

It's said, 'Markets Hate Uncertainty.'

Nifty's pessimism can also be blamed on the uncertainty with regards to Fed rate plans.

Honestly speaking, when uncertainty rises, all other things being equal, you can expect stock prices to simply drop.

Nifty and its stocks are worried as the December Federal Reserve meeting has signalled central bankers' uncertainty over potential Trump administration policies.



Daily Research Reports

Good Morning & Welcome to Friday's trading session at Dalal Street, dated January 10th 2025.

Well, the Fed rate plans are uncertain.

That brings us to the biggest phrases of stock markets, 'Markets hate uncertainty.'

Honestly speaking, when uncertainty rises, all other things being equal, you can expect stock prices to simply drop. Simply put, the gloomier the outlook, the bigger the discount investors demand.

Nifty and its stocks are worried as the December Federal Reserve meeting has signaled central bankers' uncertainty over potential Trump administration policies.

So, the trading theme revolves around uncertainty with regards to uncertainty around what President-elect Trump will do after he takes office as US President on January 20th.

On the economic data front, after Friday's US Employment report comes next week's US PPI and CPI inflation reports on Tuesday, January 14th and Wednesday, January 15th.

Long story short: Agreed, uncertainty leads to chaos in markets but that said uncertainty also allows to earn attractive returns on backdrop of lower prices. Big time investors know with heart of hearts that risk and return go hand in hand.

Hopefully, inflation in the US cools toward the 2% target, supporting additional interest rate cuts this year.

Outlook for Friday: Volatility is likely to be the hallmark.

FIIs selling is basically seen haunting investors at Dalal Street as in this January month so far, they have sold to the tune of Rs. 19,102.80 crores.

Please note, total FIIs selling has crossed over 2-lakhs crore since September 27, the day Nifty hit an all-time-high at 26277.35.

Buzzing stocks:

- 1) Chemical stocks like SRF surged 14% in yesterday's trade after a report highlighted a sharp rise in global refrigerant gas prices. Navin Fluorine too surged 10% on reports of supply constraints for key gases like R32 and R125 which are creating challenges for the HVAC industry.
- 2) Manappuram Finance is in the news after the Reserve Bank of India (RBI) lifted restrictions imposed on Manappuram Finance arm Asirvad Micro Finance.

STOCKS TO WATCH:

SECTORS:

Bullish Sectors: AUTO, PHARMA

INDICES

Nifty	23527	-0.69%
Bank Nifty	49504	-0.67%
Nifty Auto Index	23305	-0.28%
Nifty FMCG Index	57496	0.93%
Nifty Infra Index	8357	-1.16%
Nifty IT Index	43126	-1.16%
Nifty Media Index	1809	-0.77%
Nifty Midcap Index	15575	-0.75%
Nifty Metal Index	8399	-1.23%
Nifty Pharma Index	22868	-0.62%
Nifty Reality Index	991	-2.73%
Nifty Smallcap Index	18118	-1.35%
Sensex	77620	-0.68%
SGX Nifty	23641	-0.08%

Outlook for the Day

An up and down session is likely.

Nifty Outlook

Intraday	Neutral (23300-23700)
Medium Term	Positive (21300-25000)
Long Term	Positive (20000-27000)

Key Levels to Watch

Nifty Support	23460/23263
Nifty Resistance	23807/24000

Pivot Level

Nifty	24501
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Bearish Sectors: MEDIA, BANK NIFTY, REALITY.

BULLISH STOCKS (Value Buying+ Long Build-up+ Short Covering): SRF, COLPAL, ZYDUSLIFE, BAJAJ AUTO, SYNGE INTERNATIONAL, ESCORTS, BIOGEN, BERGER PAINTS, TITAN.

BEARISH STOCKS (Long Unwinding + Short build-up): DIXON, OIL, POLICYBAZAR, AUROBINDO PHARMA, VOLTAS, UNION BANK, HUDCO, HDFCAMC, OFSS, DLF, ULTRATECH CEMENT, ABB, INDUS TOWER, ZOMATO, NAUKRI, LARSEN, BOSCH, MGL, SJVN, HIND COPPER, HFCL, SIEMENS.

Our **chart of the day** is bearish on PFC, ULTRATECH CEMENT, VOLTAS and JIO FINANCIAL on any early intraday strength with an interweek perspective.

The 1 Stock to Sell Right Now: Sell VOLTAS (CMP 1728): Sell at CMP. Stop at 1777. Targets 1617/1589. Aggressive targets at 1521. (Interweek Strategy). Rationale: Weakening momentum. Signaling a massive breakdown on the daily charts. Overbought technical conditions. Key intraday hurdles at 1771.

FII/DII & OPTIONS DATA:

The Put-Call Open Interest Ratio was at 1.13 for Nifty.

The fear index, India VIX, which gauges the volatility in the Indian stock markets, ended lower at 14.65 points.

In yesterday's negative session, FIIs turned out to be net sellers to the tune of Rupees 7171 crores while DIIs net bought shares to the tune of Rupees 7640 crores.

The Nifty options data suggests Nifty is likely to be in a trading range of 22700-24000 zone.

