

Nifty has been drifting lower for the past 3-days in a row.

The big question: Calm Before The Storm??

- 1) Exit Poll (June 1st June at 6:30 PM IST)
- 2) May F&O expiry (May 30th)
- 3) US GDP (May 30th)
- 4) India's GDP (May 31st)
- 5) US PCE Inflation (May 31st)
- 6) May Auto Sales (June 1st).

Technically speaking, the line on the sand is at the Nifty 22650 mark.



Daily Research Reports

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

Well, Nifty has been drifting lower for past 3-days in a row.

The big question: Calm Before The Storm??

Before getting into detail, here are the two-positive catalyst:

- 1) Overnight, the Nasdaq Composite traded at its highest level on record, thanks to gains in big tech stocks like Nvidia and Apple.
- 2) Both FIIs and DIIs were net buyers in yesterday's weak session.

Honestly speaking, there is a bright chance that Nifty could continue to stand tall, but we suspect, the 'Six-Big-Catalysts' lined-up this week could make a big difference:

- 3) Exit Poll (June 1st June at 6:30 PM IST)
- 4) May F&O expiry (May 30th)
- 5) US GDP (May 30th)
- 6) India's GDP (May 31st)
- 7) US PCE Inflation (May 31st)
- 8) May Auto Sales (June 1st).

Long story short: Well, our **call of the day** suggests 'It is now all about Friday's US PCE data' and then commanding attention will be election outcome on Tuesday, June 4th.

Technically speaking, the line on the sand is at Nifty 22650 mark.

Outlook on Wednesday: Volatility is likely to be the hallmark.

IRCTC that offers online tickets and manages food services on trains missed street's expectations after reporting a net profit of Rs 284 crore for the March quarter of FY24, up 2% from the year-ago period. Revenue came in at Rs 1,154.8 crore, rising 20%.

Meanwhile, India VIX, which measures the market's expectation of volatility in the next 30 days has shot higher above 24 levels, indicating heightened volatility ahead.

The rising VIX is actually making it difficult for Nifty to sustain at record high levels.

WTI Crude oil prices have risen toward \$79 per barrel, rebounding from three-month lows amid expectations that OPEC+ would extend voluntary output cuts of 2.2 million barrels per day into the second half of the year at its meeting on June 2.

INDICES

Nifty	22888	-0.19%
Bank Nifty	49142	-0.28%
Nifty Auto Index	23814	-0.26%
Nifty FMCG Index	55272	0.02%
Nifty Infra Index	8775	-0.79%
Nifty IT Index	33881	-0.34%
Nifty Media Index	1884	0.31%
Nifty Midcap Index	14665	-0.81%
Nifty Metal Index	9815	-0.52%
Nifty Pharma Index	19216	0.54%
Nifty Reality Index	1010	-2.16%
Nifty Smallcap Index	16876	-0.85%
Sensex	75170	-0.29%
SGX Nifty	22898	-0.08%

Outlook for the Day

Choppy & Volatile

Nifty Outlook

Intraday	Neutral (22700-23000)
Medium Term	Positive (21750-23500)
Long Term	Positive (20500-24000)

Key Levels to Watch

Nifty Support	22617/22313
Nifty Resistance	23111/23500

Pivot Level

Nifty	22175
--------------	-------

STOCKS TO WATCH:**# SECTORS:**

Bullish Sectors: PHARMA.

Bearish Sectors: REALITY, IT

BULLISH STOCKS (Long Build-up+ Short Covering): AXIS BANK, GLENMARK, HDFC AMC, DIVIS LAB, HEROMOTO CORP, MARUTI, OBEROI REALITY.

BEARISH STOCKS (Long Unwinding + Short build-up): SUN PHARMA, LUPIN, APOLLO TYRES, BHEL, SAIL, NMDC, IEX.

Our chart of the day bullish on stocks like BAJAJ AUTO and HDFC AMC with an interweek/intermonth perspective on any corrective declines.

The 1 stock to buy right now: BUY HDFC AMC (CMP 4012): Buy at CMP. Stop at 3841. Targets 4089/4203. Aggressive targets at 4351. (Intermonth Strategy). Rationale: Breakout Play.

FII/DII & OPTIONS DATA:

The Put-Call Open Interest Ratio was at 0.79 for Nifty.

In yesterday's trade, FIIs turned out to be net buyers to the tune of Rupees 66 crores while DIIs too were net bought to the tune of Rupees 3232 crores.

The Nifty options data suggests Nifty is likely to be in a trading range of 22000-23500 zone. Maximum Call OI is at 24000 followed by 23500 strike prices. So, the 23500 mark is now Nifty's crucial resistance zone.

Maximum Put open interest stands at 23000 levels followed by 22500 levels. So, the 22500 mark is now Nifty's biggest support zone for the day on closing basis.

