

Our **call of the day** suggests more record gains on the way for the benchmark Nifty.

Our **chart of the day** is bullish on NTPC with an inter-month perspective as the stock is signalling a massive breakout.

Q1 Earnings:

- Tuesday, July 16th: BAJAJ AUTO, JUST DIAL, L&T FINANCIAL, NETWORK 18, Tv18 BROADCASTING
- Wednesday, July 17th: ASIAN PAINTS, LTIM.



Daily Research Reports

Good Morning & Welcome to Tuesday's trading session at Dalal Street, dated July 16th 2024.

The Good News: Fed's Powell says he does not see a hard-landing scenario for U.S. economy right now.

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Before we start, here is a gentle reminder that this Wednesday, July 17th, our stock markets will remain closed in observance of Muharram.

Gift Nifty is trading with caution this Tuesday morning but we suspect it is likely to be another good day for benchmark Nifty.

- 1) The trading theme revolves around the Dow Jones, the S&P 500 hitting a new record high.
- 2) The Trump trade. Global financial markets are also adjusting to the likelihood of a second term for the former president Donald Trump, who is vouching for lower corporate taxes, and 'America First' trade policies. Bets on Donald Trump winning the US presidential election on got boosted after a failed assassination attempt.
- 3) The bullish trend is actually on the backdrop of cooling US inflation data which have boosted bets that the Federal Reserve would start cutting interest rates in September.
- 4) FIIs were aggressive buyers in yesterday's bullish session.
- 5) The street is hoping for more fireworks as all bullish eyes turn to the finance minister Nirmala Sitharaman's Union Budget in the Lok Sabha on 23d July at 11 A.M.

Bottom-line: From here on, the market will get back to focusing on India's Q1 corporate earnings.

Outlook on Tuesday: More uncharted territory on cards for the benchmark Nifty.

The corporate earnings season will kick into high gear with reports from companies like:

- Tuesday, July 16th: BAJAJ AUTO, JUST DIAL, L&T FINANCIAL, NETWORK 18, TV18 BROADCASTING
- Wednesday, July 17th: ASIAN PAINTS, LTIM.

Among stock specific news, Vedanta opens QIP, sets floor price at Rs 461.26 per share. (The move comes as the company aims to reduce its standalone debt by \$3 billion over the next three years).

INDICES

Nifty	24587	0.35%
Bank Nifty	52456	0.34%
Nifty Auto Index	25420	1.09%
Nifty FMCG Index	60071	0.58%
Nifty Infra Index	9344	0.73%
Nifty IT Index	38911	-0.29%
Nifty Media Index	2106	1.53%
Nifty Midcap Index	16088	0.84%
Nifty Metal Index	9730	0.22%
Nifty Pharma Index	20845	1.13%
Nifty Reality Index	1108	1.34%
Nifty Smallcap Index	19048	0.52%
Sensex	80665	0.18%
SGX Nifty	24645	-0.04%

Outlook for the Day

Overbought conditions prevail

Nifty Outlook

Intraday	Positive (24450-24700)
Medium Term	Positive (23550-25000)
Long Term	Positive (22000-25500)

Key Levels to Watch

Nifty Support	24451/24301
Nifty Resistance	25100/25500

Pivot Level

Nifty	21987
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Jio Financial Services Q1 results: Consolidated profit rises to Rs 313 crores. Jio Financial has said that Jio Insurance Broking plans to introduce new digital products and expand its embedded insurance portfolio.

STOCKS TO WATCH:

SECTORS:

Bullish Sectors: OIL & GAS, INFRA, PSE, PHARMA, IT, FMCG

Bearish Sectors: METALS

BULLISH STOCKS (Long Build-up+ Short Covering): ONGC, CANARA BANK APOLLO TYRE, GAIL, NTPC, PNB, TATA POWER.

BEARISH STOCKS (Long Unwinding + Short build-up): GRASIM, HAVELLS, JUB FOODS, PVR NOX, LTIM, COFORGE

Our **chart of the day** bullish on stocks like NTPC, ZYDUS LIFE and TORRENT PHARMA with an interweek/intermonth perspective on any corrective declines.

The 2 stocks to buy right now:

BUY IRCTC (CMP 1037): Buy at CMP. Stop at 1006. Targets 1061/1079. Aggressive targets at 1103. (Intermonth Strategy). Rationale: Momentum Play.

BUY NTPC (CMP 386): Buy at CMP. Stop at 371. Targets 393/405. Aggressive targets at 421. (Intermonth Strategy). Rationale: Momentum Play. Signaling a massive breakout on the upside.

FII/DII & OPTIONS DATA:

The Put-Call Open Interest Ratio was at 1.46 for Nifty.

In yesterday's trade, FIIs turned out to be net buyers to the tune of Rupees 2685 crores while DIIs were net sellers to tune of Rupees 331 crores.

