

A magnifying glass is positioned over a stylized illustration. The illustration features a red line graph representing a stock market trend, a large yellow sun, and a grey building with horizontal lines. The background consists of green and white diagonal stripes.

**A person who keeps patience
is sure to win in share market.**

Good Morning & Welcome to Friday's trading session at Dalal Street dated 26th February 2021.

Treasury Yields Keep Rising...

- **Preferred trade on Nifty (15104):** Sell between 15151-15201 zone. Targets at 14949/14827 and then aggressive targets at 14635 mark with stop at 15501
- **Preferred trade on Bank Nifty (36549):** Sell between 36751-36901 zone. Targets at 35852 and then aggressive targets at 34649-35001 zone with stop at 37849.
- **BULLISH STOCKS:** TATAMOTORS, BHARTIARTL, NALCO, CANBK, TATAPOWER, ONGC, DLF, L&TFH.
- **BEARISH STOCKS:** HDFC, DIVISLABS, NESTLE, MARICO, TITAN, ESCORTS, ITC, LIC HSG FIN, MCDOWEL, NAUKRI, DR REDDYS LAB, IGL.
- **SHOW ME THE MONEY:** Momentum Call: Buy INDUSIND BANK (CMP 1110) March Futures for 0-3 days between 1071-1081 zone for an objective of 1145/1189. Stop 1031. Alert: BREAKOUT PLAY.

Outlook for Friday: It will be difficult for the bulls to capitalize on last 2-days of strong gains.

The bull market at Dalal Street that started in the Covid-19 dark days of March 2020 passed a Hercules milestone in the Feb 2021 F& O series — Nifty ended well above the psychological 15000 mark.

Well, it appears the prudent winning strategy is to buy aggressively at each time in a crisis and exiting out of the market when greed is all over the street.

The benchmarks Nifty and Sensex recorded stunning gains of around 8% in the February series. Interestingly, despite the spectacular performance by Nifty and Sensex in Feb series, the benchmarks have underperformed the broader markets as Nifty Mid-Cap 100 and the Nifty Small-Cap 100 have jumped 11% each.

The biggest outperformers amongst the sectoral indices were Nifty PSU Bank, up 40%, Nifty Metal index up 25% and Bank Nifty up by 20%. Nifty Auto index was laggard, up only 4% while the worst underperformers were Nifty IT and FMCG indices which slipped around 2% each in the Feb series.

The street is now setting its bullish eyes on March 2021 on backdrop of a whopping 100% gains in Nifty — from March lows of 7500.

In yesterday's trade, Dalal Street was one of the few bright spots amongst equity markets globally. The key positive catalysts were:

1. A market-friendly speech from the Fed Chairman signaling staying the course with loose monetary policy. Fed Chairman Powell reiterated the central bank's focus on supporting the US economy and employment.
2. FM Sitharaman's announcement that private banks can get govt business (embargo lifted) gives the bulls a signal to keep running.

INDICES		
Nifty	15097	0.77%
Bank Nifty	36549	0.27%
Nifty Auto Index	10498	0.89%
Nifty FMCG Index	33002	-0.27%
Nifty Infra Index	4262	1.91%
Nifty IT Index	24872	0.38%
Nifty Media Index	1668	1.34%
Nifty Midcap Index	6960	2.12%
Nifty Metal Index	3929	3.97%
Nifty Pharma Index	12142	0.88%
Nifty Reality Index	356	1.68%
Nifty Smallcap Index	8149	1.43%
Sensex	51039	0.51%
SGX Nifty	15123	-0.41%

Outlook for the Day	
	Rough session likely.

Nifty Outlook	
Intraday	Neutral (14825-15257)
Medium Term	Neutral (14111-15551)
Long Term	Neutral (13001-16001)

Key Levels to Watch	
Nifty Support	14827/14635
Nifty Resistance	15257/15433

Pivot Level	
Nifty	14101

- Nifty PSE Index which rose 4% in today's trade after the plan announced yesterday to privatize and monetize assets of PSE. Except FMCG, all other sectoral indices ended in the green with metal index gaining 4%. BSE Midcap and Smallcap indices rose 1 percent each.
- Vaccine roll-out: From 1st March, people above 60 years of age and those above 45 years of age with co-morbidities will be vaccinated at 10,000 government and over 20,000 private vaccination centers.

