

Well, there's plenty going for the market right now.

India VIX above 20 levels, indicates heightened volatility ahead.

Corporate India's Q4 results to trickle in (May 15th):

Balrampur Chini Mills

Canara Bank

GMR Airports Infrastructure

Hindustan Copper

Vodafone Idea

Piramal Enterprises

SAIL

Zee Entertainment.



Daily Research Reports

Good Morning & Welcome to Wednesday's trading session at Dalal Street, dated May 15th 2024.

Strictly speaking, the clock is ticking for a September US rate cut.

Well, a little bit of good news (or even just the absence of bad news) on the inflation front could propel Nifty back to its all-time-high at 22795 mark.

Well, there's plenty going for the market right now.

First, producer prices rose more than expected in April. The US Producer Price Index (PPI) surged 2.2% annually in April.

Federal Reserve Chair Jerome Powell has said that he's still practicing patience regarding the trajectory of inflation and believes the central bank will need to let restrictive monetary policy do its work for longer.

Traders will now be eagerly awaiting key US inflation data set for release on Wednesday, May 15th 2024.

Our **call of the day** suggests Nifty bulls may be benefiting from higher expectations that lower interest rates are ahead.

Well, a little bit of good news (or even just the absence of bad news) on inflation front could propel Nifty back to its all-time-high at 22795 mark.

At Wall Street, all the big 3 indices are within striking distance of their all-time highs.

Copper seen extending its rally, and is up 19% this year.

Our **call of the day** suggests Nifty bulls may be benefiting from higher expectations that lower interest rates are ahead.

Outlook on Wednesday: Bulls are likely to regroup at lower levels.

In yesterday's trade, Nifty ended higher for a third straight session.

The positive takeaway was that the advance-decline ratio was in favour of the bulls (4:1).

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INDICES

Nifty	22218	0.51%
Bank Nifty	47859	0.22%
Nifty Auto Index	22875	1.83%
Nifty FMCG Index	55054	-0.53%
Nifty Infra Index	8416	1.34%
Nifty IT Index	33123	0.15%
Nifty Media Index	1782	0.73%
Nifty Midcap Index	14163	0.70%
Nifty Metal Index	9347	2.77%
Nifty Pharma Index	18861	-0.41%
Nifty Reality Index	955	0.88%
Nifty Smallcap Index	16363	2.03%
Sensex	73105	0.45%
SGX Nifty	22242	0.34%

Outlook for the Day

Buy on dips

Nifty Outlook

Intraday	Positive (22000-22350)
Medium Term	Positive (21250-23000)
Long Term	Positive (20000-23500)

Key Levels to Watch

Nifty Support	22081/21710
Nifty Resistance	22423/22795

Pivot Level

Nifty	22175
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M&M, HAL, Gail, Solar Industries, Info Edge, Container Corporation, Biocon, Motherson Sumi Wiring, Ratnamani Metals, V-Guard, Jk Paper (May 16th)

JSW Steel, Zydus Lifesciences, NHPC, Astral, Glaxosmithkline, Godrej Industries, Pfizer, Zee Entertainment, Shipping Corporation, RCF (May 17th)

Meanwhile, Siemens reported a 70% rise in its net profit for the March 2024-ended quarter. Further, the company also announced fresh capex of more than Rs 500 crore and a demerger plan for its energy business, in separate announcements.

STOCKS TO WATCH:

SECTORS:

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

Bearish Sectors: FMCG, IT, MEDIA.

BULLISH STOCKS (Long Build-up+ Short Covering):

Birlasoft, Shree Cement, Oberoi Realty, ABB India, HDFC AMC, Hindustan Copper, Can Fin Homes, Havells India, Mphasis, Marico.

BEARISH STOCKS (Long Unwinding + Short build-up): Cholamandalm Investment and Finance, UPL, Polycab India, Muthoot Finance, PVR INOX, Berger Paints, Divis Laboratories, Zydus Lifesciences, Alkem Laboratories, Godrej Consumer Products

Our **chart of the day** bullish on stocks like AUROBINDO PHARMA, INDIAN HOTELS, and ADANI PORT with an interweek/intermonth perspective on any corrective declines.