Call writing was seen at 24000 and then at 23100 strike price, while there was meaningful Put writing at 23000 and then at 22500 strike prices.

Stocks banned in F&O segment: ABFRL, BIOCON, HIND COPPER, PEL, VODAFONE IDEA.

WHAT TECHNICALS TELLS US

Daily chart of Nifty:



Nifty: In yesterday's trading session, Nifty witnessed some corrective declines after staying in green in the morning session. The negative takeaway was that the benchmark ended below the dotted lines and most importantly, for 3rd day in a row.

Nifty's all-time-high is now at 23110.80 mark.

In the process, Nifty formed a small bearish candle on the daily charts indicating the benchmark may trade in a range in the near term.

The technical landscape suggests Nifty's major support at 22650/22337 mark. Interweek support seen at 22000 mark.

Nifty's hurdles seen at 23111/23500 mark.

Nifty's 200 DMA at 21020 mark.

Daily chart of Bank Nifty:



Bank Nifty: In yesterday's trading session, Bank Nifty witnessed massive consolidation and the negative takeaway was that the benchmark ended below the dotted lines and snapped a 3-day winning streak.

Bank Nifty's all-time-high continues to be at 49974.75 mark.

Intraday support for Bank Nifty now seen at 48650/47900 mark and then at 47705 mark on closing basis.

In today's trade, Bank Nifty is likely face resistance only at 49300/50000 mark. Bank Nifty's 200-DMA is placed at 46064 mark.

ECONOMIC CUES:

The April US consumer price index data, released Wednesday morning by the U.S. Bureau of Labor Statistics, showed a year-over-year gain of 3.4%, compared with March's 3.5% increase.

Economists had expected the inflation data to show that price growth cooled slightly last month—which could help pave the way for interest-rate cuts later this year.

Headline inflation was 0.3% on a monthly basis in April, slightly softer than the 0.4% increase in prices economists expected. The monthly pace of inflation was also 0.4% in March and February.

The annual retail inflation rate in India eased to 4.83% in April of 2024. It was the eighth straight month that Indian inflation remained within the RBI's tolerance band of 2 percentage points from 4%, indicating that the central bank is likely to hold its key rate unchanged at the terminal level in upcoming decisions.

GLOBAL STOCK MARKETS:

Overnight at Wall Street, U.S. stocks were mixed as investors looked to extend a five-week winning streak on Wall Street while focusing on a handful of key corporate earnings and a key PCE inflation which will be wired on Friday.

The Conference Board's benchmark index of consumer confidence jumped 4.5 points to 102 in May, although its reading for near-term expectations continues to signal recession.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Nifty ends lower for 3rd straight day amidst nervousness ahead of election results.

India VIX spikes to 2-year high at 24.14.

NIFTY (-44, 22888)

Sensex (-220, 75170)

Bank Nifty (-140, 49142)

Strictly speaking, Nifty's drubbing continued for the 3rd straight day as caution prevailed ahead of 6-key big events:

- 1) Exit Poll (June 1st June at 6:30 PM IST)
- 2) May F&O expiry (May 30th)
- 3) US GDP (May 30th)
- 4) India's GDP (May 31st)
- 5) US PCE Inflation (May 31st)

6) May Auto Sales (June 1st).

Amidst these key events, expect – volatility to be the hallmark in the near term.

Long story short: Caution is the buzzword.

BUZZING STOCKS FOR THE DAY:

Top Index Gainers: DIVISLABS (+3.05%) SBILIFE (+2.96%) HDFCLIFE (+2.44%)

Top Index Losers: ADANI PORTS (-2.17%) POWERGRID (-1.64%) BPCL (-1.59%)

Adv-Dec 22—28

INDIA VIX 24.19 (+4.31%)

NIFTY PCR (30th MAY) 0.82

Nifty MidCap 50 (-0.81%, 14665)

NiftySmallC (-0.85%, 16876)

BANK Nifty (-0.28%, 49142)

Nifty IT (-0.34%, 33881)

USD/INR (+0.05%, 83.18)

Market Summary:

- Nifty May Futures ended Tuesday's session at a premium of +92 vs premium of +69.
- The 30th May expiry Put-Call Open Interest Ratio was at 0.79 for Nifty.
- The 30th May expiry Put-Call Volume Ratio was at 1.06 for the Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 24000 Strike Price, followed by 23500 Strike Price for 30th May Series. Short Buildup was seen at strike prices 22900-23500.
- Maximum Put Open Interest (OI) was seen at strike price 22500 followed by 23000 strike prices for 30th May series. Short Buildup was seen at strike prices 22200-22900.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 50000 Strike Price and Maximum Put Open Interest stands at 48000 Strike Price.
- As per Tuesday's provisional data available on the NSE, FIIs bought shares worth Rs. 65.57 crores in the Indian Equity Market. DIIs too, bought shares worth Rs.3231.67 crores.
- Long Buildup: HINDALCO, M&M, DIVISLABS, DRREDDY.
- Short Buildup: GMRINFRA, ADANI PORTS, GODREJPROP.
- Short Covering: HUL, EXIDEIND, MFSL, HINDCOPPER..
- Long Unwinding: RECLTD, IGL, JINDALSTEL, TCS.
- Stocks banned in F&O Segment:** ABFRL, BIOCON, HINDCOPPER, IDEA, PEL.
- New in Ban: ABFRL.
- Out of Ban: GNFC.

