

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

- Thursday, July 18th: CEAT, CENTRAL BANK, DALMIA BHARAT, HAVELLS, INDUSIND BANK, INFY, LTTS, PERSISTENT, RALLIS, SOUTH INDIAN BANK, TATA COMMUNICATION, TATA TECHNOLOGY.
- Friday, July 19th: BLUE DART, BPCL, NAM-INDIA, OBEROI REALTY, PAYTM, PVR INOX, RELIANCE (RIL).



## Daily Research Reports

## # Good Morning & Welcome to Thursday's trading session at Dalal Street, dated July 18th 2024.

# **The Good News:** The Dow Jones has put on an impressive show in last two-trading session scaling above psychological 41,000 mark.

# Our **call of the day** suggests that Nifty's lifetime high is attracting lots of FOMO as more and more funds get attracted to a higher high/low technical landscape.

The gyan mantra for aggressive bullish traders is to "raise stops to protect gains"

# Our **chart of the day** is bullish on BALRAMPUR CHINI with an inter-month perspective as the stock is signaling a massive breakout on the upside.

# Early indication at Gift Nifty suggests, 'it's likely to be a big positive start for the benchmark Nifty — and for momentum stocks'

### # The 4-key positive catalysts:

- 1) IMF raises India's FY25 growth forecast upward to 7%. In June, the Reserve Bank of India had revised India's growth forecast upward to 7.2 from 7% earlier. India has grown over 7% over the last three years.
- 2) The Dow Jones index had spiked 742 Points in Tuesday's session. In yesterday's session too, Dow was well above the dotted lines and most importantly, scaled a new record all-time-high at 41136 levels.
- 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) The Trump trade. Increasing odds of Donald Trump's winning the US presidential election after a failed assassination attempt.

# Digging deeper, the biggest risk to stock markets across globe are no longer on inflation but geopolitical conflict risk.

We say so because overnight the Nasdaq dropped after Donald Trump, who is now the favorite to win November's election, said Taiwan should be paying the U.S. for protection and accused it of stealing America's semiconductor business. China has long threatened to invade the island to bring it back under the control of the mainland.

Please note, Taiwan is the dominant country in the global chip industry and a critical part of the supply chain.

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

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

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### INDICES

<b>Nifty</b>	24613	0.11%
<b>Bank Nifty</b>	52397	-0.11%
<b>Nifty Auto Index</b>	25483	0.25%
<b>Nifty FMCG Index</b>	60645	0.96%
<b>Nifty Infra Index</b>	9331	-0.14%
<b>Nifty IT Index</b>	39142	0.59%
<b>Nifty Media Index</b>	2084	-1.03%
<b>Nifty Midcap Index</b>	16105	0.10%
<b>Nifty Metal Index</b>	9722	-0.08%
<b>Nifty Pharma Index</b>	20765	-0.38%
<b>Nifty Reality Index</b>	1126	1.66%
<b>Nifty Smallcap Index</b>	19062	0.08%
<b>Sensex</b>	80717	0.06%
<b>SGX Nifty</b>	24667	0.01%

### Outlook for the Day

Overbought conditions prevail

### Nifty Outlook

<b>Intraday</b>	Positive (24450-24700)
<b>Medium Term</b>	Positive (23550-25000)
<b>Long Term</b>	Positive (22000-25500)

### Key Levels to Watch

<b>Nifty Support</b>	24451/24301
<b>Nifty Resistance</b>	25100/25500

### Pivot Level

<b>Nifty</b>	21987
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# The 2-firms which missed Q1 earnings estimates:

Asian Paints Q1 Results: Consolidated PAT drops 24% YoY to Rs 1,170 crore.

