

# Nifty is vulnerable to more downside as bears hunt for more downside targets.

The Negative catalyst: Record exodus from the FIIs who have pulled out a record Rs 1.2 lakh crore from Dalal Street since Nifty hit its peak at 26277 mark on September 27th. In the week gone by, FIIs sold to the tune of Rs. 9683 crores).



## Daily Research Reports

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

# It's likely to be a red start for Dalal Street this Monday and we suspect, the pessimism is likely to stay through the close.

# Even reports of monthly Mutual Fund SIP inflow hitting an all-time high, and most importantly, crossing Rs 25,000 crore mark is not reversing bearish sentiments.

# What's surprising is that Nifty and its stocks are also ignoring tumbling oil prices towards \$68 a barrel.

### # Anxiety and nervousness are likely to prevail in the wake of:

- 1) Weak leads from Wall Street in Friday's trade, with the S&P 500 dropping 1.3%, the Dow falling by 305 points, and the Nasdaq losing 2.2%.
- 2) Federal Reserve Chair Jerome Powell has said the Fed is in no rush to cut rates citing the economy's strength, a solid labor market, and persistent inflationary pressures.
- 3) The post-election Donald Trump's victory rally lost steam.
- 4) Rising US bond yields. (The yield on the 2-year Treasury note was up to 4.367%. The 10-year yield was up to 4.472%).
- 5) Scorching WPI inflation in India.
- 6) Increased skepticism about Corporate India's Q2 earnings disappointment.
- 7) Record exodus from the Foreign Institutional Investors. (FIIs have pulled out a record Rs 1.2 lakh crore from Dalal Street since Nifty hit its peak at 26277 mark on September 27th. In the week gone by, FIIs sold to the tune of Rs. 9683 crores).

## Outlook for Monday: Volatility is likely to be the hallmark.

# In last week's trade, tremors were witnessed at Dalal Street which simply caused more massive destruction to Nifty bulls' confidence.

# Amidst this backdrop, Nifty has slipped below 200-DMA in intraday trade.

# Our stock markets will remain closed on Wednesday, November 20th on account of Maharashtra Assembly Polls. Traders also brace Jharkhand polls which will be held on November 20th.

Counting of votes for the two states will take place on November 23.

### # Buzzing Stocks:

- 1) NTPC's wholly owned subsidiary NTPC Green Energy is coming up with an IPO which opens for subscription this Tuesday, November 19th. The IPO ends on Thursday, November 21st. NTPC green energy will be the 3rd largest IPO of 2024 (After Hyundai Motor India & Swiggy) with an issue size of Rs. 10,000 crores. NTPC Green Energy's is eagerly awaited particularly in light of the successful listing of another renewable energy-related IPO, Waaree Energies.

## INDICES

|                      |       |        |
|----------------------|-------|--------|
| Nifty                | 23533 | -0.11% |
| Bank Nifty           | 50180 | 0.18%  |
| Nifty Auto Index     | 22915 | 0.66%  |
| Nifty FMCG Index     | 55783 | -1.53% |
| Nifty Infra Index    | 8433  | 0.02%  |
| Nifty IT Index       | 42391 | 0.05%  |
| Nifty Media Index    | 1924  | 2.26%  |
| Nifty Midcap Index   | 15048 | 0.55%  |
| Nifty Metal Index    | 8829  | -0.09% |
| Nifty Pharma Index   | 21752 | -0.26% |
| Nifty Reality Index  | 947   | 1.03%  |
| Nifty Smallcap Index | 17601 | 0.81%  |
| Sensex               | 77580 | -0.14% |
| SGX Nifty            | 23445 | -0.45% |

## Outlook for the Day

Choppy & Volatile session likely

## Nifty Outlook

|             |                        |
|-------------|------------------------|
| Intraday    | Neutral (23300-23700)  |
| Medium Term | Neutral 21281-24900)   |
| Long Term   | Positive (20000-26500) |

## Key Levels to Watch

|                  |             |
|------------------|-------------|
| Nifty Support    | 23189/21281 |
| Nifty Resistance | 23900/24237 |

