



FIRSTCALL
RESEARCH



KHANDWALA
SECURITIES LIMITED

Weekly Research Reports



Wealth Visionaries

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Top Sectors for the Week

Relative Strength Performance with Firstcall & KSL Top Sectors

Top Sectors for the Week is a Technical and Macro report containing everything you need to have...a clear, precise and detailed view on the five top momentum sectors... listed in BSE. This detailed multi-analyzed Macro-Technical report is a smart way to enter or exit an outperforming or underperforming sector using the relative strength function.

Top Sectors for the Week reports have an unbeatable track record...You can look out for our previous reports at our website www.kslindia.com

Sector Analysis: Relative Strength Performance

| Sectors | Relative to Sensex... | Outperforming stocks | Underperforming stocks |
|--------------------|-----------------------|---|------------------------|
| Nifty Auto Index | NEUTRAL | ASHOK LEYLAND, BAJAJ AUTO, BALKRISHNA INDUSTRIES, HEROMOTO CORP | MRF |
| Bank Nifty Index | OUTPERFORM | AXIS BANK, SBI, ICICI BANK | BANDHAN BANK |
| Nifty IT Index | NEUTRAL | COFORGE, TECH MAHINDRA | LTIM |
| Nifty Pharma Index | NEUTRAL | NATCO PHARMA, PFIZER, SANOFI, FDC, MARKSANS, ZYDUS LIFESCIENCE | IPCA LAB, SUN PHARMA |
| Nifty Metals Index | OUTPERFORM | HINDUSTAN COPPER, HINDALCO, JINDAL STEEL | ADANI ENTERPRISES |

From Firstcall & KSL Research Desk...

* The Week That Was *

June 17th to June 21st 2024.

Nifty witnesses' uptick, however, lacked follow-through as traders look for fresh catalysts.

Honestly speaking, sometimes a little uncertainty and little consolidation is just what the market needs.

However, in an uninspiring week, Bank Nifty stole the limelight and ended with a cherry on the top.

Nifty (+0.15%, 23501)

Sensex (+0.28%, 77210)

Well, the benchmark Nifty did not rise nor fall dramatically in the week gone by.

That said, Bank Nifty was star outperformer amidst 'Short Covering + Value Buying'.

The 4-positive catalysts for banking stocks:

- 1) Strong Indian economy and robust growth outlook. (India to remain fastest-growing economy, to log 6.7% GDP growth in next 3 years: World Bank)
- 2) Strong Balance Sheets.
- 3) Cheap Valuations.
- 4) Lower inflation numbers. (India's retail inflation at 12-month low, eases to 4.75% in May).

Weekly Recap:

| Instruments | LTP | Weekly % Change |
|--------------|--------|-----------------|
| Nifty | 23501 | +0.15% |
| Sensex | 77210 | +0.28% |
| Bank Nifty | 51661 | +3.32% |
| Nifty Midcap | 15624 | +0.65% |
| India VIX | 13.18 | +2.79% |
| Dow Jones | 39150 | +2.00% |
| Nasdaq | 19680 | +0.40% |
| Bovespa | 121281 | +1.25% |
| Crude Oil | 80.68 | +3.37% |
| Gold | 2318 | (-0.55%) |
| Silver | 29.55 | +0.05% |
| USD/INR | 83.56 | (-0.07%) |

Here are how indices performed in the week gone by:

- 1) Nifty managed to end the week above the dotted lines, up 0.15% higher. (Nifty's new all-time-high now at 23667.10 mark).
- 2) The technical analysis picture highlights a lack of buyer interest. Investors actually were seen wondering: Should profits be booked, or just stay in the bullish course?
- 3) Bank Nifty ended with a cherry on top — fresh record all-time-high and most importantly, ended 3.32% higher at 51661 mark. (Bank Nifty's new all-time-high is now at 51957 mark).
- 4) Nifty Private Bank index was star outperformer, up 4.17% while Nifty PSU Bank index ended 1.07% lower.
- 5) In broader markets, the Nifty Midcap 100 index inched up 0.65% higher while the Nifty Smallcap index moved up 1.06%.

6) Outperforming Nifty Sectors:

- Nifty IT (+1.74%)
- Nifty Realty index (+0.25%)
- Nifty Metal index (+0.79%)

7) Underperforming Nifty Sectors:

- Nifty Auto Index (-2.45%)
- Nifty FMCG Index (-2.16%)
- Nifty Oil & Gas Index (-1.94%)
- Nifty PSE (-1.85%)
- Nifty Pharma (-1.85%)
- Nifty Infra Index (-1.58%)
- Nifty Media (-0.88%)

In the week gone by, notable gainers amongst Nifty 50 were:

- 1) SHRIRAM FINANCE +5.87%
- 2) HDFC BANK +5.74%
- 3) AXIS BANK +5.43%
- 4) ICICI BANK +4.10%
- 5) ADANI PORT +4.04%

And the losers were:

- 1) MARUTI SUZUKI (-5.07%)
- 2) HEROMOTO CORP (-4.77%)
- 3) LARSEN (-3.27%)
- 4) BHARTI AIRTEL (-2.88%)
- 5) NTPC (-2.65%)