Now, here are other key things to know before today's market opens:

- The biggest negative catalyst for the day is the aggressively rising Treasury yield that simply keeps rising. The 10-year Treasury yield rose to 1.46% — hitting a one-year high as fears of higher inflation resurfaced despite Federal Reserve Chairman Jerome Powell downplaying the risks of increasing price pressures. Powell has said that it might take more than three years for inflation to hit the Fed's target of 2%, indicating that rates won't be lifted any time before 2023.**
- All bullish hopes now on the U.S stimulus news. The House is set to approve the \$1.9 trillion bill on Friday but the real battle is in the Senate with hopes of sending it to Biden before March 14. Any comments from members in the upper chamber may rock markets.
- Technically speaking, big bullish candles + probable 'Morning Star' pattern appears on the daily chart of Nifty indicating immediate targets at 15207 mark and then aggressive targets at 15433 mark. Above the 15433 mark, Nifty should easily gallop to the psychological 16000 mark. Nifty's immediate support seen at 14949/14837 mark and then major supports placed at 14635 mark. **Please note, Confirmation of further strength only above Nifty 15207.**
- All eyes will be on India's GDP data for the third quarter which will trickle in today. The street suspects that the GDP data for the third quarter to show signs of economic recovery.
- Our **chart of the day** is bullish on stocks like **INDUSIND BANK, RBL BANK and SAIL** on any corrective declines with an inter-week perspective.
- Nirav Modi, the diamond merchant wanted in India on charges of fraud and money laundering in the estimated ₹ 14,000-crore Punjab National Bank (PNB) loan scam case has lost his legal battle and can be extradited to India, a UK judge ruled yesterday.
- Cadila Healthcare shares are in limelight post USFDA nod for antidepressant capsules.
- As per media reports, the strategic sale of stake in state-run oil refiner Bharat Petroleum Corp Ltd (BPCL), national carrier Air India and two units of steel producer SAIL are at an advanced stage as the government moves ahead with its privatisation push to improve public finances.

Technical Strategy

BHARTI AIRTEL	579
Action	BUY
Target	623
Support	549/515
Resistance	623/751
Holding Period	60-90 Days.

Bharti Airtel was incorporated in the year 1995, and is now having a market cap of Rs 328697 Crore). The key positive catalyst in favor of Bharti Airtel is that telecom remains one of the few sectors still witnessing consumption and earnings growth as amidst lockdown and social distancing, the shift is towards higher dependency on digital tools, such as video conferencing and collaborative applications. TRAI data suggests that Telecom sector AGR in rising trend. The telecom giant returned to black in Q3, reporting a net profit of Rs 854 cr; revenue grew by 6%.

Technically, brace yourselves for a breakout play on the monthly and yearly time frames. The sequence of higher high/low is intact on all time-frames. An impulse uptrend is seen forming on the weekly time scale too, with positive SAR series.

Add to that a bullish divergence and a rising stochastic signal (on daily charts) with recent increase in volumes signaling a larger rebound. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 517 zone. The level of 517-525 zone will act as a strong support zone and any sharp corrective declines to these levels offer opportunities to initiate long positions.

Look to buy at CMP, and on dips between 525-530 zone, targeting 623/651.50 and then aggressive targets at psychological 700 mark. Stop below 481. Holding Period: 2-3 Months.

The government has also fixed a target to monetise assets worth Rs 17,000 crore by selling stakes in oil refiners GAIL, IOCL and HPCL in the next financial year, as part of its plan to divest stakes in state-owned companies.

FII/DII & OPTIONS DATA:

- The 04th March expiry Put-Call Open Interest Ratio was at 0.88 for Nifty whereas it was 0.84 for Bank Nifty.
- The 04th March expiry Put-Call Volume Ratio was at 0.89 for the Nifty and 0.90 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 15200 Strike Price, followed by 16000 Strike Price for 04th March Series. Long Buildup was seen at strike prices 15000-15600.
- Maximum Put Open Interest (OI) was seen at strike price 15000 followed by 14000 strike prices for 04th March series. Short buildup was seen at strike prices 14400-15500.
- As per yesterday's provisional data available on the NSE, Foreign institutional investors (FIIs) bought shares worth Rs. 188.08 crore while the Domestic institutional investors (DIIs) sold shares worth Rs. 746.57 crore in the Indian equity market.

IPO Update:

All eyes will be on RailTel Corporation of India which is likely to list today. RailTel Corporation is one of the largest neutral telecom infrastructure providers in India and commands monopolistic business, diversified portfolio of service and solution, and key position as a partner in digital transformation of the Indian Railways, experts feel. The street expects listing gains of 15-20%.