The Nifty options data suggests Nifty is likely to be in a trading range of 23500-25000 zone. Maximum Call OI is at 25000 followed by 24900 strike prices. So, the 25000 mark is now Nifty's major resistance zone on closing basis.

Maximum Put open interest stands at 24600 levels followed by 24500 levels.

Call writing was seen at 25000 and then at 24900 strike price, while there was meaningful Put writing at 24600 and then at 24100 strike prices.

Stocks banned in F&O segment: ABFRL, CHAMBAL FERTILISER, GMR INFRA, GNFC, HIND COPPER, INDIA CEMENT, INDUS TOWER, RBL BANK.

WHAT TECHNICALS TELLS US

Daily chart of Nifty:



Nifty: In yesterday's trading session, Nifty witnessed massive momentum on the upside amidst short covering and value buying and the positive takeaway was that the benchmark ended way above the dotted lines.

Nifty's new all-time-high now at 24635.05 forming a large bullish candle.

Technically, overbought technical conditions prevail.

The technical landscape suggests Nifty's major support at 24451/24300 mark. Interweek support seen at 24167 mark.

Nifty's hurdles seen at 25100 mark and then at 25500 mark.

Nifty's 200 DMA at 21681 mark.

Daily chart of Bank Nifty:



Bank Nifty: In yesterday's trading session, Bank Nifty was mostly seen consolidating hard but the positive takeaway was that Bank Nifty ended above the dotted lines.

Technically, overbought technical conditions prevail.

Bank Nifty's new all-time-high now at 53357.70 mark.

Bank Nifty was seen mirroring Nifty's gains. Bank Nifty ended with 0.34% gains as against Nifty's 0.35% gains.

Interestingly, in yesterday's trade, Nifty PSU Bank index ended 3.07% higher while Nifty Private Bank index ended 0.01% higher.

Intraday support for Bank Nifty now seen at 51900/51650 mark and then at 50445 mark on closing basis.

In today's trade, Bank Nifty is likely to face resistance only at 53357/53900 mark. Bank Nifty's 200-DMA is placed at 47122 mark.

ECONOMIC CUES:

India's WPI inflation at 16-Month high. Wholesale prices advanced by 3.36% year-on-year in June 2024, accelerating from a 2.61% rise in the previous month, compared to market estimates of a 3.5% gain. It marked the eighth consecutive period of wholesale inflation and the fastest pace since last February 2023, due to a faster rise in manufacturing, primary articles, and food prices.

U.S. nonfarm payrolls increased by 206,000 last month, or essentially in line with economists' forecast for the creation of 200,000 jobs. Additionally, the blowout May jobs report was revised lower to 218,000 new hires from the 272,000 previously reported.

The unemployment rate, which is derived from a separate survey, ticked up to 4.1% in June from 4% the prior month. Economists forecast the unemployment rate, which is at half-century lows, to remain unchanged.

GLOBAL STOCK MARKETS:

Wall Street in Monday's trade staged a major upmove, sharply higher from Thursday's selloff after the latest consumer sentiment and inflation data boosted bets that the Federal Reserve would start cutting interest rates in September.

The S&P 500 appears to be headed for its 38th record this year, while the Dow could mark its 20th record. These numbers are notable; in the past decade the S&P 500 has offered more records in only three other years.

The Producer Price Index (PPI), which measures wholesale inflation, rose 0.2% in June, or slightly ahead of economists' forecast for a 0.1% increase.

Core PPI – a relevant metric for the Fed that excludes food, energy and trade costs – remained unchanged month-over-month.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Nifty rises quietly to scale new-all-time-high at 24635.05. Sensex hits 80862.54.

This is a great reminder of how far we've come and how far we can leap. Hopefully, 25000 on Nifty with an interweek perspective.

NIFTY (+85, 24587)

Sensex (+146, 80665)

Bank Nifty (+177, 52456)

The 3-positive catalysts:

- 1) India can be world's second-largest economy by 2031: RBI DG Patra
- 2) The Dow Jones ended above psychological 40,000 mark in Friday's trade.
- 3) Traders are now pricing in a 93% chance of a Fed rate cut in September, up from 73% earlier in the week.

Sentimental Overview:

This lifetime high is likely to attract more funds to the markets.

Nifty's 24,635 milestone is attention-grabbing, the number itself is a proud moment for many Indian Investors, as suggests 'Corporate India is in pretty good shape'.

The street is actually hoping for more fireworks as all bullish eyes turn to the finance minister Nirmala Sitharaman's Union Budget in the Lok Sabha on 23d July at 11 A.M.

Technical Overview:

Nifty's next goalpost is placed at psychological 25000 mark.

The line in the sand is at Nifty's psychological support at 24300 mark and then all eyes will be on the biggest support make-or-break support at 24167 mark.