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

Nifty Spot	22888.15 (-0.19%)
Bank Nifty Spot	49142.15 (-0.28%)
VIX	24.19 (+4.31%)
Premium	+92 vs +69
Nifty Future OI	0.87 crores (-14.96%)
Bank Nifty Future OI	13.83 lakhs (-20.12%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	9036.23	8807.7
NSE Cash Vol. (Rs. in Cr)	1,02,737.47	1,21,808.13
NSE Derivative Vol. (Rs. in Cr)	49,48,574	42,85,108

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	2,35,668	15,400
Stock Future Volumes	32,05,217	2,44,812
Index Option Volumes	6,05,47,044	45,90,201
Stock Option Volumes	11,51,766	98,160
Total	6,51,39,695	49,48,574

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
22900	1.36 (+60%)
23000	3.64 (+42%)
23100	2.55 (+31%)

Puts	in lakhs (% Change)
23100	0.19 (-21%)
23200	0.33 (-6%)
23300	0.08 (-20%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	247	239	254	237	209	UP	UP	UP
COPPER 1	902	884	920	879	747	UP	DOWN	UP
CRUDEOIL 1	6635	6502	6768	6612	6647	DOWN	UP	DOWN
GOLD 1	72155	70712	73598	71994	63431	DOWN	DOWN	UP
LEAD 1	192	186	198	193	185	DOWN	DOWN	UP
NATURALGAS 1	216	210	222	194	205	UP	DOWN	UP
SILVER 1	95335	93428	97242	85633	74596	UP	UP	UP
STEELREBAR 1	43870	42993	44747	31593		UP	DOWN	UP
ZINC 1	276	268	284	263	227	UP	UP	UP
CASTOR 1	5710	5596	5824	5675	5941	DOWN	UP	DOWN
DHANIYA 1	7490	7340	7640	7436	7430	UP	DOWN	UP
GUARGUM5 1	10707	10493	10921	10834	11149	UP	DOWN	UP
GUARSEED10 1	5477	5367	5587	5484	5584	UP	DOWN	UP
JEERAUNJHA 1	28350	27783	28917	26447	39635	UP	UP	UP
MENTHAOIL 1	891	873	909	932	925	DOWN	DOWN	UP
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

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

DISCLAIMER: Further, this report is prepared under the collaborative effort between Firstcall Research and Khandwala Securities Limited under a knowledge sharing agreement, and the current report besides the exclusive disclosures from Firstcall Research will also have the following disclosures from Khandwala Securities Limited. This report is for the personal information of the authorized recipient and does not construe to be any investment, legal or taxation advice. Firstcall Research, and Khandwala Securities Limited (hereinafter referred to as "KSL") is not soliciting any action based upon it. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any such transaction. In preparing this research, we did not take into account the investment objectives, financial situation and particular needs of the reader.

This research has been prepared for the general use of the clients of Firstcall Research and KSL and must not be copied, either in whole or in part, or distributed or redistributed to any other person in any form. If you are not the intended recipient you must not use or disclose the information in this research in any way. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Firstcall Research and KSL will not treat recipients as customers by virtue of their receiving this report. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Firstcall Research and KSL & its group companies to registration or licensing requirements within such jurisdictions.

The report is based on the information obtained from sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. We accept no obligation to correct or update the information or opinions in it. Firstcall Research or KSL or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Firstcall Research or KSL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This information is subject to change without any prior notice. Firstcall Research or KSL reserves its absolute discretion and right to make or refrain from making modifications and alterations to this statement from time to time. Nevertheless, Firstcall Research or KSL is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Before making an investment decision on the basis of this research, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances. There are risks involved in securities trading. The price of securities can and does fluctuate, and an individual security may even become valueless. International investors are reminded of the additional risks inherent in international investments, such as currency fluctuations and international stock market or economic conditions, which may adversely affect the value of the investment. Opinions expressed are subject to change without any notice. Neither the company nor the director or the employees of Firstcall Research or KSL accept any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. Here it may be noted that neither KSL, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profit that may arise from or in connection with the use of the information contained in this report.

Copyright of this document vests exclusively with Khandwala Securities Limited.