GLOBAL STOCK MARKETS:

Overnight at Wall Street, U.S stocks fell on backdrop of Treasury yields hitting a one-year high as fears of higher inflation resurfaced despite Federal Reserve Chairman Jerome Powell downplaying the risks of increasing price pressures.

Federal Reserve Chairman Jerome Powell, in testimony before the Senate Banking Committee said the U.S. economy was "a long way from our employment and inflation goals, and it is likely to take some time for substantial further progress to be achieved."

Powell signaled the central bank won't soon begin tapering the \$120 billion of bonds it has been buying per month. The Fed previously pledged to keep providing support to the U.S. economy "until substantial further progress" has been made toward its goals of maximum employment and 2% inflation.

ECONOMIC CUES:

- RBI governor Shaktanta Das as per the minutes released by the central bank has said that the country's economic growth momentum needs to strengthen further. "Growth, although uneven, is recovering and gathering momentum, and the outlook has improved significantly with the rollout of the vaccine programme in the country. The growth momentum, however, needs to strengthen further for a sustained revival of the economy and for a quick return of the level of output to the pre-Covid trajectory," said Das.
- Consistent with the accommodative stance of the monetary policy, the Reserve Bank remains committed to ensure the availability of ample liquidity in the system to foster congenial financial conditions for the recovery to gain traction, said Das.
- S&P Global Ratings has said that Indian economy is on track for a recovery in the next fiscal year beginning April 1, as consistent good performance of the farm sector, flattening Covid-19 infection curve, and a pickup in government spending are all supporting the economy.

- The hottest theme surrounding stock markets across globe is that rates are likely to rise earlier than expected. The street suspects, the U.S interest rates to rise over 1% by the end of 2024.

That said, Fed Chairman Jerome Powell in his recent speeches has clearly pushed back on suggestions that the central bank might be forced to prematurely tighten monetary policy. Powell has insisted his commitment to keep policy accommodative as long as needed to support the recapture of jobs lost during the pandemic.

Anyway, the rise in rates is on backdrop of the rise of vaccination and declines in new Covid-19 cases, along with some improvement in economic data. A selloff in bonds indicates investors expect stronger economic growth but also a pickup in inflation.

What Technical Tells Us on Nifty/Sensex:

In yesterday's trade, as was widely expected, the benchmark Nifty extended gains in tandem with Wednesday's strong close at Wall Street and joining the conga-line of rising Asian stock markets. The other key highlights of yesterday's trade were:

- Nifty gains for the 3rd day in a row and just a tad below the 15100 mark.
- Around 35 of 50 Nifty stocks ended the day in the green.
- Top Index gainers: COAL INDIA (+8.66%), UPL (+7.32%), ADANI PORTS (+5.98%)
- Top Index losers: ICICI BANK (-1.89%), NESTLE INDIA (-1.38%), DIVIS LAB (-1.25%)
- Bank Nifty (+0.27%) slightly underperformed as against Nifty's gains of +0.77%.
- Bharti Airtel was in limelight after the telco said it had raised \$1.25 billion through debt instruments.

Technically speaking, a big bullish candle + a probable 'Morning Star' pattern appears on the daily chart of Nifty indicating immediate targets at 15207 mark and then aggressive targets at 15433 mark. Above the 15433 mark, Nifty should easily gallop to the psychological 16000 mark. Nifty's make-or break support seen at 14635 mark.

We reiterate that the primary trend is still up. So, on any sharp panic declines to Nifty 14635-14825 zone, expect massive rebound.

That said, extreme overbought technical conditions prevail as S&P 500 has risen about 75% since last March. Nifty too is up whopping 100%— from March lows of 7500.

Daily chart of Nifty:



TOP PICKS (F & O)

It's like having investment binoculars !

SAIL is our preferred bet from metal space. Likely to scale towards 80 mark in near term.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
BPCL	461.55	443	431	481	549	Positive	BPCL is signaling a massive breakout on the monthly charts. The stock likely to aim its all-time-high as long 431 support is held. Intermonth Strategy: Buy between 445-451 zone, targeting 481 and then at 525-549 zone with stop below 427.
BHEL	47	43	40	51.5	59	Positive	BHEL enjoyed a strong session in yesterday's trade, up 9.78%. Postive interweek bias as long as 40 support is held. Interweek Strategy: Buy between 43-46 zone, targeting 51.50 and then at 57-59 zone with stop below 39.
INDUSIND BANK	1110	1071	1017	1137	1207	Positive	Positive intermonth bias as long as 1017 support is held. INDUSIND BANK is signalling a massive breakout on the daily charts. Intermonth Strategy: Buy between 1075-1083 zone, targeting 1137 and then at 1191-1207 zone with stop below 1013.
RBL BANK	249	231	209	275	305	Positive	Oversold conditions prevail. Positive bias as long as 209 support is held. InterMonth Strategy: Buy at CMP, targeting 275 and then at 299-305 zone with stop below 229.
SAIL	73.2	70	63	80	87.5	Positive	A major rebound play on cards. SAIL has enjoyed strong session in this week, up 12.10%. Positive bias as long as 67.50 support is held. Interweek Strategy: Buy at CMP, targeting 80 and then at 85-87.50 zone with stop below 66.

