

The big question: Is pessimism at Dalal Street overblown?

Strictly speaking, Nifty and its stocks are reeling amid worries of record exodus from the Foreign Institutional Investors as this January so far, they have sold to the tune of Rs. 74,096 crores).

Bottom-line: Unless, the FII's camp are back on their buying desk, caution will continue to be the buzzword.



Daily Research Reports

Good Morning & Welcome to Tuesday's trading session at Dalal Street, dated January 28th 2025.

The negative takeaway from yesterday's trade was that the bear machete continued to dominate Dalal Street as Nifty ended way below the psychological 23000 mark.

All bullish hopes now turn towards Union Budget 2025 to be released on February 1st

All bullish eyes on Finance Minister Nirmala Sitharaman who is expected to focus on the measures to boost consumption and support economic growth while maintaining fiscal consolidation path

The other big catalyst this week: The Federal Open Market Committee's next policy meeting on January 28-29.

Buzzing stocks:

- 1) The corporate India's Q3 earnings to trickle in today: BAJAJ AUTO, HINDUSTAN ZINC, HYUNDAI MOTORS, CIPLA, TVS MOTORS, JSW ENERGY, CG POWER, BOSCH, COLGATE, SBI CARD, SUZLON, BHEL, M&M FINANCIAL, EXIDE, MAHANAGAR GAS.
- 2) Coal India Reported a 17% drop in consolidated net profit to Rs 8,505.57 crore for the 3rd quarter of the financial year 2024-25 (FY25) from Rs 10,253.48 crore reported during the same period last year. (Coal India attributed the decline to softer demand and lower coal offtake during the period).
- 3) Bajaj Housing Finance reported a net profit of Rs 548.02 crore in Q3. This marks an increase of over 25% from the Rs 436.97 crore net profit reported in the corresponding period of the previous financial year.

Outlook for Tuesday: A volatile session on cards.

In early action, Gift Nifty continues to point caution indicating bears are likely to be everywhere at Dalal Street.

The spotlight is on:

- 1) Trump Tariff threat.
- 2) Weak leads from Wall Street on media reports that Chinese startup DeepSeek's AI model, is lauded for its cost-efficiency and ability to run on less-advanced chips.

The big questions:

- 1) Is pessimism at Dalal Street overblown?
- 2) Can perma-bulls take advantage of volatility?

Strictly speaking, Nifty and its stocks are reeling amid worries of record exodus from the Foreign Institutional Investors. (This January so far, they have sold to the tune

INDICES

Nifty	22829	-1.14%
Bank Nifty	48065	-0.63%
Nifty Auto Index	21970	-0.90%
Nifty FMCG Index	55655	-0.74%
Nifty Infra Index	8112	-1.59%
Nifty IT Index	42061	-3.36%
Nifty Media Index	1566	-4.73%
Nifty Midcap Index	14472	-2.70%
Nifty Metal Index	8190	-2.95%
Nifty Pharma Index	21292	-2.65%
Nifty Reality Index	845	-1.05%
Nifty Smallcap Index	16304	-3.84%
Sensex	75366	-1.08%
SGX Nifty	22925	-0.50%

Outlook for the Day

Volatile session is likely.

Nifty Outlook

Intraday	Neutral (22650-23050)
Medium Term	Positive (21300-24500)
Long Term	Positive (19000-26000)

Key Levels to Watch

Nifty Support	22501/21281
Nifty Resistance	23057/24337

Pivot Level

Nifty	24501
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Bottom-line: Unless, the FIIs camp are back on their buying desk, caution will continue to be the buzzword at Dalal Street.

Long story short: There is a bright chance that Nifty could drop below the psychological 22500 mark with inter-week perspective as pessimism still continues to be the order of the day.

STOCKS TO WATCH:

SECTORS:

Bullish Sectors: NIL

Bearish Sectors: IT, METALS, MEDIA, REALITY, AUTO,

BULLISH STOCKS (Value Buying+ Long Build-up+ Short Covering): HUL, NTPC, BANK OF INDIA, UBL, KOTAK BANK

BEARISH STOCKS (Long Unwinding + Short build-up): ADANI ENTERPRISES, TECH MAHINDRA, CUMMINS, DIVIS LABS, AXIS BANK, JIO FINANCE, POLYCAB, INFY, BEL, TITAN, PFC.

Our **chart of the day** is bearish on JINDAL STEEL & POWER, DIVIS LAB and BALKRISHNA INDUSTRIES on any early intraday strength with an interweek perspective.

