



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



Daily Research Reports



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Good Morning & Welcome to Tuesday's trading action at Dalal Street dated 14th of September 2021.

The benchmark Nifty remained confined in a narrow trading band but the positive takeaway from yesterday's price action indicates bulls' urge to buy the weakness especially near the 17250-17275 zone — a strong technical support level that is preventing any major selloff. Bank Nifty too is finding good support near the 36200 zone. Banking stocks however have been big underperformer.

Our **call of the day** suggests fireworks only above Nifty's all-time-high at 17437 mark.

The preferred trades:

- # **Nifty (17355): Buy at CMP.** Stop 17123. Targets 17437/17557. Aggressive targets at 17750-18000 zone.
- # **Bank Nifty (36472): Buy only above 36857.** Stop 35611. Targets 37709/38557. Aggressive targets at 40001.

Outlook for Tuesday: Bullish stocks: MPHASIS, AARTI INDUSTRIES, DIXON, BOSCH.

Dalal Street is set for a higher open on backdrop of a positive finish at European stock markets in Monday's trade and overnight risk-on environment at Wall Street.

That brings us to the big question of the day: Will the uptick have bullish conviction?

Honestly speaking, the trading theme still revolves around the speculation that the Fed will set the stage at its Sept 22nd meeting for an announcement of a plan to taper its monthly asset purchases at its November gathering.

So, all eyes will be on the US CPI (Tuesday), Industrial Production (Wednesday), Retail Sales (Thursday) data to confirm Fed tapering chatters.

Until then, the expectations that the Fed's tapering plans are likely to be at bay for longer shall underpin safe-haven buying while overbought technical conditions challenges the upside.

The gyan mantra for perma-bulls is to lighten leveraged long positions or need to just be more selective. Live the bullish dream as long as Nifty trades above 17251 mark. All eyes are now at the Nifty 17500 mark.

TOP SECTORS:

- # **Bullish View:** METALS, IT, PSE, FMCG.
- # **Bearish view:** MEDIA.

INDICES		
Nifty	17355	-0.08%
Bank Nifty	36472	-0.58%
Nifty Auto Index	10120	0.07%
Nifty FMCG Index	40592	0.04%
Nifty Infra Index	4843	-0.20%
Nifty IT Index	35130	0.94%
Nifty Media Index	1724	1.34%
Nifty Midcap Index	7864	0.45%
Nifty Metal Index	5839	1.29%
Nifty Pharma Index	14377	0.33%
Nifty Reality Index	420	0.65%
Nifty Smallcap Index	10745	0.54%
Sensex	58176	-0.22%
SGX Nifty	17401	0.15%

Outlook for the Day

Nifty 17500+

Nifty Outlook

Intraday	Neutral (17287-17507)
Medium Term	Positive (16551-17751)
Long Term	Positive (14251-18001)

Key Levels to Watch

Nifty Support	172251/17057
Nifty Resistance	17507/17751

Pivot Level

Nifty	16251
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STOCKS IN FOCUS:

BULLISH VIEW: #AARTI DRUGS #BOSCH #DIXON #MPHASIS #PIDILITE #ITC #CANFINA HOMES #HDFC AMC #PFC #TATA CONSUMER #MARICO #PFC #PFIZER #PVR #SYNGINE #VEDANTA #TATA STEEL

BEARISH VIEW: #RELIANCE # MCX #M&M #IDEA #GRANULES #INDIGO #MARUTI #GRANULES.

Our **chart of the day** is bullish on stocks like MPHASIS, AARTI DRUGS, DIXON, TATA CONSUMER and ITC with an interweek perspective.

The 1 Stock to Buy Right Now: Buy MPHASIS September Futures for 0-5 days at CMP 3000 for an objective of 3151. Stop 2921. Alert: Breakout Play.

WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

Daily chart of Nifty:



Technically speaking, Nifty's upward momentum is seen 'losing momentum'. Amidst this backdrop, probably a desired 'consolidation' quite likely or worst scenario could be a sell-off. Technically, the biggest support for the day seen at 17251 mark. Below Nifty 17251 mark, expect larger declines towards to 17027 mark and then downside risk seen at 16757 mark. On the upside 17501 will act as key resistance.

Nifty's 200 day DMA at 15057 mark.