THINGS TO KNOW:

- 1) In the week gone by, the S&P 500 briefly peaked at a new record high of 5,500.
- 2) Increasing bets into the narrative that a soft landing in the US is underway.
- 3) All bullish eyes on the commencement of the Federal Reserve's easing cycle after the Swiss National Bank lowered interest rates by 25bps for a second straight meeting.
The CME Group's FedWatch Tool now indicates a nearly 65% probability of lower interest rates by the September 18 meeting.
- 4) Nifty IT index was star outperformer, gaining 1.74% after Accenture decent earning report which showed strong demand for its AI offerings.
- 5) Fertilizer shares outshined on reports of proposal to remove GST on fertilizers and optimism over MSP hike.
- 6) Indian Railway stocks too zoomed higher as the street convinced of strong growth visibility.
- 7) FIIs were net buyers to the tune of Rs. 9103 cr in last week's trade.
- 8) Oil prices shot up above \$80 a barrel

The Week Ahead: All eyes on US GDP Figures for March Quarter.

The street will spy with on US GDP figures for March quarter, slated to release on Thursday, June 27th. The economy grew 1.3% for the quarter as per the second estimate, which is in line with the market expectations, against 1.6% growth as per the advance estimate and 3.4% growth in the December quarter of 2023, impacted by slower consumer spending.

Also, the results from the annual bank stress tests in the US, released by the Federal Reserve on June 27 (as per the India Standard Time), will also be closely watched by the market participants next week. Stress tests of 32 banks with \$100 billion or more in total assets are one supervisory tool used to measure whether banks have adequate capital to absorb losses so that they can lend to households and businesses even in a severe recession

Back at home, the fiscal deficit and infrastructure output for May will be announced on June 28. Bank loan & deposit growth for the fortnight ended June 14, as well as foreign exchange reserves for the week ended June 21, will also be released on the same day.

Amongst IPO news, Allied Blenders IPO is a book built issue of Rs 1,500.00 crores. The issue is a combination of fresh issue of 3.56 crore shares aggregating to Rs 1,000.00 crores and offer for sale of 1.78 crore shares aggregating to Rs 500.00 crores. Allied Blenders IPO opens for subscription on June 25, 2024 and closes on June 27, 2024. The allotment for the Allied Blenders IPO is expected to be finalized on Friday, June 28, 2024. Allied Blenders IPO will list on BSE, NSE with tentative listing date fixed as Tuesday, July 2, 2024.

Technically speaking, Nifty's make-or-break support seen at psychological 23100 mark on closing basis. On the upside, Nifty likely to aim to move past psychological 23750 mark and then may look for aggressive targets above 24000 zone.

The Nifty options data suggests Nifty is likely to be in a trading range of 22600-24000 zone. Maximum Call OI is at 24000 followed by 25000 strike prices. So, the 24000 mark is now Nifty's major resistance zone. Maximum Put open interest stands at 23000 levels followed by 22500 levels. Call writing was seen at 23800 and then at 23600 strike price, while there was meaningful Put writing at 22700 and then at 22900 strike prices.

Long Story Short: Confirmation of more strength above 23750 mark on Nifty.

Price Forecast:

| | |
|------------------|----------------|
| Nifty CMP | (23501) |
| Support: | 23100/22700 |
| RESISTANCE: | 23751/24001 |
| RANGE: | 23201-23675 |
| 200 DMA: | 21331 |
| Nifty PCR: | 0.92 |
| BIAS: | Neutral |

| | |
|-----------------------|----------------|
| Bank Nifty CMP | (51661) |
| Support: | 49751/48201 |
| RESISTANCE: | 52421/54001 |
| RANGE: | 50001-52351 |
| 200 DMA: | 46530 |
| BIAS: | Neutral |

NIFTY AUTO Index vs NIFTY



• NIFTY AUTO Index: 25,092: NEUTRAL.

- In last week's trade, Nifty Auto index witnessed slight profit booking on backdrop of overbought conditions on the short term charts. The negative takeaway was that Nifty Auto index was seen underperforming benchmark Nifty's massive consolidation. Auto index ended the week 2.45% lower as against Nifty's 0.15% gains.

The biggest make-or-break interweek support now seen at 24421 support and then major supports are placed only at 22026 mark. Going forward, we suspect, Auto index is likely to consolidate with slight negative bias. Expect, major hurdles to come to play at 26000-26551 zone. (Nifty Auto index 200 DMA placed at 19447 mark).

- **Support:** 24421/23501/22026.
- **Resistance:** 26000/26551/27000.
- **Outperforming Stocks:** ASHOK LEYLAND, BALKRISHNA INDUSTRIES, EICHER MOTORS, BAJAJ AUTO, BHARAT FORGE
- **Underperforming Stocks:** MRF.

