massive bullish consolidation and the positive takeaway was that the benchmark ended a well above the dotted lines.

Bank Nifty was mostly seen mirroring benchmark Nifty's strength. Bank Nifty ended with 0.63% gains as against Nifty's 0.75% gains.

Interestingly, in Thursday's trade, Nifty PSU Bank index ended 3.77% higher while Nifty Private Bank index ended 0.13% higher.

Bank Nifty, new all-time-high is at 49057.40 mark.

Intraday support for Bank Nifty now seen at 47611/47225 and then at 46011 on closing basis.

In today's trade, Bank Nifty is likely face resistance at 48750 mark and then hurdles are placed at 49100/49700. Bank Nifty's 200-DMA is placed at 45727 mark.

**ECONOMIC CUES:**

# US Retail sales for March rose more than anticipated sending Treasury yields higher. The data suggest interest rates may stay steady for longer than some traders had hoped.

The U.S. Census Bureau said retail sales rose 0.7% on a monthly basis in March. February's figures were also revised higher. The report was the latest economic data that could push back potential interest rate cuts from the Federal Reserve.

**GLOBAL STOCK MARKETS:**

# In Thursday's trade at Wall Street, U.S. stocks were seen tumbling as disappointing corporate earnings and elevated bond yields look set to stall the market rebound.

After Meta Platforms shares plunged following its results yesterday, the tech sector will be in focus again throughout the day as Google owner Alphabet is due to report earnings after the close, along with Microsoft. Intel will also post results later in the day.

# Investors remain focused on the outlook for inflation, interest rates, and Federal Reserve policy, with key economic data due this week that could shift the needle on rate expectations.

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

Nifty registers a fifer on F&O expiry day, fueled by robust buying in PSU Banks

**NIFTY (+168, 22570)**

**Sensex (+487, 74339)**

**Bank Nifty (+306, 48495)**

Nifty registers a fifer as it ends just a tad below the psychological 22600 mark, recouping intraday losses towards the fag end of the day's session

# Barring Realty Index, all the other indices ended in green, in which the PSU Banking Index ended 3.77% higher. Pvt. Banks were seen under pressure as Kotak Bank tanked 10.73% on RBI's orders that restrict it to open news accounts via mobile banking on security concerns.

# India VIX ended a bit higher after falling for last few sessions but despite that the market mood seemed positive.

# **Long story short:** Nifty seems en route to reclaim its all time high at 22775.70 mark!

**# BUZZING STOCKS FOR THE DAY:**

**Top Index Gainers:** AXISBANK (+6.04%) SBIN (+5.03%) DRREDDY (+5.03%)

**Top Index Losers:** KOTAKBANK (-10.73%) LTIM (-1.90%) HUL (-1.13%)

# Adv-Dec 40—10

# INDIA VIX 10.73 (+4.38%)

# Nifty PCR 2nd MAY (1.16)

# Nifty PCR 30th MAY (1.41)

# Nifty MidCap 50 (+0.45%, 13964)

# NiftySmallC (+0.84%, 16887)

# BANK Nifty (+0.63%, 48495)

# Nifty IT (+0.33%, 33554)

# USD/INR (+0.003%, 83.32)



## Market Summary:

- Nifty May Futures ended Thursday's session at a premium of +75.
- The 30th May expiry Put-Call Open Interest Ratio was at 1.38 for Nifty.
- The 30th May 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 30th May Series. Long Buildup was seen at strike prices 22500-23000.
- Maximum Put Open Interest (OI) was seen at strike price 22000 followed by 22500 strike prices for 30th May series. Short Buildup was seen at strike prices 21900-22600.
- 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 sold shares worth Rs. 2823.33 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 6167.56 crores.
- Long Buildup: GMRINFRA, FEDERALBNK, SBIN, TATAPOWER.
- Short Buildup: KOTAKBNK, TATACONSUM, CHOLAFIN, BAJFINANCE.
- Short Covering: ITC, PETRONET, DLF, MARICO.
- Long Unwinding: RBLBANK, AMBUJACEM, RAMCOCEM.
- Stocks banned in F&O segment:** IDEA
- New in Ban: IDEA.
- Out of Ban: ABFRL, HINDCOPPER, SAIL.

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

<b>Nifty Spot</b>	22570.35 (+0.75%)
<b>Bank Nifty Spot</b>	48494.95 (+0.63%)
<b>VIX</b>	10.73 (+4.38%)
<b>Premium</b>	+75
<b>Nifty Future OI</b>	1.14 crores (+30.26%)
<b>Bank Nifty Future OI</b>	18.6 lakhs (+14.90%)

<b>Cash Volumes (INR in Cr.)</b>	<b>Yesterday</b>	<b>Day Before Yesterday</b>
<b>BSE Cash Vol. (Rs. in Cr)</b>	9907.37	7021.24
<b>NSE Cash Vol. (Rs. in Cr)</b>	138,700.51	103,160.74
<b>NSE Derivative Vol. (Rs. in Cr)</b>	7,490,895	6,185,228

<b>Derivatives Vol. (INR in Cr.)</b>	<b>No of contracts</b>	<b>Turnover (Rs. In cr.)</b>
<b>Index Future Volumes</b>	249,828	25,981
<b>Stock Future Volumes</b>	1,610,286	134,955
<b>Index Option Volumes</b>	69,769,241	7,311,504
<b>Stock Option Volumes</b>	211,068	18,455
<b>Total</b>	71,840,423	7,490,895

## Major Changes in Nifty Options (OI)

<b>Calls</b>	<b>in lakhs (% Change)</b>
22500	0.49 (+32%)
22600	0.2 (+150%)
22700	0.16 (+60%)

<b>Puts</b>	<b>in lakhs (% Change)</b>
22500	0.61 (+53%)
22600	0.27 (+125%)
22700	0.19 (+73%)





Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	242	235	250	221	204	UP	UP	UP
COPPER 1	845	828	862	796	729	UP	UP	UP
CRUDEOIL 1	6981	6841	7121	7013	6631	UP	DOWN	UP
GOLD 1	72806	71350	74262	69801	61851	UP	UP	UP
LEAD 1	190	184	195	183	183	UP	UP	UP
NATURALGAS 1	147	142	151	148	209	UP	DOWN	UP
NICKEL	1587	1556	1619	1634	1950	DOWN	DOWN	DOWN
SILVER 1	83507	81837	85177	79604	73168	UP	UP	UP
STEEL 1	40620	39808	41432	42080	44511	DOWN	DOWN	DOWN
ZINC 1	251	243	258	232	222	UP	UP	UP
		0	0					
CASTOR 1	5785	5669	5901	5944	5959	DOWN	DOWN	UP
DHANIYA 1	7308	7162	7454	7637	7349	DOWN	DOWN	DOWN
GUARGUM5 1	11143	10920	11366	10329	11112	UP	UP	UP
GUARSEED10 1	5497	5387	5607	5275	5579	UP	UP	UP
JEERAUNJHA 1	23920	23442	24398	23890	43080	DOWN	UP	DOWN
MENTHAOIL 1	894	876	912	916	921	DOWN	DOWN	UP
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Contact:

## Khandwala Securities Limited

Vikas Building,  
Ground Floor,  
Green Street, Fort,  
Mumbai - 400 023, India.  
022-40767373

C-8/9, Dr. Herekar Park,  
Near Kamla Nehru Park,  
Off Bhandarkar Road,  
Pune - 411 004.  
020-66220300

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