Bank Nifty: The technical are aggressively bullish as Bank Nifty is signaling a massive breakout on the upside on the monthly charts from a probable Flag Pattern. Immediate targets seen at its all-time-high at 37709 and then aggressive inter-month targets placed at psychological 40000 mark. For the day, **buying advised only above 36857 mark.**

Technical Strategy

FDC	369
Action	BUY
Target	421
Support	345/310
Resistance	421/501
Holding Period	60-90 days

Incorporated in 1940, **FDC Ltd** was known as Fairdeal Corporation and was listed on the Bombay and National Stock Exchanges of India in 1996. The market cap stands at Rs 5837 crores.

FDC is primarily a domestic formulation company into three major segments: Therapeutic, foods and bulk drugs. FDC is known for its household OTC brands like Electral (oral rehydration salt) — which is the market leader in the ORS segment. Enerzal (energy drink) besides prescription (Rx) brand of Zifi (anti-infective). Overall, the company has a presence in various therapeutic groups like oral rehydration salts, ophthalmology, dermatology, anti-infectives, cardiovascular, anti-diabetics and energy drinks. FDC recently bought "Enteroplus" brand from GSK. The business model resembles MNCs.

FDC's Electral, Zifi, Electral, Enerzal, Vitcofol, Pyrimon, Zocon, Zoxan, Zathrin, Zipod, Zefu, Cotaryl and Mycoderm are leading brands in their respective segments in India.

FDC was the first in South East Asia to offer ophthalmic formulations, using Blow-Fill-Seal (BFS) technology.

The company markets more than 300 products in India and exports to over 50 countries with exports: domestic split was at 85:15.

The company owns manufacturing facilities at Roha, Waluj and Sinnar in Maharashtra, Verna in Goa and Baddi in Himachal Pradesh.

Decent financial performance backed by debt free dstatus, huge cash on its balance sheet acts as positive catalyst.

Technically, brace yourselves for an impulse uptrend on the daily time scale with positive SAR series and most importantly, a probable "ascending triangle pattern" on the monthly charts. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 331 zone.

A potential entrance exists at CMP, targeting 391 and then at 421 mark. Stop below 287. Aggressive targets are seen at 455 mark.

DERIVATIVE & INSTITUTIONAL CUES:

The options data for September series suggests Nifty is likely to be in a trading range of 17000-17700 zone. Maximum Call OI is at 17500 followed by 17300 strike price. So, the 17400-17501 zone is Nifty's crucial resistance zone. Maximum Put open interest stands at 17000 levels followed by 16500 levels. Call writing was seen at 17300 and then at 17100 strike price, while there was meaningful Put writing at 17300 and then at 17200 strike prices.

- # The Put-Call Open Interest Ratio is at 1.53 for Nifty.
- # As per Thursday's provisional data available on the NSE, both FIIs and DIIs bought shares worth Rs. 423.44 crores and Rs. 704.21 crores in the Indian Equity Market.
- # As per Monday's provisional data available on the NSE, FIIs bought shares worth Rs. 1419.31 crores while DIIs sold shares worth Rs. 559.59 crores in the Indian Equity Market.
- # **Stock banned in F&O segment:** CANARA BANK, EXIDE INDUSTRIES, INDIABULLS HOUSING FINANCE, LIC HOUSING FINANCE & NALCO.

The POSITIVE CATALYSTS:

- The ECB says inflation is likely to be temporary.
- The Fed's tapering plans likely to be at bay for longer.
- Torrent of monetary and fiscal stimulus.
- Stocks are racing higher as companies have crushed earnings estimates, prompting the street to revise their estimates upward.
- The reopening and recovering of the economy.
- Decline in COVID cases and a pick-up in vaccination drive.
- Low interest rates environment.

THE NEGATIVE CATALYSTS:

- China's latest tech crackdown keeps Asia sluggish. Beijing demands big tech firms stop blocking links to rivals, while reports say Ant Group's Alipay app could be broken up.
- Oil prices extend gains as Gulf drillers continue to struggle with re-starts following the late August damage from Hurricane Ida.
- Concerns about the Delta variant.
- Growth concerns.
- Fed stimulus uncertainty.
- A hawkish Fed environment.
- India's GDP still below FY19 despite a 20% quarterly growth.
- Overbought technical conditions.

