

- 1) The global trade war is likely to result in weaker GDP growth, higher unemployment, higher interest rates and higher inflation in Canada, Mexico, China and in the US.
- 2) Trump tariff fuels the US Dollar which has now spiked towards 109 levels. The INR too is sinking, fresh record low at 87.29 per Dollar.
- 3) This CY so far, FII's have sold to the tune of Rs. 92,660 crores.

The corporate India's Q3 earnings to trickle in today:
TITAN, ASIAN PAINTS, TATA POWER, GODREJ
PROPERTIES, TORRENT POWER,
SAFARI INDUSTRIES



Daily Research Reports

Good Morning & Welcome to Tuesday's trading session at Dalal Street, dated February 4th 2025.

Well, stock markets across globe have panicked after President Trump dropped the first tariff bomb.

It's obvious, the longer the tariffs last, the more damaging they will be to the stock markets across globe.

But the good news this Tuesday morning on the latest headlines around tariffs suggests that Trump has announced a one-month delay in tariffs on Mexico.

The global trade war is on the front pages.

Sentiments have taken a drubbing after Trump imposed 25% tariffs on Canada and Mexico and 10% on China.

In response, Canada announced retaliatory tariffs, while Mexico indicated it would consider imposing its own levies on US goods. China, in turn, stated its intention to file a lawsuit with the WTO.

The big question: Does the dust gets settled after these declarations/notices?

Agreed, the said announced tariffs is unlikely to fully remain in place for an extended period but until they are the only thing certain is uncertainty, uncertainty and uncertainty.

We say so because,

- 1) The global trade war is likely to result into a weaker GDP growth, higher unemployment, higher interest rates and higher inflation in Canada, Mexico, China and in the US.
- 2) Trump tariff fuels the US Dollar which has now spiked towards 109 levels. The INR too is sinking, fresh record low at 87.29 per Dollar.
- 3) Outflows from Indian equities are likely increase further and weigh on sentiments. (This CY so far, FIIs have sold to the tune of Rs. 92,660 crores).

Bottom-line: Volatility shall be the hallmark of the day.

Outlook for Tuesday: An up and down session is quite likely.

The negative takeaway from yesterday's trading session was that capex-linked stocks, primarily those involved in railway, defense and infra sectors continued to see selling pressure.

That's on backdrop of Finance Minister Nirmala Sitharaman's Union Budget 2025-26 which emphasized on economic growth to rely more on boosting consumption in a slowing economy rather than firing the capex engine.

The revised capex projection for FY25 has been reduced to Rs 10.18 lakh crore, down from the initially allocated Rs 11 lakh crore.

Underperforming Railway Stocks: Titagargh Wagons, Rites, Texmaco Rail, RVNL, IRCON International and Jupiter Wagons.

INDICES

Nifty	23361	-0.52%
Bank Nifty	49211	-0.60%
Nifty Auto Index	23327	0.09%
Nifty FMCG Index	57420	-1.67%
Nifty Infra Index	8116	-1.68%
Nifty IT Index	42314	0.68%
Nifty Media Index	1610	-0.33%
Nifty Midcap Index	14829	-0.65%
Nifty Metal Index	8155	-1.73%
Nifty Pharma Index	21362	0.13%
Nifty Reality Index	950	-0.29%
Nifty Smallcap Index	16618	-2.13%
Sensex	77187	-0.41%
SGX Nifty	23417	0.01%

Outlook for the Day

Volatile session is likely.

Nifty Outlook

Intraday	Neutral (23200-23500)
Medium Term	Positive (21300-24500)
Long Term	Positive (19000-26000)

Key Levels to Watch

Nifty Support	23250/23000
Nifty Resistance	23677/24100

Pivot Level

Nifty	24501
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Underperforming Defence stocks: BDL, GRSE, HAL, BEL

Underperforming Infra Stocks: IRB Infra, L&T, NCC.

Outperforming Stocks: Bajaj Finance, Shriram Finance, Mahindra & Mahindra, Wipro, and Bajaj Finserv

The corporate India's Q3 earnings to trickle in today: TITAN, ASIAN PAINTS, TATA POWER, GODREJ PROPERTIES, TORRENT POWER, SAFARI INDUSTRIES

STOCKS TO WATCH:

SECTORS:

Bullish Sectors: REALITY, FMCG.

Bearish Sectors: MEDIA, PSE

BULLISH STOCKS (Value Buying+ Long Build-up+ Short Covering): SRF, BAJAJ HEALTHCARE, COROMANDEL INTERNATIONAL, CHOLAMANDALAM FINANCE, M&M, TVS MOTORS, GRASIM, ZOMATO, RADICO KHAITAN, GODREJ CONSUMER, AND UNITED SPIRITS

BEARISH STOCKS (Long Unwinding + Short build-up):, LARSEN, TATA MOTORS, HAL, COLPAL, HUL, MGL, JINDAL STEEL & POWER.

Our **chart of the day** is bullish on CHOLAMANDALAM FINANCE, INDIAN HOTELS and OBEROI REALITY on any early intraday weakness with an interweek perspective.