The 1 stock to buy right now:

Buy AUROBINDO PHARMA MAY FUTURES

Entry Price: 1172

Target: 1257

Stop Loss: 1133

Holding Period: 0-5

Rationale: Momentum

Lot Size: 550

FII/DII & OPTIONS DATA:

The Put-Call Open Interest Ratio was at 1.10 for Nifty.

In yesterday's trade, FIIs sold shares to the tune of Rupees 4066 crores.

DIIs however were net buyers to the tune of Rupees 3528 crores.

The Nifty options data suggests Nifty is likely to be in a trading range of 22000-23000 zone. Maximum Call OI is at 23000 followed by 22500 strike prices. So, the 23000 mark is now Nifty's crucial resistance zone.

Maximum Put open interest stands at 22100 levels followed by 22200 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 22100 and then at 22200 strike prices.

Stocks banned in F&O segment: BALRAMPUR CHINNI, BSOFT, CANARA BANK, GMR INFRA, HINDCOPPER, PEL, SAIL, VODAFONE IDEA, ZEE ENTERTAINMENT.

WHAT TECHNICALS TELLS US

Daily chart of Nifty:



Nifty: In yesterday's trading session, Nifty witnessed volatile & choppy trading session but the positive takeaway was that bulls regrouped at lower levels and most importantly, the benchmark ended on a positive note for the third straight day.

Nifty's all-time-high continues to be at 22794.70 mark.

In the process, Nifty formed a bullish candle and most importantly, the structure now appears to stabilize on the daily charts.

The technical landscape suggests Nifty's major support at 22089/21917 mark. Interweek support seen at 21710 and then at 21201 mark.

Nifty's hurdles seen at 22369/22589 mark.

Nifty's 200 DMA at 20869 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 above the dotted lines and on a positive note for the second straight day.

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

Bank Nifty was mostly seen mostly mirroring benchmark Nifty's rebound play action. Bank Nifty ended with 0.22% gains as against Nifty's 0.51% gain.

Interestingly, in Tuesday's trade, Nifty PSU Bank index rebounded 1.04% higher while Nifty Private Bank index ended 0.18% higher.

Intraday support for Bank Nifty now seen at 47501/46579 mark and then at 45709 mark on closing basis.

In today's trade, Bank Nifty is likely face resistance only at 48259/49000 mark. Bank Nifty's 200-DMA is placed at 45918 mark.

ECONOMIC CUES:

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:

In Tuesday's trade at Wall Street, U.S. stock market's after a positive open were seen consolidating but did end on a positive note.

Traders were eagerly awaiting key US inflation data this Wednesday, which will likely provide further insight into the Fed's upcoming interest rate decisions.

Fresh data from the NY Fed showed consumers raised their expectations for price increases last month. In addition, market participants will be closely watching the PPI and retail sales reports, as well as statements from various Fed officials, including Chair Powell.

A cooler than expected inflation report would be welcomed by the market, especially if it helps pave the way for interest rate cuts in the months ahead.

Meanwhile, producer prices rose more than expected in April, but the March reading was revised sharply lower.

Chair Powell's comments at the Meeting of the Foreign Bankers' Association did not offer any new clues. "We did not expect this to be a smooth road. But these [PPI readings] were higher than I think anybody expected," Powell said. "we'll need to be patient and let restrictive policy do its work."

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Nifty posts hat-trick of gains and reclaims psychological 22200 mark as well

NIFTY (+114, 22218)

Sensex (+328, 73105)

Bank Nifty (+105, 47859)

Nifty's rally started from the word GO in early action, which went on till the closing bell eventually rang. The positivity can be attributed to higher expectations of lowering of interest rates by the Fed.

Interestingly, Nifty MidCap was up 0.70% but Nifty SmallCap was up even more at 2.03%.

Barring FMCG & Pharma, all the other sectoral indices ended in green with maximum gains seen in Metals space.

Another positive takeaway was that Nifty ended above the psychological 22200 mark.