Derivatives Strategies

Future Call: BUY NALCO MARCH FUTURES at CMP 57.60. Targets at 59.45 and then at 62 zone. Stop: 56.20. Holding Period: Intraday. Analyst's Remark: Momentum Play (NALCO March Futures CMP 57.60)

Option Call: SELL NIFTY 04th March PE Strike Price 15100 at CMP 132.55. Maximum Profit: Rs. 9,941.25/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY moves below 15001. (NIFTY March Futures CMP 15173.45).

Market Summary:

- Nifty March Futures ended Thursday's session at a premium of +02 vs premium of +18.
- The 04th March expiry Put-Call Open Interest Ratio was at 0.88 for Nifty whereas it was 0.84 for Bank Nifty.
- The 04th March expiry Put-Call Volume Ratio was at 0.89 for the Nifty and 0.90 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 15200 Strike Price, followed by 16000 Strike Price for 04th March Series. Long Buildup was seen at strike prices 15000-15600.
- Maximum Put Open Interest (OI) was seen at strike price 15000 followed by 14000 strike prices for 04th March series. Short buildup was seen at strike prices 14400-15500.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 37000 Strike Price and Maximum Put Open Interest stands at 36000 Strike Price.
- As per Wednesday's Provisional Data available on the NSE, FIIs bought shares worth Rs. 188.08 crores in the Indian Equity Market. DIIs on the other hand sold shares worth Rs. 746.57 crores in the Indian Equity market.
- Long Buildup: TATAMOTORS, BHARTIARTL, NALCO, CANBK.
- Short Buildup: HDFC, DIVISLABS, NESTLE.
- Short Covering: TATAPOWER, ONGC, DLF, L&TFH.
- Long Unwinding: MARICO, TITAN, ESCORTS.
- Stocks banned in F&O segment:** NIL.
- New in Ban: NIL.
- Out of Ban: PNB, SAIL.

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

Nifty Spot	15097.35 (+0.77%)
Bank Nifty Spot	36549.00 (+0.27%)
VIX	22.8925 (-5.28%)
Premium	+18 vs +33
Nifty Future OI	0.95 crores (+54.38%)
Bank Nifty Future OI	13.48 lakhs (+36.49%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	7479.59	40698.08
NSE Cash Vol. (Rs. in Cr)	84304.28	45837.20
NSE Derivative Vol. (Rs. in Cr)	86,15,815.25	30,67,842.52

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	6,48,795	66,262.76
Stock Future Volumes	18,40,898	1,65,586.31
Index Option Volumes	8,34,80,179	82,19,365.28
Stock Option Volumes	18,13,021	1,64,600.90
Total	8,77,82,893	86,15,815.25

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
15100	9.21 (+160%)
15200	12.5 (+189%)
15300	8.76 (+88%)

Puts	in lakhs (% Change)
14900	8.25 (+321%)
15000	11.65 (+381%)
15100	7.61 (+2074%)

MCX Oil prices could slip on reports that OPEC+ could consider output increase. Caution is the buzzword.