The 1 Stock to Buy Right Now: Buy CHOLAMANDALM FINANCE (CMP 1338): Buy at CMP. Stop at 1213. Targets 1379/1409. Aggressive targets at 1477. (Interweek Strategy). Rationale: Aiming for a major rebound as was seen enjoying strong session in yesterday's trade, up 5.70%. Oversold technical conditions prevails. Key interweek support placed at 1239.

FII/DII & OPTIONS DATA:

The Put-Call Open Interest Ratio was at 1.14 for Nifty.

The fear index, India VIX, which gauges the volatility in the Indian stock markets, ended higher at 14.35 points.

In yesterday's session, FIIs turned out to be net sellers to the tune of Rupees 3958 crores while DIIs net bought shares to the tune of Rupees 2708 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 24000 mark is Nifty's major resistance zone.

Maximum Put open interest stands at 23000 levels followed by 22000 levels.

Call writing was seen at 23000 and then at 23200 strike price, while there was meaningful Put writing at 22600 and then at 22500 strike prices

Stocks banned in F&O segment: NIL

WHAT TECHNICALS TELLS US

Daily chart of Nifty:



Nifty: In yesterday's trade, Nifty opened with a gap-down and the pessimism prevailed all thru the trading session.

In the process, Nifty formed a spinning top 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 23119/23000/22787 mark. Intermonth support still seen at 21281 mark.

Nifty's hurdles seen at 23437/23609 mark and then at 24200 mark.

Nifty's 200 DMA at 24012 mark.

Daily chart of Bank Nifty:



Bank Nifty: In yesterday's trade, Bank Nifty too was seen trading deep in red as caution prevailed all thru the trading session.

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

Bank Nifty ended 0.60% lower as against Nifty's 0.52% loss.

Interestingly, in Monday's trade, Nifty PSU Bank index ended 1.60% lower while Nifty Private Bank index ended 0.66% lower.

Intraday support for Bank Nifty now seen at 48700/47845 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 50397/52000 mark. Bank Nifty's 200-DMA is placed at 50851 mark.

ECONOMIC CUES:

The U.S. economy grew at a 2.3% pace over the final three months of last year, the Commerce Department reported, a modestly weaker-than-expected reading for its first update of fourth-quarter GDP.

The US PCE prices, personal income, and employment costs aligned with forecasts, reinforcing the Fed's stance from earlier in the week.

The Federal Reserve kept the funds rate steady at the 4.25%-4.5% range, pausing its rate-cutting cycle after three consecutive reductions in 2024.

The Fed showed more optimism about the labor market and noted that inflation remains somewhat elevated, removing the reference to ongoing progress toward the 2% target.

The Federal Open Market Committee's latest policy statement on Wednesday pointed to stubborn inflation readings and an economy hardly in need of rescuing as support for officials' decision to pause their interest-rate cuts.

"Recent indicators suggest that economic activity has continued to expand at a solid pace," the statement reads. "The unemployment rate has stabilized at a low level in recent months, and labor market conditions remain solid. Inflation remains somewhat elevated."

GLOBAL STOCK MARKETS:

In Monday's trade at Wall Street, US. stocks were trading in red but the stock markets slide abated a bit after President Donald Trump delayed to tariffs on Mexico had Wall Street holding out hope for a similar pact with Canada.

The Dow was down 150 points, or 0.4%, in early afternoon trading. The S&P 500 was down 0.8%. The Nasdaq Composite fell 1.2%.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

NIFTY (-121, 23361)

Sensex (-319, 77187)

Bank Nifty (-296, 49211)

Nifty receives drubbing as Trump administration imposes new US tariff against Mexico, Canada and China.

Trump imposed 25% tariffs on Canada and Mexico and 10% on China.

In response, Canada announced retaliatory tariffs, while Mexico indicated it would consider imposing its own levies on US goods. China, in turn, stated its intention to file a lawsuit with the WTO.

Long story short: The global trade war is on the front pages.

The negative takeaway from today's trading session was that capex-linked stocks, primarily those involved in railway, defense and infra sectors continued to see selling pressure.

Underperforming Railway Stocks: Titagargh Wagons, Rites, Texmaco Rail, RVNL, IRCON International and Jupiter Wagons

Underperforming Defence stocks: BDL, GRSE, HAL, BEL

Underperforming Infra Stocks: IRB Infra, L&T, NCC.

That's on backdrop of Finance Minister Nirmala Sitharaman's Union Budget 2025-26 which emphasized on economic growth to rely more on boosting consumption in a slowing economy rather than firing the capex engine.

The revised capex projection for FY25 has been reduced to Rs 10.18 lakh crore, down from the initially allocated Rs 11 lakh crore. For FY26, the allocation was slightly raised to Rs 11.2 lakh crore, still falling short of the industry's expectation of Rs 11.5 lakh crore.