## Pivot Level

|       |       |
|-------|-------|
| Nifty | 23601 |
|-------|-------|

**STOCKS TO WATCH:****# SECTORS:****# Bullish Sectors:** IT**# Bearish Sectors:** MEDIA, REALITY, FMCG, BANKS, METALS**# BULLISH STOCKS (Value Buying+ Long Build-up+ Short Covering):** HCL TECH, OFSS, EICHER MOTORS, ASHOK LEYLAND, NAUKRI.**# BEARISH STOCKS (Long Unwinding + Short build-up):** AXIS BANK, ABB, VOLTAS, GRANNULES, HAL, SYNGENE, NMDC, NAVIN FLOURO, RBL BANK, INDUS TOWER, SAIL.# Our **chart of the day** is bearish on AXIS BANK, VOLTAS, NMDC and REC on any intraday strength with an interweek perspective.**# The 1 Stock to Sell Right Now:** Sell REC (CMP 502): Sell at CMP. Stop at 543. Targets 484/451. Aggressive targets at 408. (Interweek Strategy). Rationale: Overbought technical conditions. Weakening momentum. Massive breakdown is likely on the daily charts. Key hurdles 533.**FII/DII & OPTIONS DATA:**

# The Put-Call Open Interest Ratio was at 1.01 for Nifty.

# The fear index, India VIX, which gauges the volatility in the Indian stock markets, ended lower by 4.34% at 14.77 points.

# In Thursday's session, FIIs turned out to be net sellers to the tune of Rupees 1850 crores while DIIs bought shares to the tune of Rupees 2482 crores.

# The Nifty options data suggests Nifty is likely to be in a trading range of 23000-24500 zone. Maximum Call OI is at 26000 followed by 24000 strike prices. So, the 24000 mark is now Nifty's major resistance zone on closing basis.

Maximum Put open interest stands at 23000 levels followed by 23500 levels.

Call writing was seen at 23700 and then at 23600 strike price, while there was meaningful Put writing at 23200 and then at 23300 strike prices.

**# Stocks banned in F&O segment:** AARTI INDUSTRIES, ABFRL, GRANULES, GNFC, HIND COPPER.

## WHAT TECHNICALS TELLS US

### Daily chart of Nifty:



**# Nifty:** In Thursday's trade, Nifty opened on a cautious note as selling was the preferred strategy as bears were all over Dalal Street and the negative takeaway was that Nifty ended lower for the sixth straight day.

The benchmark ended on an ugly note and in the process, Nifty formed a bearish candle on the daily charts.

Nifty ended 0.11% below the dotted lines. Nifty's all-time-high continues to be at 26277.35 mark.

The technical landscape suggests Nifty's major support at 23450/23167 mark. Intermonth support seen at 21281 mark.

Nifty's hurdles seen at 23850/24107/24337 mark and then at 25211 mark.

Nifty's 200 DMA at 23556 mark.

### Daily chart of Bank Nifty:



**# Bank Nifty:** In yesterday's trade, Bank Nifty was seen trading with negative bias but the benchmark managed to end above the dotted lines.

Bank Nifty new all-time-high continues to be at 54467.35 mark.

Bank Nifty ended 0.18% higher as against Nifty's 0.11% loss.

Interestingly, in Thursday's trade, Nifty PSU Bank index ended 0.79% lower while Nifty Private Bank index ended 0.33% higher.

Intraday support for Bank Nifty now seen at 49500/49283 mark and then at 46077 mark on closing basis.

In today's trade and in near term, Bank Nifty is likely to face resistance at 50801/52201 mark. Bank Nifty's 200-DMA is placed at 49750 mark.

## ECONOMIC CUES:

# The US CPI for October was in line with expectations, sending Treasury bond prices higher and their yields lower. Yields had risen to their highest levels since July in the wake of Donald Trump's election win as the bond market worried about the potential for inflationary policies like tariffs to stymie rate-cuts in 2025.

# Chinese consumer inflation in October and another decline in factory-gate prices, highlighting deflation risks despite Beijing's late-September stimulus efforts.

China's producer prices fell by 2.9% year-on-year in October 2024, following a 2.8% drop in the previous month and going beyond market expectations of a 2.5% decline. This marked the 25th consecutive month of producer deflation and the sharpest contraction since November 2023, reflecting persistently weak domestic demand despite ongoing efforts by Beijing to break the trend.

## GLOBAL STOCK MARKETS:

Wall Street finished sharply lower on Friday, with the S&P 500 dropping 1.3%, the Dow falling by 305 points, and the Nasdaq losing 2.2%.

Investors reacted to Fed Chair Jerome Powell's hawkish remarks on interest rates, citing the economy's strength, a resilient labor market, and persistent inflation, which led to reduced expectations of rate cuts.

In the week gone by, the S&P 500 lost 2.2%, the Dow fell 2.3%, and the Nasdaq declined 2.9%, reversing the post-election rally driven by optimism surrounding President-elect Trump's policies.

