



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



Daily Research Reports



Disclosures and Disclaimer : This report must be read with the disclosures in the Disclosure appendix, and with the Disclaimer, which forms part of it. This document does not contain any investment views or opinions.

Good Morning & Welcome to Wednesday's trading action at Dalal Street dated 22nd of September 2021.

Well, the bad news with regards to India or the global growth concerns have been getting amplified, making the markets nervous — but the best part is that the markets are not reacting to this terrible news in any negative manner for more than one day.

The positive takeaway from yesterday's trading session is that Foreign portfolio investment (FPIs) continue with their buying spree, invest Rs. 1041.92 crore in Tuesday's trade and in September so far have pumped in 8250.56 crores.

That brings us to our **call of the day** which suggests Nifty bulls are likely to be in the lead despite the tensions around Evergrande and the Fed decision.

The street suspects the regulatory crackdown earlier and the Evergrande crisis now -- bode well for India, facilitating increasing capital flows to India. The bullish street is also hopeful that Fed's tapering plans are likely to be at bay for longer — taper without tantrum.

Amidst this backdrop, expect downside to limited and bargain hunting could be the preferred theme of the day...

The preferred trades:

- # **Nifty (17562):** Buy at CMP. Stop 17211. Targets 17627/17793. Aggressive targets at 18001 mark.
- # **Bank Nifty (37236):** Buy at CMP. Stop 36411. Targets 38113/39101. Aggressive targets at 40001.

TOP SECTORS:

- # **Bullish View:** IT, FMCG, METAL
- # **Bearish view:** AUTO, PSU BANKS

STOCKS IN FOCUS:

- # **BULLISH VIEW:** #ICICI GI #TATA STEEL #LARSEN #MINDTREE #COFORGE #ZEE ENTERTAINMENT #DIXON.
- # **BEARISH VIEW:** #AU BANK #BHEL #MARUTI #LUPIN #M&M # SUN TV.
- # Our **chart of the day** is bullish on stocks like TATA STEEL, LARSEN, MINDTREE and CAN FIN HOMES with an interweek perspective.
- # **The 1 Stock to Buy Right Now:** Momentum Call: Buy TATA STEEL September Futures for 0-3 days at CMP 1290 for an objective of 1343/1375. Stop 1239. Alert: Oversold Zone.

INDICES		
Nifty	17562	0.95%
Bank Nifty	37236	0.24%
Nifty Auto Index	10156	-0.46%
Nifty FMCG Index	41620	1.09%
Nifty Infra Index	4910	0.68%
Nifty IT Index	36086	1.94%
Nifty Media Index	1941	1.17%
Nifty Midcap Index	7979	0.79%
Nifty Metal Index	5444	2.55%
Nifty Pharma Index	14279	1.29%
Nifty Reality Index	419	3.57%
Nifty Smallcap Index	10588	-0.14%
Sensex	59005	0.88%
SGX Nifty	17545	-0.01%

Outlook for the Day	
	Nifty may waver

Nifty Outlook	
Intraday	Positive (17437-17675)
Medium Term	Neutral (16751-18001)
Long Term	Positive (14251-18501)

Key Levels to Watch	
Nifty Support	17237/16901
Nifty Resistance	17793/18001

Pivot Level	
Nifty	17857

Adani Ports on September 20 received approval from the Competition Commission of India (CCI) to acquire a 10.4 percent stake in Gangavaram Port in Andhra Pradesh.

Outlook for Wednesday: Bulls will put up a fight on any intraday declines.

Bulls are seen positioning themselves to capture Nifty's all-time-high at 17973 mark but much will depend on the Chinese markets which come back after holidays, for another major update to the Evergrande saga.

The buzz on the street is that Evergrande needs to pay interest payments on Thursday. The probability is quite high that a default could trigger further contagion in Chinese markets with some spill-over to global markets.

Also, the US Federal Reserve announcement on monetary policy looms. The US central bank will provide an update on Wednesday, although expectations for a surprise are pretty much null.

The September meeting would be the opportunity for the US central bank to outline the timeline for the reduction of its \$120bn a month bond buying program. All anxious eyes if the taper will be in December, or possibly later.

The Fed interest rate decision and the commentary, might provide some volatility.

WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

Daily chart of Nifty:



Technically speaking, the biggest make-or-break interweek support for Nifty seen at 17251 mark. Intraday supports placed at 17501 and then at 17439 mark. The price action for Nifty in near term is suggesting that we are likely to see a 17300 – 18000 range in near term with buying on dips as the preferred strategy. Nifty's 200 day SMA at 15191 mark.

Technical Strategy

NIPPION (NAM INDIA)	430
Action	BUY
Target	501
Support	401/359
Resistance	457/521
Holding Period	60-90 days

Incorporated in 1995, Nippon Life India Asset Management (NAM-INDIA) now commands a market cap of Rs 27185 Crore with a total AUM of Rs. 3,80,000 crore. NAM has strong SIP business, with annualised SIP book of around Rs. 8,000 crore. Retail participation robust; inflows should improve.

Post ownership change, NAM stands to benefit from increased credibility to raise HNI/institutional capital. The key positive catalyst in favor of the firm is the strong possibility of NAM- INDIA to leverage its parent's network to improve its AUM. The company is promoted by Nippon Life Insurance Company – one of the leading private life insurers in Japan, with assets around \$750 Bn.

FY21 was the first full year with promoter Nippon Life Japan. The company is also looking for strategic partnerships or acquisitions to complement its business strategy.

The company has a strong distribution network with its presence across 300+ locations and more than 75,400 distributors. In FY21, the fund added 9 lakhs new investors out of 20 lakhs new investors that entered in the industry. Going forward too, under-penetration plus paperless transactions which are gaining traction provides massive opportunities for the firm. India's mutual fund penetration (AUM to GDP) is still at 12.1% which is much lower than the world average of 63%. It is also lower than many developed economies such as the United States (120%), Canada (81%), France (80%) and UK (67%), and emerging economies such as Brazil (68%) and South Africa (48%). India's equity mutual fund AUM to GDP ratio is at 5%, vis-à-vis 75% in the US, 55% in Canada and 40% in the UK.

NAM-INDIA also has interest in managing accounts and international/offshore advisory services. A re-rating candidate once there is cure for the pandemic as recovery in earnings cycle quite likely with AUM growth and SIP flows normalizing.

As the revenue model of the firm ultimately depends on the value of the assets it manages, and the good thing is that this segment is seen rising recently on backdrop of favorable market conditions plus gradual recovery in earnings cycle. We suspect, the ongoing firm trend of flows into mutual funds is likely to impact positively on operations and profitability.

NAM's Q1FY2022 results were encouraging with ahead of expectations operational numbers, helped by cost control and stable AUMs. AUM growth of 33% YoY, 5% QoQ was led by 44% YoY and 5.2% QoQ rise in equity AUM while ETFs also increased 11.7% QoQ. NAM manages over Rs 1.2 Lc Cr from the government mandates (PLI and ESIC). Equity/Debt/Liquid mix stood at 41%/31%/12%.

Technically, brace yourselves for a major breakout play on the upside on the daily charts. An impulse uptrend quite likely to be formed on the monthly time scale, with positive SAR series, major confirmation above its Feb 2020-highs at 453 mark.

Add to that a bullish divergence and a rising stochastic signal (on weekly 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 360 levels. The level of Rs 360-375 zone will act as a strong support zone and any sharp corrective declines to these levels will be a screaming buy, hence should be used as an opportunity to initiate aggressive long positions.

Establish long positions at CMP, targeting psychological 500 mark. Stop below 358. Holding Period: 2-3 Months.

- # **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 38100 and then aggressive inter-month targets placed at psychological 40000 mark.

DERIVATIVE & INSTITUTIONAL CUES:

- # **The options data** for September series suggests Nifty is likely to be in a trading range of 17400-18000 zone. Maximum Call OI is at 17500 followed by 18000 strike price. So, the 17800-18000 zone is Nifty's crucial resistance zone. Maximum Put open interest stands at 17000 levels followed by 17500 levels. Call writing was seen at 17000 and then at 18200 strike price, while there was meaningful Put writing at 18000 and then at 17400 strike prices.
- # The Put-Call Open Interest Ratio is at 1.39 for Nifty.
- # As per Friday's provisional data available on the NSE, FIIs bought shares worth Rs. 1552.59 crores while DIIs sold shares worth Rs. 1398.55 crores in the Indian Equity Market.
- # As per Monday's provisional data available on the NSE, FIIs bought shares worth Rs. 92.54 crores while DIIs sold shares worth Rs. 1626.58 crores in the Indian Equity Market.
- # As per Tuesday's provisional data available on the NSE, both FIIs and DIIs bought shares worth Rs. 1041.92 crores and Rs. 2167.62 crores in the Indian Equity Market.
- # **Stock banned in F&O segment:** # VODAFONE IDEA # IBULHSGFIN # IRCTC # PNB # SUNTV.