BANK NIFTY Index vs NIFTY



- **BANK NIFTY Index: 51,661: OUTPERFORM.**
- In last week's trade, Bank Nifty witnessed massive breakout on the upside, and the positive takeaway was that Bank Nifty was seen ending the week on a positive note. On a weekly basis, Bank Nifty ended 3.32% higher as against Nifty's gains of 0.15%. Bank Nifty's all-time-high now is placed at 51957 mark. The biggest key interweek support now seen at 49000 mark. The major hurdles on the upside are seen at 52700-5300 zone. (Bank Nifty's 200DMA placed at 46529 mark).
- **Support:** 49601/49000/48077.
- **Resistance:** 51957/52700/53500.
- **Outperforming Stocks:** AXIS BANK, ICICI BANK, INDUSIND BANK.
- **Underperforming Stocks:** BANDHAN BANK

NIFTY IT Index vs NIFTY



● NIFTY IT Index: 35,200: NEUTRAL.

- In last week's trade, Nifty IT index witnessed a rebound on backdrop of technology stocks doing well at Wall Street. The positive catalyst actually was the Dublin based Accenture's stock priced which climbed 9% on weekly basis on backdrop of its earnings which showed strong demand for its AI offerings. Amidst this backdrop the street is suspecting demand slowdown in Indian IT sector is bottoming out. On a weekly basis, Nifty IT Index ended 1.74% higher as against Nifty's 0.15% gains. The technical medium-term technical landscape shifts to neutral/positive. Key interweek support seen at 33000 mark. Immediate hurdles seen only at 36700 mark.
- **Support:** 34251/33001/31035.
- **Resistance:** 36111/36700/38600.
- **Outperforming Stocks:** COFORGE, TECH MAHINDRA
- **Underperforming Stocks:** WIPRO.

NIFTY PHARMA Index vs NIFTY



- **NIFTY PHARMA Index: 19,528: NEUTRAL**
- In last week's trade, Nifty Pharma index witnessed slight profit booking on backdrop of overbought conditions on the short term charts. The negative takeaway was that Pharma index ended below the dotted lines and most importantly, underperformed the benchmark Nifty. Nifty Pharma index has now scaled a new all-time-high at 19927.90 mark. Nifty Pharma index ended the week with 1.85% losses as against Nifty's gains of 0.15%. The technical landscape for Nifty Pharma index suggests some serious consolidation after last week's drubbing, hence staying on sidelines shall be the preferred strategy in near term. Key support at 18775 levels.
- **Support:** 19000/18775/17904
- **Resistance:** 20300/20900/21890.
- **Outperforming Stocks:** ABBOTT INDIA, ALKEIM, ZYDUS LIFESCIENCE, FDC, NATCO PHARMA, PFIZER, MARKSANS.
- **Underperforming Stocks:** IPCA LAB, SUN PHARMA

NIFTY METAL Index vs NIFTY



- **NIFTY METAL Index: 9,901: OUTPERFORM.**
- In last week's trade, the metal index marched higher in a volatile broader market. Metal index ended the week with 0.79% higher as against Nifty's 0.15% gains. The near-term bias continues to be positive and buying on sharp dips could be the preferred theme despite overbought technical conditions. Metal Index fresh record high continued at 10195 mark. Biggest interweek support seen at 8525 mark. Please note, only on any weakness below 8525 shall bring major declines. Major hurdles now at 10101 mark on closing basis.
- **Support:** 9375/9111/8525.
- **Resistance:** 10201/11000/11301.
- **Outperforming Stocks:** JSL, JSW STEEL, NMDC, SAIL, HNDALCO, NALCO, HIND COPPER.
- **Underperforming Stocks:** ADANI ENTERPRISES

| Stock | CMP | Support | Resistance | 21 DMA | 200 DMA | Intraday | Short Term | Long Term |
|--------------|-------|---------|------------|--------|---------|----------|------------|-----------|
| ALUMINIUM 1 | 233 | 226 | 240 | 238 | 213 | DOWN | DOWN | UP |
| COPPER 1 | 847 | 830 | 864 | 868 | 761 | DOWN | DOWN | DOWN |
| CRUDEOIL 1 | 6746 | 6611 | 6881 | 6518 | 6610 | UP | UP | UP |
| GOLD 1 | 71584 | 70152 | 73016 | 71838 | 64726 | DOWN | UP | UP |
| SILVER 1 | 89139 | 87356 | 90922 | 91042 | 76445 | UP | DOWN | UP |
| STEELREBAR 1 | 43870 | 42993 | 44747 | 31593 | | UP | DOWN | UP |
| ZINC 1 | 263 | 255 | 271 | 263 | 232 | DOWN | UP | DOWN |
| | | | | | | | | |
| CASTOR 1 | 5770 | 5655 | 5885 | 5708 | 5885 | DOWN | UP | DOWN |
| DHANIYA 1 | 7484 | 7334 | 7634 | 7469 | 7416 | UP | UP | UP |
| GUARGUM5 1 | 10594 | 10382 | 10806 | 10607 | 11064 | DOWN | DOWN | UP |
| GUARSEED10 1 | 5393 | 5285 | 5501 | 5419 | 5535 | DOWN | UP | DOWN |
| JEERAUNJHA 1 | 28810 | 28234 | 29386 | 28731 | 36592 | UP | UP | UP |
| MENTHAOIL 1 | 909 | 891 | 927 | 923 | 927 | DOWN | UP | DOWN |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |

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