# The post-election Donald Trump victory was seen taking a breather, hitting a pause button.

## RECAP OF PREVIOUS DAY'S TRADING SESSION:

NIFTY (-26, 23533)

Sensex (-111, 77580)

Bank Nifty (+91, 50180)

The way Nifty moved in Thursday's session would have put a tortoise to shame. And you could also compare the market's range with that of a porcupine's spines.

Yep, absolutely listless day of trading.

**The Bad News:** Nifty ended lower for the 6th straight day and a tad below its 200 DMA.

**The Good News:** Bulls mostly held the ground and most importantly, did not allow bears to overpower.

## # Sentimental Overview:

Tremors continued at Dalal Street which are simply causing destruction to Nifty bulls' confidence.

**The nasty script ideally leaves investors to worry a lot as investors fear the brutal sell-off on Dalal Street is likely to get worse.**

\*Blame the pessimism on:\*

1) FII exodus has crossed Rs 27,600 crore this November.

## 2) Also, blame the pessimism on:

- a) Increased skepticism about Corporate India's Q2 earnings disappointment.
- b) Traders also brace for Maharashtra Assembly polls which will be held in a single phase on November 20. Jharkhand polls will be held in two phases on November 13 and 20th.

Counting of votes for the two states will take place on November 23.



**# Buzzing stocks:**

- 1) Subscriptions for NTPC Green Energy's eagerly anticipated IPO are anticipated to open next week. Particularly in light of the successful listing of another renewable energy-related IPO, Waaree Energies, investors are eagerly anticipating this one.

The public offering of the state-owned company is expected to begin bidding on November 19, according to reports. On the other hand, the anchor investor round is scheduled for November 18.

**IPO size and structure:** The public offering of the NTPC subsidiary is intended to raise Rs 10,000 crore. With no offer-for-sale (OFS) component, the NTPC Green Energy IPO is anticipated to be a completely new share issuance.

**# Technical Overview:**

# Technically speaking, any near term rebound could be a Dead Cat Bounce!

Strictly speaking, 'Dead Cat Bounce' is a temporary price recovery following losses, that is followed by more losses.

Immediate downside risk on Nifty is placed at Nifty's 200 DMA at 23556 and then at 23157 mark; aggressive downside targets are at Nifty's psychological 23000 mark.

# Confirmation of strength only on any close above Nifty 24107.

The fear index, India VIX, which gauges the volatility in the Indian stock markets, is consolidating at 14.80 points.

**# Outperforming Nifty Sectors:**

Nifty MEDIA (+2.16%)

Nifty Reality (+1.14%)

Nifty Auto (+0.86%)

**# Underperforming Nifty Sectors:**

Nifty FMCG (-1.33%)

Nifty PSE (-0.76%)

Nifty PSU BANKS (-0.57%).

**# Bulls of the day:**

EICHERMOT (+6.59%)

HEROMOTOCORP (+2.06%)

GRASIM (+1.25%)

KOTAKBANK (+1.23%)

HDFCLIFE (+1.20%)

**# Bears of the day:**

HUL (-2.92%)

BPCL (-2.50%)

BRITANNIA (-2.47%)

TATACONSUM (-2.35%)

NESTLEIND (-2.11%)

(Source NSSEINDIA.com)

## Market Summary:

- Nifty November Futures ended Thursday's session at a premium of +92 vs premium of +131.
- The 28th November expiry Put-Call Open Interest Ratio was at 1.01 for Nifty.
- The 28th November expiry Put-Call Volume Ratio was at 0.87 for the Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 26000 Strike Price, followed by 24000 Strike Price for 28th November Series. Short Buildup was seen at strike prices 23200-24000.
- Maximum Put Open Interest (OI) was seen at strike price 23000 followed by 23500 strike prices for 28th November series. Short Covering was seen at strike prices 23800-24500.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 54000 Strike Price and Maximum Put Open Interest stands at 46000 Strike Price.
- As per Thursday's provisional data available on the NSE, FIIs sold shares worth Rs. 1849.87 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 2481.81 crores.
- Long Buildup: EICHERMOT, DIXON, RAMCOCEM
- Short Buildup: PIIND, ABB, TATACONSUM, HUL
- Short Covering: GRASIM, DEEPAKNTR, INDIGO, M&M
- Long Unwinding: BATAINDIA, LTTS, PAGEIND
- Stocks banned in F&O Segment:** AARTIIND, ABFRL, GNFC, GRANULES, HINDCOPPER.
- New in Ban: NIL
- Out of Ban: NIL.