The 1 Stock to Buy Sell Now: Sell BALKRISHNA INDUSTRIES (CMP 2565): Sell between 2590-2610 zone. Stop at 2727. Targets 2489/2419. Aggressive targets at 2351. (Interweek Strategy). Rationale: Weakening momentum. Signaling a massive breakdown on the daily charts. Reverse negative divergence. Key intraday hurdles at 2701.

FII/DII & OPTIONS DATA:

The Put-Call Open Interest Ratio was at 0.67 for Nifty.

The fear index, India VIX, which gauges the volatility in the Indian stock markets, ended higher at 18.13 points.

In yesterday's session, FIIs turned out to be net sellers to the tune of Rupees 5015 crores while DIIs net bought shares to the tune of Rupees 6642 crores.

The Nifty options data suggests Nifty is likely to be in a trading range of 21800-23700 zone.

Maximum Call OI is at 24000 followed by 23000 strike prices. Now 23000 mark is Nifty's major resistance zone.

Maximum Put open interest stands at 22000 levels followed by 21250 levels.

Call writing was seen at 23000 and then at 22900 strike price, while there was meaningful Put writing at 22600 and then at 22500 strike prices

Stocks banned in F&O segment: INDIA MART, MANAPPURAM, MGL, PNB

WHAT TECHNICALS TELLS US

Daily chart of Nifty:



Nifty: In yesterday's trade, Nifty opened on a nervous note and the negative takeaway was that Nifty ended on an extremely weak 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 22501/22001 mark. Intermonth support seen at 21281 mark.

Nifty's hurdles seen at 23057/23437 mark and then at 24200 mark.

Nifty's 200 DMA at 23985 mark.

Daily chart of Bank Nifty:



Bank Nifty: In yesterday's trade, Bank Nifty was seen trading with negative bias as long unwinding continued to be the preferred theme for most part of the trading session.

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

Bank Nifty ended 0.63% lower as against Nifty's 1.14% lower.

Interestingly, in yesterday's trade, Nifty PSU Bank index ended 0.97% lower while Nifty Private Bank index ended 0.49% lower.

Intraday support for Bank Nifty now seen at 47500/47000 mark and then at 46100 mark on closing basis.

In today's trade and in near term, Bank Nifty is likely to face resistance at 49000/49650/52000 mark. Bank Nifty's 200-DMA is placed at 50816 mark.

ECONOMIC CUES:

Cooler underlying consumer price inflation is the preferred theme at Wall Street.

The inflation report helped and strengthened streets' expectations that the Fed may continue its rate-cutting cycle throughout the year.

The December CPI report showed progress toward the Federal Reserve's 2% inflation target, with core CPI rising 3.2% YoY, down from 3.3% in November.

GLOBAL STOCK MARKETS:

Overnight at Wall Street, US. stocks tumbled with tech stocks leading across-the-board declines, following weekend developments that suggest a China-backed AI chatbot could outperform U.S. rivals with a lower cost base and fewer high-end processors.

Nvidia shares were marked 14.8% lower in late-morning trading to change hands at \$120.98 each,

All eyes are on next week's Fed meeting.

The Federal Open Market Committee (FOMC) will conclude its two-day policy meeting next Wednesday afternoon.

The FOMC widely expected to keep the federal funds rate unchanged this time around – even after Trump on Thursday told a group of business leaders gathered in Switzerland that he is in favor of lower interest rates

RECAP OF PREVIOUS DAY'S TRADING SESSION:

NIFTY (-263, 22829)

Sensex (-824, 75366)

Bank Nifty (-303, 48065)

Bear machete continues at Dalal Street as Nifty ends below psychological 23000 mark.

All sectoral indices ended in red where Media & IT stocks were crushed the most.

Blame the pessimism on:

1) Uncertainty lingers over President Donald Trump's plans for tariffs.

2) Record exodus from the Foreign Institutional Investors as this January so far, they have sold to the tune of Rs. 69,080 crores).

The negative takeaway is that Nifty ended lower and for the 2nd straight session indicating bulls are losing control.