# LTIMindtree Q1 Results: Consolidated PAT falls over 1% YoY to Rs 1,134 crore; revenue rises 5%.

#### STOCKS TO WATCH:

##### # SECTORS:

# **Bullish Sectors:** OIL & GAS, INFRA, PSE, PHARMA, FMCG

# **Bearish Sectors:** METALS, MEDIA

# **BULLISH STOCKS (Long Build-up+ Short Covering):** INDIA CEMENT, COAL INDIA, BALRAMPUR CHINNI, HUL, MARICO, MPHASIS BFL, BHARTI AIRTEL, OFSS

# **BEARISH STOCKS (Long Unwinding + Short build-up):** PVR INOX, BHEL, METROPOLIS, GMR INFRA, BIOCON, HINDALCO.

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

##### # The 2 stocks to buy right now:

BUY BALRAMPUR CHINNI (CMP 450): Buy at CMP. Stop at 427. Targets 463/477. Aggressive targets at 515. (Intermonth Strategy).  
Rationale: Momentum Play. Positive reverse divergences on the daily charts. Moved above 7-month high.

#### FII/DII & OPTIONS DATA:

# The Put-Call Open Interest Ratio was at 1.38 for Nifty.

# In Tuesday's trade, FIIs turned out to be net buyers to the tune of Rupees 1271 crores while DIIs were net sellers to tune of Rupees 529 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:** BALRAMPUR CHINI, CHAMBAL FERTILISER, GMR INFRA, GNFC, HIND COPPER, PEL, RBL BANK, VEDANTA

## WHAT TECHNICALS TELLS US

### Daily chart of Nifty:



**# Nifty:** In Tuesday'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 above the dotted lines.

Nifty's new all-time-high now at 24661.25 forming a 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 21706 mark.

### Daily chart of Bank Nifty:



**# Bank Nifty:** In Tuesday's trading session, Bank Nifty was mostly seen consolidating hard but the negative takeaway was that Bank Nifty ended a tad below the dotted lines.

Technically, overbought technical conditions prevail.

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

Bank Nifty was seen slightly underperforming Nifty's gains. Bank Nifty ended with 0.11% losses as against Nifty's 0.1% gains.

Interestingly, in Tuesday's trade, Nifty PSU Bank index ended 0.25% lower while Nifty Private Bank index ended 0.09% lower.

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 47160 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 Wednesday's trade was seen trading mixed with the Nasdaq is diving as the rotation out of tech stocks picks up pace. The S&P 500 is also dropping Wednesday, while the Dow Jones Industrial Average is trying to hold on to a small gain.

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

Nifty surges to fresh all-time-high @ 24661.25 — but street seen concerned amidst overbought technical conditions.

NIFTY (+26, 24613)

Sensex (+52, 80717)

Bank Nifty (-59, 52397)

# Remember, one of the ways to test the mettle of any bull market is to see how it copes in a corrective decline or in a downturn.

**# Sentimental Overview:**

Nifty's lifetime high is definitely attracting lots of FOMO as more and more funds get attracted to a higher high/low technical landscape.

We too believe taking a cautious approach is also prudent strategy. The gyan mantra for aggressive bullish traders is to "raise stops to protect gains"

New bulls need to be aware that the space is getting 'crowded'.

Please note, stop-loss orders are orders to exit a position at a set price in order to minimize losses.

**# Technical Overview:**

Nifty's next goalpost continues to be 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:**

Balarampur Chinni notable gainer, up 1.41% on positive industry outlook.

According to FAS New Delhi, India's sugarcane planted area for MY 2023/2024 is expected to slightly increase to 5.6 million hectares as India's ethanol and potable alcohol industries support growing demand of sugarcane and derivatives.

## # Outperforming Nifty Sectors:

NIFTY REALITY (+1.66%)

NIFTY FMCG (+0.96%)

NIFTY IT (+0.59%)

## # Underperforming Nifty Sectors:

NIFTY MEDIA (-1.03%)

NIFTY PSE (-0.60%)

NIFTY PHARMA (-0.38%)

## # Bulls of the day:

COALINDIA (+3.01%)

BPCL (+2.71%)

HUL (+2.44%)

TATACONSUM (+2.28%)

BHARTIARTL (+1.81%)

## # Bears of the day:

SHRIRAMFIN (-2.16%)

KOTAKBANK (-1.99%)

DRREDDY (-1.55%)

RELIANCE (-1.44%)

NTPC (-1.35%)