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

|                             |                      |
|-----------------------------|----------------------|
| <b>Nifty Spot</b>           | 23532.70 (-0.11%)    |
| <b>Bank Nifty Spot</b>      | 50179.55 (+0.18%)    |
| <b>VIX</b>                  | 14.77 (-4.34%)       |
| <b>Premium</b>              | +92 vs +131          |
| <b>Nifty Future OI</b>      | 1.23 crores (+2.07%) |
| <b>Bank Nifty Future OI</b> | 28.74 lakhs (-2.36%) |

| <b>Cash Volumes (INR in Cr.)</b>       | <b>Yesterday</b> | <b>Day Before Yesterday</b> |
|--|------------------|-----------------------------|
| <b>BSE Cash Vol. (Rs. in Cr)</b>       | 5993.43          | 6889.37                     |
| <b>NSE Cash Vol. (Rs. in Cr)</b>       | 85953.11         | 101536.12                   |
| <b>NSE Derivative Vol. (Rs. in Cr)</b> | 62,71,654        | 97,84,264                   |

| <b>Derivatives Vol. (INR in Cr.)</b> | <b>No of contracts</b> | <b>Turnover (Rs. In cr.)</b> |
|--------------------------------------|------------------------|------------------------------|
| <b>Index Future Volumes</b>          | 1,08,694               | 7,007                        |
| <b>Stock Future Volumes</b>          | 6,86,443               | 44,450                       |
| <b>Index Option Volumes</b>          | 10,11,61,093           | 60,99,528                    |
| <b>Stock Option Volumes</b>          | 18,12,188              | 1,20,669                     |
| <b>Total</b>                         | 10,37,68,418           | 62,71,654                    |

## Major Changes in Nifty Options (OI)

| <b>Calls</b> | <b>in lakhs (% Change)</b> |
|--------------|----------------------------|
| 23500        | 0.59 (+97%)                |
| 23600        | 0.32 (+88%)                |
| 23700        | 0.33 (+43%)                |

| <b>Puts</b> | <b>in lakhs (% Change)</b> |
|-------------|----------------------------|
| 23400       | 0.43 (+16%)                |
| 23600       | 0.45 (+41%)                |
| 23700       | 0.47 (+15%)                |





| Stock        | CMP   | Support | Resistance | 21 DMA | 200 DMA | Intraday | Short Term | Long Term |
|--------------|-------|---------|------------|--------|---------|----------|------------|-----------|
| ALUMINIUM 1  | 243   | 235     | 250        | 242    | 226     | DOWN     | DOWN       | DOWN      |
| COPPER 1     | 795   | 779     | 811        | 816    | 813     | DOWN     | DOWN       | UP        |
| CRUDEOIL 1   | 5669  | 5556    | 5782       | 5888   | 6444    | DOWN     | DOWN       | UP        |
| GOLD 1       | 73946 | 72467   | 75425      | 76290  | 71055   | UP       | UP         | UP        |
| LEAD 1       | 179   | 173     | 184        | 181    | 185     | DOWN     | DOWN       | DOWN      |
| NATURALGAS 1 | 238   | 230     | 245        | 222    | 188     | UP       | UP         | UP        |
| NICKEL       | 1587  | 1556    | 1619       | 1634   | 1950    | DOWN     | DOWN       | DOWN      |
| SILVER 1     | 88421 | 86653   | 90189      | 89571  | 84378   | UP       | UP         | UP        |
| STEEL 1      | 586   | 574     | 598        | 42125  | 44492   | DOWN     | DOWN       | DOWN      |
| ZINC 1       | 277   | 268     | 285        | 285    | 256     | DOWN     | DOWN       | UP        |
|              |       |         |            |        |         |          |            |           |
| CASTOR 1     | 6508  | 6378    | 6638       | 6622   | 6045    | DOWN     | DOWN       | UP        |
| DHANIYA 1    | 7300  | 7154    | 7446       | 7221   | 7362    | UP       | UP         | DOWN      |
| GUARGUM5 1   | 10201 | 9997    | 10405      | 10614  | 10551   | DOWN     | DOWN       | DOWN      |
| GUARSEED10 1 | 5145  | 5042    | 5248       | 5266   | 5366    | DOWN     | DOWN       | DOWN      |
| JEERAUNJHA 1 | 24700 | 24206   | 25194      | 24761  | 26287   | UP       | UP         | DOWN      |
| MENTHAOIL 1  | 932   | 913     | 950        | 919    | 930     | UP       | UP         | DOWN      |
| -            | -     | -       | -          | -      | -       | -        | -          | -         |
| -            | -     | -       | -          | -      | -       | -        | -          | -         |
| -            | -     | -       | -          | -      | -       | -        | -          | -         |

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