Outperforming Stocks: Bajaj Finance, Shriram Finance, Mahindra & Mahindra, Wipro, and Bajaj Finserv

That's on backdrop of FM Nirmala Sitharaman emphasizing on economic growth to rely more on boosting consumption in a slowing economy rather than firing the capex engine.

Meanwhile, the FIIs continue to be on a selling spree. (This CY so far, FIIs have sold to the tune of Rs. 88,702 crores).

Technical Overview:

Technically, confirmation of strength only above Nifty's biggest hurdles at 24012 mark which is also the benchmark's 200 DMA. Until, Nifty 24012 is a resistance, downside risk on Nifty seen at 22786 and then at 21281 mark at June 4th low.

Outperforming Nifty Sectors:

NIFTY IT (+0.59%)

Underperforming Nifty Sectors:

Nifty PSE (-3.01%)

NIFTY ENERGY (-2.83%)

NIFY OIL & GAS (-1.97%)

Adv-Dec 16—35

INDIA VIX 14.35 (+1.77%)

NIFTY PCR (06th FEB) 0.74

NIFTY PCR (27th FEB) 1.14

Bulls of the day:

BAJFINANCE (+5.12%)

SHRIRAMFIN (+3.06%)

M&M (+3.00%)

WIPRO (+2.72%)

BAJAJFINSV (+2.32%)

Bears of the day:

L&T (-4.69%)

TATACONSUM (-3.07%)

HEROMOTOCORP (-2.98%)

COALINDIA (-2.88%)

BEL (-2.84%)

(Source NSSEINDIA.com)

Market Summary:

- Nifty February Futures ended Monday's session at a premium of +79 vs premium of +78.
- The 27th February expiry Put-Call Open Interest Ratio was at 1.12 for Nifty.
- The 27th February expiry Put-Call Volume Ratio was at 0.95 for the Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 24000 Strike Price, followed by 23500 Strike Price for 27th February Series. Short Buildup was seen at strike prices 23400-24200.
- Maximum Put Open Interest (OI) was seen at strike price 23000 followed by 22500 strike prices for 27th February series. Long Buildup was seen at strike prices 22400-23400.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 52000 Strike Price and Maximum Put Open Interest stands at 49000 Strike Price for 27th February series.
- As per Monday's provisional data available on the NSE, FIIs sold shares worth Rs. 3958.37 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 2708.23 crores.
- Long Buildup: ZOMATO, TITAN, M&M, SRF, INDHOTEL
- Short Buildup: RECLTD, SAIL, L&T, PFC, HDFCLIFE
- Short Covering: JINDALSTEL, LTTS, IEX, DIVISLABS
- Long Unwinding: SBIN, TATACONSUM, HUL, OIL
- Stocks banned in F&O Segment:** NIL
- New in Ban: NIL.
- Out of Ban: NIL.

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

Nifty Spot	23361.05 (-0.52%)
Bank Nifty Spot	49210.55 (-0.60%)
VIX	14.35 (+1.77%)
Premium	+79 vs +78
Nifty Future OI	1.71 crores (-1.53%)
Bank Nifty Future OI	30.88 lakhs (-2.07%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	5384.19	7182.66
NSE Cash Vol. (Rs. in Cr)	104886.08	101789.64
NSE Derivative Vol. (Rs. in Cr)	20,05,211	18,40,985

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	47,765	7,802
Stock Future Volumes	10,33,327	62,115
Index Option Volumes	1,03,70,356	17,96,981
Stock Option Volumes	21,40,069	1,38,314
Total	1,35,91,517	20,05,211

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
23700	0.09 (+50%)
23800	0.07 (+17%)
23900	0.07 (+17%)

Puts	in lakhs (% Change)
23100	0.11 (+22%)
23200	0.22 (+16%)
23300	0.29 (-19%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	261	253	268	250	236	UP	UP	UP
COPPER 1	836	819	853	828	829	UP	UP	UP
CRUDEOIL 1	6326	6199	6453	6505	6294	DOWN	DOWN	UP
GOLD 1	83275	81610	84941	79062	74095	UP	UP	UP
LEAD 1	179	174	185	177	185	DOWN	UP	DOWN
NATURALGAS 1	292	283	301	320	229	DOWN	DOWN	UP
NICKEL	1587	1556	1619	1634	1950	DOWN	DOWN	DOWN
SILVER 1	94234	92349	96119	91537	88512	UP	UP	UP
STEEL 1	577	565	588	42125	44492	DOWN	DOWN	DOWN
ZINC 1	263	255	271	271	271	DOWN	DOWN	DOWN
CASTOR 1	6405	6277	6533	6376	6200	DOWN	UP	DOWN
DHANIYA 1	8128	7965	8291	7991	7402	UP	DOWN	UP
GUARGUM5 1	10148	9945	10351	10408	10557	DOWN	DOWN	DOWN
GUARSEED10 1	5356	5249	5463	5406	5363	DOWN	DOWN	UP
JEERAUNJHA 1	21140	20717	21563	22840	25789	DOWN	DOWN	DOWN
MENTHAOIL 1	944	925	963	929	932	UP	UP	UP
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