Maximum Call OI is at 25000 followed by 24000 strike prices. 24000 mark is still Nifty's major resistance zone.

Maximum Put open interest stands at 24000 levels followed by 23000 levels.

Call writing was seen at 23600 and then at 23700 strike price, while there was meaningful Put writing at 23200 and then at 23000 strike prices

Stocks banned in F&O segment: BANDHAN BANK, HIND COPPER, LTF, MANAPPURAM, RBL BANK

WHAT TECHNICALS TELLS US

Daily chart of Nifty:



Nifty: In yesterday's trade, Nifty opened on a cautious note as massive long unwinding and profit booking continued to be the preferred theme.

The negative takeaway however was that Nifty ended on a precarious note.

In the process, Nifty formed a bearish candlestick pattern on the daily charts.

Nifty's all-time-high continues to be at 26277.35 mark.

The technical landscape suggests Nifty's major support at 23460/23263/23000 mark. Intermonth support seen at 22751 mark.

Nifty's hurdles seen at 23751/24100 mark and then at 25000 mark.

Nifty's 200 DMA at 23932 mark.

Daily chart of Bank Nifty:



Bank Nifty: In yesterday's trade, Bank Nifty too was seen trading with negative bias as profit booking was the preferred theme and the negative takeaway was that Bank Nifty ended on a negative note.

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

Bank Nifty ended 0.67% lower as against Nifty's 0.69% loss.

Interestingly, in Thursday's trade, Nifty PSU Bank index ended 1.26% lower while Nifty Private Bank index ended 0.44% lower.

Intraday support for Bank Nifty now seen at 49201/48500 mark and then at 46000 mark on closing basis.

In today's trade and in near term, Bank Nifty is likely to face resistance at 50447/51673/52301 mark. Bank Nifty's 200-DMA is placed at 50738 mark.

ECONOMIC CUES:

On Tuesday, on the US economic front, December saw stronger growth in the US services sector, with increased business activity driving prices to their highest levels since early 2023, prompting policymakers to remain cautious about rate cuts.

Additionally, job openings rose by 259,000 to 8.098 million in November, the highest in six months and above forecasts of 7.7 million.

GLOBAL STOCK MARKETS:

Wall Street will be closed on Thursday, January 9th in observance of a National Day of Mourning and state funeral for former President Jimmy Carter.

Wall Street was mostly trading with negative bias in Thursday's trade as US bond yields kept on moving north.

Investors weighed the potential policies of the incoming Trump administration, fresh economic data, and the Federal Reserve's next moves.

Meanwhile, Federal Reserve Governor Christopher Waller expressed confidence that inflation would continue cooling toward the 2% target, supporting additional interest rate cuts this year.

Market focus remains on the Federal Reserve's outlook for 2025 and the likelihood of fewer rate cuts, although slower-than-expected PCE data provided some relief regarding inflationary pressures.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

NIFTY (-162, 23527)

Sensex (-528, 77620)

Bank Nifty (-332, 49504)

Nifty accelerates its decline and is now flirting with its December low at 23460 mark.

Technically speaking, the bearish daily technical setup shall exacerbate more pain below 23460 mark. Below Nifty 23460, the next supports are placed at November low at 23263 mark.

Nifty is feeling the heat amidst 5-negative catalysts:

1. FIIs persistent selling as in this January month FIIs have sold to the tune of Rs. 11932 cr.
2. The December Fed meeting signaled central bankers' uncertainty over potential Trump administration policies.
3. US Dollar index comfortably placed above 108 levels.
4. Elevated US bond yields favors Nifty bears. The yield on the 10-year U.S. Treasury note has spiked to 4.691%, its highest level since April.
5. The street is not sure what Trump will do after he takes office as US President on January 20th

Long Story short and the Gyan Mantra: Caution shall continue to the buzzword for Nifty Bulls.

Buzzing stocks:

Chemical stocks like SRF surged 14% after a report highlighted a sharp rise in global refrigerant gas prices. Navin Fluorine too surged 10% on reports of supply constraints for key gases like R32 and R125 which are creating challenges for the HVAC industry.

Manappuram Finance was in the news after the Reserve Bank of India (RBI) lifted restrictions imposed on Manappuram Finance arm Asirvad Micro Finance.

Sentimental Overview:

India VIX ends at 14.82, up 2.40%. At last check, USD/INR was at 85.92.

The broader markets were mirroring Nifty's bearish action. The S&P BSE Mid-Cap index slipped 0.48% and the S&P BSE Small-Cap index dropped 1.15%.

Meanwhile, the 5-big catalysts:

- 1) TCS officially sets afire the ceremonial starters pistol for corporate India's Q3 results on Thursday, January 9th.
- 2) All bullish eyes will be on Friday's US NFP.
- 3) After this week's US Employment report comes next week's us PPI and CPI inflation reports on Tuesday, January 14th and Wednesday, January 15th.
- 4) The Federal Open Market Committee's next policy meeting on January 28-29.
- 5) Delhi Assembly election voting on Feb 5th, results on Feb 8th

With intermonth perspective Nifty's direction will depend on what Trump will do after he takes office as US President on January 20th

Technical Overview:

Technically speaking, Nifty continues to trade below its 200 DMA and now it's also below its 200 EMA.