The POSITIVE CATALYSTS:

- The announcement of a four-year moratorium on payment of adjusted gross revenues (AGR) for the telecom sector.
- The government guarantees for security receipts worth Rs 30,600-crore to be issued by National Asset Reconstruction Company (NARCL), or the bad bank.
- 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:

1. Trading theme is gripped by contagion fears from the expected collapse of debt-plagued Chinese property giant Evergrande.

2. Investors also on red alert over surging infections with the Delta variant of coronavirus.
3. Sentiment is also being dented by strong inflation.
4. The street is anticipating that the Federal Reserve plans to taper monetary policy.
5. Signs of weakness in the global recovery.
6. Spiking wholesale gas costs.
7. Overbought technical conditions.
8. Concerns about the Delta variant.
9. A hawkish Fed environment.
10. Overbought technical conditions.

IPO Note & LISTING:

Paras Defence and Space Technologies will open its initial public offering (IPO) on September 21. The price band for the offer has been fixed at Rs 165-175 per equity share.

The offer comprises a fresh issue of Rs 140.6 crore and an offer for sale of up to 17,24,490 equity shares by Sharad Virji Shah, Munjal Sharad Shah, Ami Munjal Shah, Shilpa Amit Mahajan and Amit Navin Mahajan. The net proceeds from fresh issue will be utilised for purchase of machinery and equipment, funding incremental working capital requirements, repayment of borrowings, and general corporate purposes.

Meanwhile, Sansera Engineering will make its debut on the bourses on September 24.

The Rs 1,283-crore public issue was subscribed 11.47 times during September 14-16 period. The portion reserved for qualified institutional buyers was subscribed 26.47 times. The part set aside for non-institutional investors was subscribed 11.37 times, while retail investors put in bids 3.15 times their reserved portion and employees 1.37 times their limit.

ECONOMIC CUES:

Domestic airlines will now be able to operate at 85 per cent of their pre-Covid capacity and set their own fares for tickets beyond fifteen days of the booking date.

On Saturday, the Ministry of Civil Aviation increased the cap on airline capacity from 72.5 per cent to 85 per cent. Also, it tweaked the price cap formula letting airlines set fares for travel beyond fifteen days. Till now price caps were applicable on tickets up to 30 days from the booking date.

Fed tapering talks are back on the table. So, all anxious eyes will be on the 21-22nd September FOMC meeting.

GLOBAL STOCK MARKETS:

Overnight at Wall Street, Wall Street looks set to rebound from its biggest single-day decline in four months Tuesday as investors shift focus from China Evergrande's failure to the Fed's two-day policy meeting.

Global stocks stabilized Tuesday, as well, with Asia booking modest gains -- even as mainland China markets remained closed for a public holiday -- and Europe getting a modest bounce from the loosening of travel restrictions with the United States and an impressive debut for newly-listed Universal Music Group, which now boasts a market value of more than \$55 billion.

In the week gone by, the Dow Jones Industrial Average edged down 0.1%, at 34585 after already falling below its 50-day line. The S&P 500 index sank 0.6% at 4433. The Nasdaq Composite gave up 0.5% as it closed at 15044, thanks to Friday's 0.9% retreat. However, the small-cap Russell 2000 edged up 0.4%.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

- # Nifty (+165, 17562)
- # Sensex (+514, 59005)
- # Adv-Dec 40 — 10
- # Nifty PCR 1.39

After witnessing see-saw movements, Nifty staged a modest recovery in late trade amidst short covering on backdrop of a recovering Asia and extremely strong Wall Street index futures and buoyancy in European stock markets. Contracts linked to the Dow Jones Industrial Average rose 343 points, S&P 500 futures gained 39 points and futures on the tech-heavy Nasdaq were up 117 points.