Buzzing stocks:

- 1) ONGC (+5.10%, 323): Well, ONGC scaled a new record all-time-high and most importantly, after a gap of over 10 years on strong growth prospects.
- 2) Tyre stocks were in limelight on media reports that domestic tyre companies undertook a price hike of 1 - 2.5% with effect from July 1, 2024, in response to rise in key raw material prices. JK Tyre (+6.67%, 461), TVS Srichakra, Ceat (+4.21%) Apollo Tyre (+4.09%).
- 3) PSU Banks Index gains 3.16% as SBI leads from front, up 2.70% at Rs. 883. SBI hikes MCLR by up to 10 bps, customer loans likely to become costlier.

Outperforming Nifty Sectors:

NIFTY PSU BANK (+3.16%)

NIFTY OILGAS (+2.07%)

NIFTY MEDIA (+1.58%)

Underperforming Nifty Sectors:

NIFTY IT (-0.23%)

Bulls of the day:

ONGC (+5.18%)

SBILIFE (+2.95%)

SHRIRAMFIN (+2.88%)

SBIN (+2.71%)

BAJAJ AUTO (+2.58%)

Bears of the day:

LTIM (-1.63%)

ASIANPAINT (-1.34%)

GRASIM (-1.33%)

TATASTEEL (-0.94%)

AXISBANK (-0.67%)

Market Summary:

- Nifty July Futures ended Monday's session at a premium of +37 vs premium of +27.
- The 25th July expiry Put-Call Open Interest Ratio was at 1.46 for Nifty.
- The 25th July expiry Put-Call Volume Ratio was at 1.16 for the Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 25000 Strike Price, followed by 26000 Strike Price for 25th July Series. Short Covering was seen at strike prices 24000-24500.
- Maximum Put Open Interest (OI) was seen at strike price 23500 followed by 24000 strike prices for 25th July series. Short Buildup was seen at strike prices 23700-24000.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 51000 Strike Price and Maximum Put Open Interest stands at 51000 Strike Price.
- As per Monday's provisional data available on the NSE, FIIs bought shares worth Rs. 2,684.78 crores in the Indian Equity Market. DIIs on the other hand, sold shares worth Rs. 331.00 crores.
- Long Buildup: ITC, CANBNK, SBIN, SAIL
- Short Buildup: ASIANPAINT, HAVELLS, LTIM, GRASIM.
- Short Covering: ASHOKLEY, PFC, IGL, MPHASIS
- Long Unwinding: AARIIND, NAUKRI.
- Stocks banned in F&O Segment:** ABFRL, CHAMBALFERT, GMRINFRA, GNFC, HINDCOPPER, INDIACEM, INDUSTOWER, RBLBANK.
- New in Ban: HINDCOPPER.
- Out of Ban: BALRAMCHIN, BANDHANBNK, IEX, PEL.

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

Nifty Spot	24586.70 (+0.35%)
Bank Nifty Spot	52455.90 (+0.34%)
VIX	14.18 (+3.28%)
Premium	+37 vs +27
Nifty Future OI	1.45 crores (+3.19%)
Bank Nifty Future OI	22.17 lakhs (+1.23%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	9733.25	11956.72
NSE Cash Vol. (Rs. in Cr)	1,31,749.37	1,55,554.74
NSE Derivative Vol. (Rs. in Cr)	33,79,713	24,92,615

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	78,213	5,306
Stock Future Volumes	7,54,739	59,319
Index Option Volumes	4,16,33,269	32,11,507
Stock Option Volumes	13,27,490	1,03,581
Total	4,37,93,711	33,79,713

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
24200	0.41 (-7%)
24300	0.48 (-13%)
24400	0.53 (-10%)

Puts	in lakhs (% Change)
24600	0.7 (+25%)
24700	0.42 (+14%)
24800	0.38 (+30%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	229	222	235	231	215	DOWN	DOWN	UP
COPPER 1	855	838	872	856	771	DOWN	DOWN	DOWN
CRUDEOIL 1	6844	6707	6981	6834	6564	UP	DOWN	UP
GOLD 1	73269	71804	74734	72075	65771	DOWN	UP	UP
LEAD 1	189	184	195	190	185	UP	DOWN	DOWN
NATURALGAS 1	185	180	191	216	204	DOWN	DOWN	DOWN
NICKEL	1476	1447	1506	1634	1950	DOWN	DOWN	DOWN
SILVER 1	92663	90810	94516	89889	77854	UP	UP	UP
STEEL 1	576	564	587	42125	44492	DOWN	DOWN	DOWN
ZINC 1	274	266	282	268	235	UP	DOWN	DOWN
CASTOR 1	6144	6021	6267	5839	5861	UP	UP	UP
DHANIYA 1	7136	6993	7279	7299	7421	DOWN	DOWN	UP
GUARGUM5 1	10709	10495	10923	10487	10920	UP	UP	DOWN
GUARSEED10 1	5433	5324	5542	5370	5467	DOWN	UP	DOWN
JEERAUNJHA 1	26450	25921	26979	28700	34445	DOWN	DOWN	UP
MENTHAOIL 1	943	924	962	932	923	UP	DOWN	UP
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