Any near-term rebound could be a Dead Cat Bounce!

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

Immediate downside risk on Nifty is placed at its December 31st low at 23460 mark; and then aggressive downside targets are at Nifty's psychological 23000 mark.

Confirmation of strength only on any close above Nifty 24227.

Outperforming Nifty Sectors:

Nifty FMCG (+0.82%)

Underperforming Nifty Sectors:

Nifty REALITY (-2.65%)

Nifty Oil & Gas (-2.09%)

Nifty Energy (-2.09%)

Nifty PSE (-1.89%)

Bulls of the day:

BAJAJ AUTO (+2.11%)

NESTLE (+1.76%)

HUL (+1.62%)

M&M (+1.48%)

BRITANNIA(+1.28%)

Bears of the day:

ONGC (-2.59%)

SRTFINANCE (-2.41%)

BPCL (-2%)

COAL INDIA(-1.95%)

TATA STEEL (-1.9%)

(Source NSSEINDIA.com)

Market Summary:

- Nifty January Futures ended Thursday's session at a premium of +139 vs premium of +87.
- The 30th January expiry Put-Call Open Interest Ratio was at 1.13 for Nifty.
- The 30th January expiry Put-Call Volume Ratio was at 0.90 for the Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 25000 Strike Price, followed by 24000 Strike Price for 30th January Series. Short Buildup was seen at strike prices 23500-24000.
- Maximum Put Open Interest (OI) was seen at strike price 24000 followed by 23000 strike prices for 30th January series. Long Buildup was seen at strike prices 23000-23700.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 61000 Strike Price and Maximum Put Open Interest stands at 42500 Strike Price.
- As per Thursday's provisional data available on the NSE, FIIs sold shares worth Rs. 7170.87 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 7639.63 crores.
- Long Buildup: ITC, IGL, TATACONSUM
- Short Buildup: HDFCBANK, SBIN, JIOFIN, TVSMOTOR
- Short Covering: CONCOR, DABUR, ASTRAL
- Long Unwinding: VEDL, DRREDDY, POONAWALLA, COFORGE
- Stocks banned in F&O Segment:** BANDHANBNK, HINDCOPPER, LTF, MANAPPURAM, RBLBANK
- New in Ban: NIL
- Out of Ban: NIL

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

Nifty Spot	23526.50 (-0.69%)
Bank Nifty Spot	49503.50 (-0.67%)
VIX	14.65 (+1.24%)
Premium	+139 vs +87
Nifty Future OI	1.36 crores (+5.52%)
Bank Nifty Future OI	22.31 lakhs (0%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	4579.58	5459.4
NSE Cash Vol. (Rs. in Cr)	89207.16	95369.45
NSE Derivative Vol. (Rs. in Cr)	52,29,097	35,87,383

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	1,01,006	7,040
Stock Future Volumes	8,71,762	56,007
Index Option Volumes	3,05,31,930	50,25,897
Stock Option Volumes	21,24,077	1,40,153
Total	3,36,28,775	52,29,097

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
23500	0.65 (+16%)
23600	0.36 (+38%)
23700	0.5 (+16%)
Puts	
23200	0.41 (+8%)
23300	0.52 (+27%)
23400	0.43 (+16%)

Table with columns: Stock, CMP, Support, Resistance, 21 DMA, 200 DMA, Intraday, Short Term, Long Term. Contains 100 rows of stock data with price and trend indicators.

All level indicated above are based on cash market prices. Pivot Point, R1: Resistance one, S1: Support one, R2: Resistance two, S2: Support Two.

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	238	231	245	245	234	DOWN	DOWN	UP
COPPER 1	825	809	842	808	827	UP	UP	UP
CRUDEOIL 1	6377	6249	6505	6000	6346	UP	UP	UP
GOLD 1	78175	76612	79739	76958	73230	DOWN	UP	UP
LEAD 1	177	171	182	178	185	DOWN	UP	DOWN
NATURALGAS 1	325	315	335	295	212	UP	UP	UP
NICKEL	1587	1556	1619	1634	1950	DOWN	DOWN	DOWN
SILVER 1	91700	89866	93534	90426	87387	DOWN	UP	UP
STEEL 1	560	549	571	42125	44492	DOWN	DOWN	DOWN
ZINC 1	273	265	282	283	267	DOWN	DOWN	DOWN
		0	0					
CASTOR 1	6315	6189	6441	6345	6153	UP	DOWN	DOWN
DHANIYA 1	7722	7568	7876	7817	7392	UP	DOWN	UP
GUARGUM5 1	10350	10143	10557	10168	10530	UP	UP	UP
GUARSEED10 1	5369	5262	5476	5192	5341	UP	UP	UP
JEERAUNJHA 1	23910	23432	24388	24337	25981	DOWN	DOWN	DOWN
MENTHAOIL 1	940	921	959	928	932	UP	DOWN	DOWN
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