## Market Summary:

- Nifty July Futures ended Tuesday's session at a premium of +27 vs premium of +37.
- The 25th July expiry Put-Call Open Interest Ratio was at 1.38 for Nifty.
- The 25th July expiry Put-Call Volume Ratio was at 1.13 for the Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 25000 Strike Price, followed by 26000 Strike Price for 25th July Series. Long Buildup was seen at strike prices 24600-25500.
- Maximum Put Open Interest (OI) was seen at strike price 24000 followed by 23500 strike prices for 25th July series. Short Buildup was seen at strike prices 23600-24600.
- 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 Tuesday's provisional data available on the NSE, FIIs bought shares worth Rs. 1271.45 crores in the Indian Equity Market. DIIs on the other hand, sold shares worth Rs. 529.48 crores.
- Long Buildup: BANDHANBNK, ITC, HUL, ASHOKLEY
- Short Buildup: HAL, LTTS, SHRIRAMFIN
- Short Covering: M&M, IGL, TATACONSUM, TITAN.
- Long Unwinding: RECLTD, CHOLAFIN, AUBANK.
- Stocks banned in F&O Segment:** BALRAMCHIN, CHAMBALFERT, GMRINFRA, GNFC, HINDCOPPER, PEL, RBLBANK, VEDL.
- New in Ban: BALRAMCHIN, PEL, VEDL.
- Out of Ban: ABFRL, INDIACEM, INDUSTOWER.

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

<b>Nifty Spot</b>	24613.00 (+0.11%)
<b>Bank Nifty Spot</b>	52396.80 (-0.11%)
<b>VIX</b>	14.22 (+0.21%)
<b>Premium</b>	+27 vs +37
<b>Nifty Future OI</b>	1.45 crores (-0.04%)
<b>Bank Nifty Future OI</b>	21.23 lakhs (-4.26%)

<b>Cash Volumes (INR in Cr.)</b>	<b>Yesterday</b>	<b>Day Before Yesterday</b>
<b>BSE Cash Vol. (Rs. in Cr)</b>	8901.32	9733.25
<b>NSE Cash Vol. (Rs. in Cr)</b>	1,25,150.72	1,31,749.37
<b>NSE Derivative Vol. (Rs. in Cr)</b>	58,50,714	33,79,713

<b>Derivatives Vol. (INR in Cr.)</b>	<b>No of contracts</b>	<b>Turnover (Rs. In cr.)</b>
<b>Index Future Volumes</b>	63,889	4,289
<b>Stock Future Volumes</b>	6,34,045	50,360
<b>Index Option Volumes</b>	7,32,44,944	56,92,732
<b>Stock Option Volumes</b>	12,92,420	1,03,332
<b>Total</b>	7,52,35,298	58,50,714

## Major Changes in Nifty Options (OI)

<b>Calls</b>	<b>in lakhs (% Change)</b>
24800	0.67 (+5%)
24900	0.3 (+11%)
25000	1.55 (+10%)

<b>Puts</b>	<b>in lakhs (% Change)</b>
24600	0.98 (+40%)
24700	0.52 (+24%)
24800	0.43 (+13%)





Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	224	217	231	231	215	DOWN	DOWN	DOWN
COPPER 1	839	822	856	856	771	DOWN	DOWN	DOWN
CRUDEOIL 1	6916	6778	7054	6834	6564	UP	DOWN	UP
GOLD 1	74118	72636	75600	72075	65771	UP	UP	UP
LEAD 1	189	184	195	190	185	UP	DOWN	DOWN
NATURALGAS 1	170	165	175	216	204	DOWN	DOWN	DOWN
NICKEL	1476	1447	1506	1634	1950	DOWN	DOWN	DOWN
SILVER 1	91971	90132	93810	89889	77854	UP	UP	UP
STEEL 1	573	562	584	42125	44492	DOWN	DOWN	DOWN
ZINC 1	270	262	278	268	235	UP	DOWN	DOWN
CASTOR 1	6040	5919	6161	5839	5861	UP	UP	UP
DHANIYA 1	7110	6968	7252	7299	7421	DOWN	DOWN	UP
GUARGUM5 1	10580	10368	10792	10487	10920	UP	UP	DOWN
GUARSEED10 1	5410	5302	5518	5370	5467	DOWN	UP	DOWN
JEERAUNJHA 1	26470	25941	26999	28700	34445	DOWN	DOWN	UP
MENTHAOIL 1	947	928	966	932	923	UP	DOWN	UP
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