Honestly speaking, all bad with regards to India's and global growth concerns are getting amplified, making the markets nervous. But the best part is that the markets are not reacting to this terrible news in any negative manner for more than one day.

The key highlights of yesterday's trade:

- # Nifty ends above 17500; all sectoral indices ended in the green except Power and Auto.
- # Mid-cap & Small-cap indices inch up 0.79% and each.
- # Bank Nifty (+0.24%) underperforms Nifty's gains of 0.95%.
- # Nifty Metal, PSU Bank and Realty index were top losers; down 6.60%, 4.13% and 2.14% resp.
- # VIX inched down 0.97% at 16.52.
- # Top Index Gainers: JSW STEEL (+5.97%) ONGC (+5.16%) BAJAJ FINANCE (+5.07%).
- # Top Index Losers: MARUTI (-2.46%) BOCL (-1.47%) HEROMOTO (-1.19%).

TOP PICKS (F & O)

It's like having investment binoculars !

Larsen and Tata Steel: The 2-stocks likely to go strong.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
CAN FIN HOMES	625	603	587	651	689	Positive	Interweek Strategy: Buy between 613-617 zone. Stop 597. Targets 639/651. Aggressive targets at 689. Breakout Play.
COFORGE	5532	5401	5251	5605	5775	Positive	Interweek Strategy: Buy between 5450-5475 zone. Stop 5237. Targets 5605/5651. Aggressive targets at 5775. Momentum Play.
LARSEN	1720	1692	1667	1757	1807	Positive	Intermonth Strategy: Buy at CMP. Stop 1673. Targets 1757/1807. Aggressive targets at 1871. Upside breakout.
TATA STEEL	1292	1232	1201	1343	1411	Positive	Interweek Strategy: Buy at CMP. Stop 1227. Targets 1343/1371. Aggressive targets at 1411. Oversold Conditions.
ZEE ENTERTAINMENT	256	243	221	301	327	Positive	Intermonth Strategy: Buy at CMP. Stop 239. Targets 279/301. Aggressive targets at 327. Momentum Play.

Derivatives Strategies

Future Call: BUY SAIL SEPTEMBER FUTURES at CMP 112.05. Targets at 114 and then at 118. Stop: 109.45. Holding Period: Intraday. Analyst's Remark: Oversold Zone (SAIL SEPTEMBER Futures CMP 112.05)

Option Call: SELL NIFTY 23rd SEPTEMBER PE Strike Price 17600 at CMP 90.70. Maximum Profit: Rs. 4,535/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY below 17401. (NIFTY SEPTEMBER Futures CMP 17562.05).

Market Summary:

- Nifty September Futures ended Tuesday's session at a premium of +0 vs premium of +41.
- The 23rd September expiry Put-Call Open Interest Ratio was at 0.86 for Nifty whereas it was 0.63 for Bank Nifty.
- The 23rd September expiry Put-Call Volume Ratio was at 0.97 for the Nifty and 0.93 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 18000 Strike Price, followed by 17800 Strike Price for 23rd September Series. Long unwinding was seen at strike prices 18100-18400.
- Maximum Put Open Interest (OI) was seen at strike price 17000 followed by 17400 strike prices for 23rd September series. Long unwinding was seen at strike prices 17600-17900.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 38000 Strike Price and Maximum Put Open Interest stands at 37000 Strike Price.
- As per Tuesday's provisional data available on the NSE, FIIs bought shares worth Rs. 1041.92 crores in the Indian Equity Market. DIIs too bought shares worth Rs. 2167.62 crores in the Indian Equity market.
- Long Buildup: ITC, ESCORTS, ADANIENT.
- Short Buildup: MARUTI, HEROMOTOCORP, BAJAJAUTO.
- Short Covering: VEDL, TATASTEEL, JSWSTEEL, UPL.
- Long Unwinding: BPCL, IRCTC, DIXON.
- Stocks banned in F&O segment:** IBULHSGFIN, IDEA, IRCTC, PNB, SUNTV.
- New in Ban: NIL.
- Out of Ban: EXIDEIND, NATIONALUM, SAIL.