ECONOMIC CUES:

- # India's Consumer Price Index-based Inflation (CPI) for August 2021 came in at 5.30%, compared with 5.59% in July, as food prices cooled further, especially in the case of vegetable inflation. Consumer Food Price Inflation (CFPI) for August stood at 3.11 percent compared to 3.96 percent in July.
- # The WPI numbers coming on Tuesday, 14th September will also be monitored. Trade data also to trickle in on Wednesday, 15th September 2021 where Imports, Exports and Trade Balance data for the August month will be released.
- # **Fed tapering are talks back on the table.** So, all anxious eyes will be **on the 21-22nd September FOMC meeting.**

GLOBAL STOCK MARKETS:

At Wall Street, U.S. equities powered higher on Monday as the two main U.S. indices snapped their longest losing streak since February ahead of key readings on inflation and retail sales later this week.

Recovery bets are starting to emerge again following weeks of uncertainty linked to both the ongoing rise in Delta-variant coronavirus infections and the timing of stimulus withdraw from the world's major central bank.

In the week gone by, the Dow slid 2.2% and is down for two consecutive weeks.* The S&P 500 lost 1.7% this week, its longest losing streak since Monday, February 22, 2021 when the market fell for five straight trading days. The Nasdaq declined 1.6% this week, its largest one week percentage decline since the week ending July 16, 2021.

IPO Note & LISTING:

- # Bengaluru-based auto-component maker Sansera Engineering will launch its Rs 1,283-crore initial public offering on September 14. The offer will close on September 16. This would be the 41th IPO to be launched this year. It is a complete offer for sale, so the subscription figure will be closely watched. The price band for the offer has been fixed at Rs 734-744 per equity share.
- # South-India based diagnostic chain Vijaya Diagnostic Centre and specialty chemical company Ami Organics will make their debuts on the bourses on Tuesday. The final prices for the offers are likely to be fixed at Rs 531 per equity share and Rs 610 per share, respectively.

The public issue of Ami Organics was subscribed 64.54 times, while Vijaya Diagnostic public issue saw 4.54 times subscription.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Nifty and Sensex end mildly in the red while MidCaps and SmallCaps outperform. RIL dipped 2%

- # Nifty (-14, 17355)
- # Sensex (-127, 58178)
- # Adv-Dec 30 — 20
- # Nifty PCR 1.53

- # Nifty MidCap (+0.46%, 7864)
- # NiftySmallC (+0.54%, 10745)
- # BANK Nifty (-0.58%, 36472)
- # Nifty IT (+0.86%, 35103)
- # USD/INR (+0.23%, 73.67)

The other key highlights of yesterday's trade:

- # Nifty holds ground despite a weak asia, Fed tapering woes, virus-led economic fears and stimulus pullback chatters.
- # Bank Nifty (-0.58%) underperforms Nifty's losses of 0.08%.
- # Nifty Metal and Nifty Media were star performers, up 1.35% each.
- # Around 30 of the Nifty 50 stocks ended in green.
- # NSE MidCap and NSE SmallCap Index were up 0.45% & down 0.54% respectively.
- # Top Index Gainers: COAL INDIA (+3.90%) HINDALCO (+3.27%) KOTAK BANK (+1.71%).
- # Top Index Losers: RELIANCE (-2.30%) ICICI BANK (-1.77%) SBILIFE (-0.87%).

TOP PICKS (F & O)

It's like having investment binoculars !

MPHASIS: The Bullish Magic Shall Work. Aggressive Targets at 3251 mark.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
AARTI INDUSTRIES	928	907	883	987	1021	Negative	Interweek Strategy: Buy at CMP. Stop 897. Targets 953/987. Aggressive targets at 1021. Higher consolidation breakout.
DIXON	4307	4151	4011	4407	4751	Positive	Interweek Strategy: Buy at CMP. Stop 4137. Targets 4407/4505. Aggressive targets at 4751. Breakout on the upside.
MPHASIS	3000	2860	2737	3081	3251	Positive	Intermonth Strategy: Buy at CMP. Stop 2845. Targets 3081/3121. Aggressive targets at 3251. Strong upside momentum.
PIDILITE	2397	2361	2279	2445	2551	Positive	Interweek Strategy: Buy between 2371-2385 zone. Stop 2329. Targets 2445/2551. Aggressive targets at 2607. Uncharted territory.
TATA STEEL	1463	1433	1409	1535	1607	Positive	Intermonth Strategy: Buy at CMP. Stop 1401. Targets 1507/1535. Aggressive targets at 1607. An outperformer.