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
MCX GOLD	46188	45901	45311	47750	50245	Positive	Gold was depressed unable to find footing above 47750 mark. Key support continues to be at 45311. Confirmation of strength only above 47750 zone. Intraday Strategy: Buy above 46957, targeting 47750/50245/51501. Strict Stop at 45101.
MCX SILVER	69364	67501	66321	70757	73501	Positive	Silver prices traded range bound in yesterday's trade. The make-or-break interweek hurdles seen at 70757 mark. Major strength only above 70757. Intraday Strategy: Buy at CMP, targeting 70757/73501. Strict Stop at 67471.
MCX CRUDE OIL	4647	4501	4379	4751	4805	Neutral	Crude-oil prices advanced further in yesterday's trading session. Extreme overbought technical conditions prevail. Key intraday support seen at 4501 mark. Intraday Strategy: Buy between 4501-4525 zone, targeting 4701/4750/4805 mark. Stop at 4367.
MCX COPPER	721.50	703.00	689	728	745	Positive	Extreme overbought conditions prevail for Copper. Major support seen at 689 support zone. Intraday strategy: Establish buy positions between 703-705 zone. Targets 727.50 and then aggressive targets at 745 zone. Stop at 685.
MCX NATURAL GAS	203.70	197.00	189.00	227.50	245.00	Neutral	Natural Gas prices were seen drifting lower in yesterday's trade. Major hurdles now seen at 227.50 mark. Supports seen at 189 mark. Intraday Strategy: Buy between 199-203 zone, targeting 227.50/245/252.50 mark and then aggressive targets at 269 zone. Stop at 185.
USD-INR	72.42	72.05	71.89	72.71	73.05	Negative	Selling only on any excessive strength should be the preferred strategy. Interweek Strategy: Sell between 72.61-72.71 zone, targeting 72.05 and then aggressive targets at 71.89 mark. Stop at 72.89.

Inflation worries are back and are likely to rattle stock markets across globe...

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1774	1793	1751	1813	1851	Positive	Interweek Strategy: Establish buy positions at CMP. Targets 1813/1851 with stop at 1779.
SILVER (\$)	27.59	27.11	26.61	30.00	32.50	Neutral	Interweek Strategy: Establish buy positions at CMP. Targets 30/32.50 with stop at 26.49.
WTI CRUDE OIL (\$)	63.58	60	58.75	65	67.5	Positive	Interweek Strategy: Establish buy positions on dips between 60-60.50 zone. Targets 65/67.50 with stop at 58.49.
EUR/USD	1.2225	1.2001	1.1819	1.2289	1.2501	Positive	Interweek Strategy: Establish buy positions at CMP. Targets 1.2289/1.2501 with stop at 1.1989.
US Dollar Index	89.90	89.75	87.50	91.70	94.05	Neutral	Interweek Strategy: Establish short positions at CMP. Targets 89/87.50 with stop at 91.89.
DOW JONES	31512	30901	30197	32101	33001	Neutral	Interweek Strategy: Establish short positions at CMP. Targets 30901/30198 with stop at 32111.

Exchange	Commodity	Close	S1	S2	R1	R2	200 Day SMA	Reversal Point	Trend
MCX	ALUMINIUM	175.5	163	159	177.5	189	148	146	UP
MCX	CARDAMOM	1505	1471	1401	1609	1777	2689	1671	UP
NCDEX	CASTOR	4418	4351	3939	4755	4903	4123	3714.4	UP
NCDEX	CHANA	4686	4275	4113	4725	5001	4593	3841.7	DOWN
MCX	COPPER	723	701	683	729	745	521	404.37	UP
MCX	COTTON	22180	20501	19001	20501	21115	18103	14458	UP
MCX	CRUDE-OIL	4638	4357	4471	4751	4901	3067	2488.6	UP
MCX	GOLD	46333	45771	44901	48497	51901	49638	44084.1	NEGATIVE
NCDEX	GUAR GUM	6190	5997	5601	6501	6771	5895	5519.5	NEGATIVE
NCDEX	GUAR SEED	3892	3777	3501	4051	4451	3873	3672.8	UP
NCDEX	JEERA	13625	12771	12001	13929	14451	13785	13323	DOWN
MCX	LEAD	173.9	167.5	159	183	201	151	139.26	UP
MCX	MENTHA OIL	950	921	861	997	1051	1013	1069.95	DOWN
MCX	NATURAL GAS	203.3	201	191	227	251	173	177	UP
MCX	NICKLE	1399	1357	1301	1437	1477	1133	975.8	UP
NCDEX	RM SEED	6308	6091	5751	6501	6789	5373	3851	UP
MCX	SILVER	69843	66320	63298	70869	73501	61411	42506.6	NEGATIVE
NCDEX	SUGAR	NA	NA	NA	NA	NA	NA	NA	NA
NCDEX	SOYA BEAN	4870	4551	4401	5001	5291	4134	3403	UP
MCX	ZINC	227.3	223	213	241	257.5	195	154.82	UP

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POTENTIAL CONFLICT OF INTEREST DISCLOSURE (as on date of report)

Disclosure of interest statement – • Analyst interest of the stock /Instrument(s): - No.
• Firm interest of the stock / Instrument (s): - No.

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