

The two big catalysts this week:

1. Union Budget 2024
2. US PCE that could confirm rate cut bets

Our **call of the day** suggests that Nifty bulls may refrain from making aggressive bets amidst ugly leads from global stock markets.

Our chart of the day is bearish on PVR INOX, SAIL and BHEL with any interweek/intermonth perspective.



Daily Research Reports

Good Morning & Welcome to Monday's trading session at Dalal Street, dated July 22nd 2024.

Caution likely to be the buzzword at the start of a fresh week at Dalal Street. We say so because, the Union Budget will rollout on Tuesday, July 23rd. We expect a lot of volatile market movements when Finance Minister Nirmala Sitharaman will read her 7th consecutive union budget.

After the budget, the F&O expiry induced volatility to kick-in. Hence, investors likely to refrain from taking any new long positions, especially after last Friday's huge profit-booking.

Gift Nifty is wavering in early action indicating Nifty may lack direction in today's trade.

Overnight, Wall Street tumbled owing to continued profit-booking.

Copper prices have slumped to a 3-Month low amidst pessimism over industrial demand in top consumer China.

Our **call of the day** suggests that the biggest risk to stock markets across globe are no longer on inflation but

1) Excessive optimism.

2) Geopolitical conflict risk.

Donald Trump, who is now the favorite to win November's election has said Taiwan should be paying the U.S. for protection and accused it of stealing America's semiconductor business.

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

Outlook on Monday: Another dull day likely.

The corporate earnings season to trickle in today:

Monday, July 22nd: COFORGE, IDBI, IOB, MRPL, SUZLON, UCOBANK.

STOCKS TO WATCH:

SECTORS:

Bullish Sectors: IT, PHARMA, FMCG

Bearish Sectors: METALS, MEDIA, PVT BANKS

INDICES

Nifty	24531	-1.09%
Bank Nifty	52266	-0.67%
Nifty Auto Index	24963	-2.40%
Nifty FMCG Index	61088	-0.22%
Nifty Infra Index	9122	-2.34%
Nifty IT Index	39923	-0.22%
Nifty Media Index	1963	-2.32%
Nifty Midcap Index	15596	-2.54%
Nifty Metal Index	9256	-3.95%
Nifty Pharma Index	20425	-1.65%
Nifty Reality Index	1096	-2.36%
Nifty Smallcap Index	18398	-2.29%
Sensex	80605	-0.91%
SGX Nifty	24417	-0.48%

Outlook for the Day

Overbought conditions prevail

Nifty Outlook

Intraday	Negative (24700-25000)
Medium Term	Neutral (23550-25500)
Long Term	Positive (22000-26500)

Key Levels to Watch

Nifty Support	24377/24271
Nifty Resistance	24751/25000

Pivot Level

Nifty	25301
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BULLISH STOCKS (Long Build-up+ Short Covering): ITC, INFY, LTTS, BRITANNIA

BEARISH STOCKS (Long Unwinding + Short build-up): TATASTEEL, NTPC, NMDC, BHEL, FEDERALBNK, DLF, MANAPPURAM, L&T, CONCOR

Our **chart of the day** is bearish on CONCOR and DLF with an inter-week perspective as the stocks are signaling weaknesses.

The 1 stock to sell right now:

SELL CONCOR (CMP 1011): Sell at CMP. Stop at 1037. Targets 901/880. Aggressive targets at 821. (Interweek Strategy). Rationale: Lower highs/lows. Momentum oscillators in sell mode.

FII/DII & OPTIONS DATA:

The Put-Call Open Interest Ratio was at 0.99 for Nifty.

In Friday's trade, FIIs turned out to be net buyers to the tune of Rupees 1506.12 crores while DIIs were net sellers to tune of Rupees 461.56 crores.

The Nifty options data suggests Nifty is likely to be in a trading range of 24000-25000 zone. Maximum Call OI is at 25500 followed by 26000 strike prices. So, the 25500 mark is now Nifty's major resistance zone on closing basis.

Maximum Put open interest stands at 23500 levels followed by 24000 levels.

Call writing was seen at 24800 and then at 25000 strike price, while there was meaningful Put writing at 24500 and then at 24400 strike prices.

Stocks banned in F&O segment: BALRAMCHIN, BANDHANBNK, GMRINFRA, HAL, HINDCOPPER, INDIACEM, PEL, SAIL, VEDL

WHAT TECHNICALS TELLS US

Daily chart of Nifty:



Nifty: In Friday's session, Nifty plummeted owing to overbought technical conditions after hitting life-time highs at 24854.80.

The technical landscape suggests Nifty's major support at 24377/24167 mark. Interweek support seen at 23851 mark.

Nifty's hurdles seen at 24855 mark and then at 25200 mark.

Nifty's 200 DMA at 21756 mark.

Daily chart of Bank Nifty:



Bank Nifty: In Friday's session, Bank Nifty witnessed sideways movement yet again.

Technically, overbought technical conditions prevail.

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

Bank Nifty was seen underperforming Nifty's gains.

Intraday support for Bank Nifty now seen at 52169/51900 mark and then at 51650 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 47200 mark.

ECONOMIC CUES:

The ECB kept interest rates steady in July, in line with expectations, after cutting rates by 25bps in June, the first decrease since 2016. Policymakers said they will keep the rates sufficiently restrictive for as long as necessary to bring back inflation to the 2% target, and will continue to follow a data-dependent and meeting-by-meeting approach. Still, the central bank noted that most inflation measures stabilized or edged down last month.

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.

GLOBAL STOCK MARKETS:

US stocks fell on Friday as more details over a global IT outage trickled in and the major averages failed to recover from a sell-off that saw the Dow snap a run of wins.