Derivatives Strategies

Future Call: BUY HINDALCO SEPTEMBER FUTURES at CMP 479. Targets at 486 and then at 494. Stop: 472. Holding Period: Intraday. Analyst's Remark: Momentum Play (HINDALCO SEPTEMBER Futures CMP 479)

Option Call: SELL NIFTY 16th SEPTEMBER PE Strike Price 17300 at CMP 98.30. Maximum Profit: Rs. 4,915/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY below 17221. (NIFTY SEPTEMBER Futures CMP 17362).

Market Summary:

- Nifty September Futures ended Monday's session at a premium of +07 vs premium of +02.
- The 16th September expiry Put-Call Open Interest Ratio was at 1.52 for Nifty whereas it was 1.07 for Bank Nifty.
- The 16th September expiry Put-Call Volume Ratio was at 1.35 for the Nifty and 0.92 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 17400 Strike Price, followed by 18000 Strike Price for 16th September Series. Short buildup was seen at strike prices 17300-18400.
- Maximum Put Open Interest (OI) was seen at strike price 16500 followed by 17300 strike prices for 16th September series. Short buildup was seen at strike prices 16500-17400.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 36500 Strike Price and Maximum Put Open Interest stands at 36500 Strike Price.
- As per Monday's provisional data available on the NSE, FIIs bought shares worth Rs. 1419.31 crores in the Indian Equity Market. DIIs on the other hand sold shares worth Rs. 559.59 crores in the Indian Equity market.
- Long Buildup: HINDALCO, SYNGENE, IGL, TCS.
- Short Buildup: SBILIFE, ADANIEN, HUL.
- Short Covering: ITC, NTPC, AMBUJACEM, JSWSTEEL.
- Long Unwinding: TATAPOWER, SRTRANSFIN, ICICIBANK, GRANULES.
- Stocks banned in F&O segment:** CANBK, EXIDE, IBULHSGFIN, LICHSFIN, NATIONALUM.
- New in Ban: CANBK, EXIDE, LICHSFIN.
- Out of Ban: IRCTC.

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

Nifty Spot	17355.30 (-0.08%)
Bank Nifty Spot	36471.80 (-0.58%)
VIX	14.025 (+0.59%)
Premium	+07 vs +02
Nifty Future OI	1.45 crores (-2.14%)
Bank Nifty Future OI	18.24 lakhs (+3.02%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	3898.69	8107.58
NSE Cash Vol. (Rs. in Cr)	52,511.26	49,803.53
NSE Derivative Vol. (Rs. in Cr)	34,06,651	98,27,795

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	2,20,676	19,625
Stock Future Volumes	5,39,747	46,593
Index Option Volumes	3,50,33,416	31,35,614
Stock Option Volumes	22,72,936	2,04,819
Total	3,80,66,775	34,06,651

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
17300	24.29 (+80%)
17400	43.76 (+69%)
17500	33.65 (+76%)
Puts	in lakhs (% Change)
17100	20.52 (+69%)
17200	34.99 (+76%)
17300	40.56 (+83%)

All eyes will be on the US CPI (Tuesday), Industrial Production (Wednesday), Retail Sales (Thursday) data to check Fed tapering chatters.

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1794	1763	1751	1813	1847	Neutral	Key support at 1763 mark. Interweek Strategy: Establish buy positions between 1763-1775 zone. Targets 1813/1847 mark with stop at 1743.
SILVER (\$)	23.79	22.97	22.39	25.05	25.67	Neutral	Key support at 22.39. Interweek Strategy: Establish buy positions at CMP. Targets 25.05/27.67 with stop at 22.71.
WTI CRUDE OIL (\$)	70.27	68.45	64.51	70.5	72.75	Positive	Interweek Strategy: Establish buy positions between 69-70 zone. Targets 71.50/75. Stop at 67.15.
EUR/USD	1.1804	1.1759	1.4598	1.1873	1.1929	Neutral	Interweek Strategy: Establish buy positions between 1.1759-1.1775 zone. Targets 1.1873/1.1929 with stop at 1.1717.
US Dollar Index	92.66	92.25	91.10	94.00	95.75	Negative	Interweek Strategy: Establish sell positions at CMP. Targets 92.25/91 with stop at 94.05.
DOW JONES	34758	34551	32795	35513	36219	Negative	Dow slips as investors' unsure about the toll the delta variant of the coronavirus will take on the economic outlook. Major sell-off below 34551 mark. Interweek Strategy: Establish sell positions between 34901-35101 zone. Targets 32795/31901 mark with stop at 36411.

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