After galloping for many sessions, India VIX cooled down after a long time by -1.96% at 20.20 levels

BUZZING STOCKS FOR THE DAY:

Top Index Gainers: ADANIENT (+5.40%) M&M (+4.01%) HEROMOTOCORP (+3.37%)

Top Index Losers: CIPLA (-3.99%) TCS (-1.16%) TATACONSUM (-1.00%)

Adv-Dec 36—14

INDIA VIX 20.20 (-1.96%)

NIFTY PCR (16th MAY) 0.88

NIFTY PCR (30th MAY) 1.10

Nifty MidCap 50 (+0.70%, 14163)

NiftySmallC (+2.03%, 16363)

BANK Nifty (+0.22%, 47859)

Nifty IT (+0.15%, 33123)

USD/INR (-0.003%, 83.56).

Market Summary:

- Nifty May Futures ended Wednesday's session at a premium of +94 vs premium of +120.
- The 30th May expiry Put-Call Open Interest Ratio was at 1.10 for Nifty.
- The 30th May expiry Put-Call Volume Ratio was at 1.00 for the Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 23000 Strike Price, followed by 22500 Strike Price for 30th May Series. Short Covering was seen at strike prices 21800-22200.
- Maximum Put Open Interest (OI) was seen at strike price 21000 followed by 22000 strike prices for 30th May series. Long Unwinding was seen at strike prices 22000-23000.
- 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 Tuesday's provisional data available on the NSE, FII sold shares worth Rs. 4065.52 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 3527.86 crores.
- Long Buildup: BEL, NATIONALUM, NMDC, RECLTD.
- Short Buildup: CIPLA, LUPIN, TCS.
- Short Covering: PNB, GMRINFRA, CANBK, IGL.
- Long Unwinding: HUL, DRREDDY, GLENMARK.
- Stocks banned in F&O Segment:** BALRAMCHIN, BSOFT, CANBK, GMRINFRA, HINDCOPPER, IDEA, PEL, SAIL, ZEEL.
- New in Ban: BSOFT
- Out of Ban: PNB

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

Nifty Spot	22217.85 (+0.51%)
Bank Nifty Spot	47859.45 (+0.22%)
VIX	20.19 (-1.99%)
Premium	+94 vs +120
Nifty Future OI	1.08 crores (-7.62%)
Bank Nifty Future OI	23.45 lakhs (+2.63%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	6020.53	6934.09
NSE Cash Vol. (Rs. in Cr)	91,459.69	108,066.51
NSE Derivative Vol. (Rs. in Cr)	4,267,740	3,972,641

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	237,233	13,971
Stock Future Volumes	669,646	50,532
Index Option Volumes	51,844,621	4,127,010
Stock Option Volumes	954,663	76,227
Total	53,706,163	4,267,740

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
22000	0.65 (-21%)
22100	0.25 (-19%)
22200	0.56 (-10%)

Puts	
22200	0.63 (+34%)
22300	0.37 (-5%)
22400	0.25 (+4%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	235	228	242	236	207	UP	DOWN	UP
COPPER 1	884	867	902	846	738	UP	UP	UP
CRUDEOIL 1	6513	6383	6643	6847	6661	DOWN	DOWN	DOWN
GOLD 1	72305	70859	73751	71534	62678	UP	UP	UP
LEAD 1	195	189	201	190	184	UP	UP	UP
NATURALGAS 1	197	191	203	159	205	UP	UP	UP
NICKEL	1611	1579	1643	1634	1950	UP	UP	DOWN
SILVER 1	85434	83725	87143	81887	73617	UP	UP	UP
STEEL 1	43720	42846	44594	42125	44492	UP	UP	UP
ZINC 1	264	256	272	252	225	UP	UP	UP
		0	0			UP	UP	UP
CASTOR 1	5650	5537	5763	5747	5954	DOWN	DOWN	DOWN
DHANIYA 1	7384	7236	7532	7449	7408	DOWN	DOWN	DOWN
GUARGUM5 1	10600	10388	10812	10844	11140	UP	DOWN	UP
GUARSEED10 1	5460	5351	5569	5459	5588	UP	DOWN	UP
JEERAUNJHA 1	28400	27832	28968	23676	41122	UP	UP	UP
MENTHAOIL 1	956	937	975	914	922	UP	UP	UP
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