BUZZING STOCKS FOR THE DAY:**Top Index Gainers:**

BRITANNIA (+1,50%)

ICICIBANK (+1.33%)

M&M (+1.02%)

HUL (+0.97%)

SBIN (+0.45%)

Top Index Losers:

HCLTECH (-4.59%)

TECHM (-4.18%)

WIPRO (-3.78%)

HINDALCO (-3.53%)

SHRIRAMFIN (-3.22%)

Adv-Dec 08—42

INDIA VIX 18.13 (+8.24%)

NIFTY PCR (30th JAN) 0.67

Nifty MidCap 50 (-2.70%, 14427)

NiftySmallC (-3.84%, 16304)

BANK Nifty (-0.63%, 48065)

Nifty IT (-3.36%, 42061)

USD/INR (+0.05%, 86.31)

ALL ABOUT NIFTY:

Nifty (CMP: 22829)

Support: 22651/22321

Resistance: 23000/23215

Range: 22700-22966

21 DMA: 23421

50 DMA: 23838

200 DMA: 23985

Trend: Negative

Market Summary:

- Nifty January Futures ended Monday's session at a premium of +03 vs premium of +22.
- The 30th January expiry Put-Call Open Interest Ratio was at 0.66 for Nifty.
- The 30th January expiry Put-Call Volume Ratio was at 0.91 for the Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 24000 Strike Price, followed by 23500 Strike Price for 30th January Series. Short Buildup was seen at strike prices 22300-23900.
- Maximum Put Open Interest (OI) was seen at strike price 22000 followed by 21250 strike prices for 30th January series. Long Buildup was seen at strike prices 21300-22800.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 61000 Strike Price and Maximum Put Open Interest stands at 45000 Strike Price.
- As per Monday's provisional data available on the NSE, FIIs sold shares worth Rs. 5015.46 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 6642.15 crores.
- Long Buildup: HUL, BRITANNIA, MARUTI
- Short Buildup: SAIL, TATAMOTORS, BHARTIARTL, INFY
- Short Covering: ICICIBANK, DLF, M&M, L&T
- Long Unwinding: ONGC, NHPC, BPCL
- Stocks banned in F&O Segment:** INDIAMART, MANAPPURAM, MGL, PNB.
- New in Ban: NIL.
- Out of Ban: ABFRL, BANDHAN BANK, CANFIN HOME, DIXON, HIND COPPER, LTF.

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

Nifty Spot	22829.15 (-1.14%)
Bank Nifty Spot	48064.65 (-0.63%)
VIX	18.13 (+8.24%)
Premium	+03 vs +22
Nifty Future OI	1.18 crores (-10.64%)
Bank Nifty Future OI	20.92 lakhs (-7.01%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	5636.79	4906.95
NSE Cash Vol. (Rs. in Cr)	95150.93	87530.93
NSE Derivative Vol. (Rs. in Cr)	22,30,592	22,77,339

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	1,78,704	15,249
Stock Future Volumes	40,64,011	2,43,279
Index Option Volumes	2,71,81,323	17,23,958
Stock Option Volumes	39,38,404	2,48,106
Total	3,53,62,442	22,30,592

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
22900	1.21 (+1110%)
23000	3.36 (+185%)
23100	2.13 (+94%)

Puts	in lakhs (% Change)
22300	0.98 (+18%)
22500	2.34 (+11%)
22600	1.26 (+47%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	253	245	260	248	236	UP	UP	UP
COPPER 1	834	817	851	820	830	UP	UP	UP
CRUDEOIL 1	6313	6187	6439	6469	6310	UP	DOWN	UP
GOLD 1	79623	78031	81215	78129	73877	UP	UP	UP
LEAD 1	178	172	183	177	185	DOWN	UP	DOWN
NATURALGAS 1	280	271	288	327	226	DOWN	DOWN	UP
NICKEL	1587	1556	1619	1634	1950	DOWN	DOWN	DOWN
SILVER 1	90275	88470	92081	90608	88270	UP	DOWN	UP
STEEL 1	558	547	569	42125	44492	DOWN	DOWN	DOWN
ZINC 1	266	258	274	275	271	DOWN	DOWN	DOWN
CASTOR 1	6405	6277	6533	6393	6191	UP	DOWN	DOWN
DHANIYA 1	8274	8109	8439	7937	7388	UP	UP	UP
GUARGUM5 1	10450	10241	10659	10441	10550	UP	UP	UP
GUARSEED10 1	5418	5310	5526	5393	5360	UP	DOWN	UP
JEERAUNJHA 1	21680	21246	22114	23472	25850	DOWN	DOWN	DOWN
MENTHAOIL 1	920	902	939	933	932	UP	DOWN	UP
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