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

Nifty Spot	17562 (+0.95%)
Bank Nifty Spot	37235.85 (+0.24%)
VIX	16.52 (-5.56%)
Premium	+00 vs +41
Nifty Future OI	1.28 crores (-5.45%)
Bank Nifty Future OI	19.50 lakhs (-1%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	5012.16	6495.34
NSE Cash Vol. (Rs. in Cr)	68,706.19	64,555.03
NSE Derivative Vol. (Rs. in Cr)	66,52,784	56,07,377

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	4,22,355	37,996
Stock Future Volumes	9,38,079	81,589
Index Option Volumes	6,81,79,451	61,91,112
Stock Option Volumes	37,34,200	3,42,087
Total	7,32,74,085	66,52,784

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
18200	24.18 (-22%)
18300	15.36 (-26%)
18400	14.88 (-22%)
Puts	in lakhs (% Change)
16600	14.4 (+39%)
16700	19.11 (+57%)
16800	29.76 (+104%)

China Evergrande Group's troubles seen subsiding for the moment and investors look ahead to the Federal Reserve meeting.

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1779	1723	1701	1789	1813	Negative	Key support at 1723 mark. Interweek Strategy: Establish SELL positions between 1781-1789 zone. Targets 1741/1701 mark with stop at 1821.
SILVER (\$)	22.21	21.97	21.05	23.57	24.21	Negative	Key hurdles at 23.57. Interweek Strategy: Establish sell positions between 23.05-23.25 zone. Targets 22.47/21.97 with stop at 23.71.
WTI CRUDE OIL (\$)	70.39	67.5	65	72.05	75.05	Neutral	Interweek Strategy: Establish sell positions at CMP. Targets 69/67.50/65. Stop at 72.15.
EUR/USD	1.1723	1.1697	1.4598	1.1873	1.1929	Negative	Interweek Strategy: Establish sell positions between 1.1801-1.1811 zone. Targets 1.1697/1.1598 with stop at 1.1889.
US Dollar Index	93.21	92.25	91.10	94.00	95.75	Positive	Interweek Strategy: Establish buy positions at CMP. Targets 94/94.50 with stop at 92.05.
DOW JONES	34000	32795	31015	34545	36219	Negative	Wall Street witnessed a volatile session on Tuesday as investors shift focus from China Evergrande's failure to the Fed's two-day policy meeting. Interweek Strategy: Establish buy positions only above 34981. Targets 35513/36219 mark with stop at 34411.

DISCLAIMER: This is solely for information of clients of Suresh Rathi Group and does not constitute to be an investment advice. It is also not intended as an offer or solicitation for the purchase and sale of any financial instruments. Any action taken by you on the basis of the information contained herein is your responsibility alone and Suresh Rathi Group, its subsidiaries or its employees or associates will not be liable in any manner for the consequences of such action taken by you. We have exercised due diligence in checking the correctness and authenticity of the information contained in this recommendation, but Suresh Rathi Group or any of its subsidiaries or associates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this recommendation or any action taken on basis of this information.

Contact



Suresh Rathi Group

Mobile no. 9649654000

Email: info@sureshrathi.in

Web: www.sureshrathi.com

Technical analysis studies market psychology, price patterns and volume levels. It is used to forecast future price and market movements. Technical analysis is complementary to fundamental analysis and news sources. The recommendations issued herewith might be contrary to recommendations issued by Suresh Rathi Group in the company research undertaken as the recommendations stated in this report is derived purely from technical analysis. Suresh Rathi Group has based this document on information obtained from sources it believes to be reliable but which it has not independently verified; Suresh Rathi Group makes no guarantee, representation or warranty and accepts no responsibility or liability as to its accuracy or completeness. The opinions contained within the report are based upon publicly available information at the time of publication and are subject to change without notice. The information and any disclosures provided herein are in summary form and have been prepared for informational purposes. The recommendations and suggested price levels are intended purely for trading purposes. The recommendations are valid for the day of the report however trading trends and volumes might vary substantially on an intraday basis and the recommendations may be subject to change. The information and any disclosures provided herein may be considered confidential. Any use, distribution, modification, copying, forwarding or disclosure by any person is strictly prohibited. The information and any disclosures provided herein do not constitute a solicitation or offer to purchase or sell any security or other financial product or instrument. The current performance may be unaudited. Past performance does not guarantee future returns. There can be no assurance that investments will achieve any targeted rates of return, and there is no guarantee against the loss of your entire investment.

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.