Stocks fell after a wobbly handful of sessions that saw a dive in tech, with AI-focused chip stocks bearing the heat. Investors are rotating out of the tech heavyweights that have fueled the recent rally and into small caps, seen by some as benefiting more from interest-rate cuts.

The Dow Jones Industrial Average fell almost 1% on Friday but still managed to end the week in positive territory. However, the tech-heavy Nasdaq Composite slipped 0.8%. The S&P 500 closed out its worst week since April as technology sold off. The broad-based index fell 0.7% on Friday with losses of almost 2% for the week

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Profit-booking witnessed in the last trading session of the week, but overall, Nifty ended in green for 7th straight week!

NIFTY (-270, 24531)

Sensex (-739, 80605)

Bank Nifty (-355, 52266)

A much-anticipated profit-booking seen, especially after Thursday night negative Wall Street cues.

It was a sea of red at Dalal Street today, engulfing all the sectoral indices, where Nifty Metal Index sank the most, down 3.95% amidst falling copper prices globally, due to low industrial demand seen in China, world's top consumer.

Infy however was seen holding the candle up amidst strong Q1 performance. ending higher 1.78% and also emerging as Nifty's top gainer for the day.

Long story short: A tragic end, but investors were happy with the fact that Nifty ended in green for the 7th straight session.

BUZZING STOCKS FOR THE DAY:

Top Index Gainers:

INFY (+1.78%)

ITC (+0.62%)

ASIANPAINTS (+0.60%)

BRITANNIA (+0.06%)

Top Index Losers:

TATASTEEL (-4.97%)

JSWSTEEL (-4.68%)

BPCL (-3.98%)

HINDALCO (-3.91%)

BAJAJ AUTO (-0.86%)

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INDIA VIX 14.82 (+2.14%)

NIFTY PCR (25th July) 1.23

Nifty MidCap 50 (-2.54%, 15596)

NiftySmallC (-2.29%, 18398)

BANK Nifty (-0.67%, 52266)

Nifty IT (-0.22%, 39923)

USD/INR (+0.03%, 83.68)

Market Summary:

- Nifty July Futures ended Thursday's session at a discount of -01 vs premium of +07.
- The 25th July expiry Put-Call Open Interest Ratio was at 0.99 for Nifty.
- The 25th July expiry Put-Call Volume Ratio was at 1.12 for the Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 25500 Strike Price, followed by 26000 Strike Price for 25th July Series. Short Buildup was seen at strike prices 24200-25600.
- Maximum Put Open Interest (OI) was seen at strike price 23500 followed by 24000 strike prices for 25th July series. Short Covering was seen at strike prices 23600-23700.
- 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 Friday's provisional data available on the NSE, FIIs bought shares worth Rs. 1506.12 crores in the Indian Equity Market. DIIs on the other hand, sold shares worth Rs. 461.56 crores.
- Long Buildup: INFY, ITC
- Short Buildup: NMDC, HINDALCO, AMBUJACEM, CONCOR
- Short Covering: PAGEIND, ASIANPAINTS, LTTS.
- Long Unwinding: IEX, TATAPOWER, M&M.
- Stocks banned in F&O Segment:** BALRAMCHIN, BANDHANBNK, GMRINFRA, HAL, HINDCOPPER, INDIACEM, PEL, SAIL, VEDL.
- New in Ban: NIL.
- Out of Ban: HAL, RBLBANK.

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

Nifty Spot	24530.90 (-1.09%)
Bank Nifty Spot	52265.60 (-0.67%)
VIX	14.82 (+2.14%)
Premium	-01 vs +07
Nifty Future OI	1.44 crores (-5.46%)
Bank Nifty Future OI	20.23 lakhs (-5.84%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	10699.23	10103.81
NSE Cash Vol. (Rs. in Cr)	1,34,887.37	1,47,781.49
NSE Derivative Vol. (Rs. in Cr)	19,81,174	64,91,995

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	1,60,565	10,450
Stock Future Volumes	11,17,241	86,275
Index Option Volumes	2,42,49,967	17,47,828
Stock Option Volumes	17,31,803	1,36,620
Total	2,72,59,576	19,81,174

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
24800	1.71 (+33%)
24900	0.91 (+65%)
25000	2.78 (+44%)

Puts	in lakhs (% Change)
24600	1.25 (-12%)
24700	0.92 (-17%)
24800	0.74 (-42%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	221	214	227	229	215	DOWN	DOWN	DOWN
COPPER 1	820	804	837	852	774	DOWN	DOWN	DOWN
CRUDEOIL 1	6725	6591	6860	6866	6559	UP	DOWN	UP
GOLD 1	72990	71530	74450	72529	66184	UP	DOWN	UP
LEAD 1	187	181	193	190	185	DOWN	DOWN	DOWN
NATURALGAS 1	178	172	183	202	202	DOWN	DOWN	DOWN
NICKEL	1587	1556	1619	1634	1950	DOWN	DOWN	DOWN
SILVER 1	89646	87853	91439	90445	78441	UP	DOWN	UP
STEEL 1	43720	42846	44594	42125	44492	UP	UP	UP
ZINC 1	261	253	269	270	236	DOWN	DOWN	DOWN
CASTOR 1	6031	5910	6152	5911	5857	UP	UP	UP
DHANIYA 1	7150	7007	7293	7263	7425	DOWN	DOWN	UP
GUARGUM5 1	10550	10339	10761	10510	10873	UP	UP	DOWN
GUARSEED10 1	5495	5385	5605	5384	5455	UP	UP	DOWN
JEERAUNJHA 1	26655	26122	27188	28274	33747	DOWN	DOWN	UP
MENTHAOIL 1	943	925	962	938	923	UP	DOWN	UP
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