

The background features a magnifying glass with a grey handle and frame. Inside the lens, a red line graph representing a stock market index is visible, showing several peaks and troughs. To the right of the graph, a stylized grey skyscraper with horizontal lines representing windows is depicted. The background behind the magnifying glass consists of green and yellow radial lines emanating from a central point, creating a sunburst effect.

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



**Daily Research Reports**



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**Good Morning & Welcome to Friday's trading action at Dalal Street dated 24th of September 2021.**

**Nifty and Sensex are knocking on the door of 18,000 and 60,000 respectively.**

Well, Nifty is on the verge of hitting 18,000 points for the first time -- a major milestone.

**The big question:** What it means for your investment strategy?

Well, joyous mood likely all over as we can excited to see headlines celebrating Nifty 18,000. That said, it should not have any effect on your investment strategy.

Our **call of the day** suggests not to sell stocks just because you think Nifty 18,000 indicates that the market "has gotten expensive."

If your original investment thesis — buy long & hold still applies, there is no reason to exit any of your stock positions. Our chart of the day says there are still plenty of bargains and breakout on the upside patterns that still appears screaming buys — including some of the stocks in the "Nifty 50." Please note, the index's value has no correlation with the valuations of any individual stocks.

With an interweek perspective we are bullish on stocks like INFOSYS, DIVIS LAB, LARSEN, HDFC BANK and COFORGE.

**Long story short:** The best advice we can give for Nifty 18,000 is to keep your eye on the long term. Focus on building a portfolio of attractively valued stocks and holding onto them for years. This advice will also hold true at Nifty 20,000, Nifty 21,000, and any other index-related milestones that may be reached during our lifetime.

**The preferred trades:**

# **Nifty (17823):** Buy at CMP. Stop 17551. Targets 18001/18251. Aggressive targets at 18501 mark.

# **Bank Nifty (37772):** Buy at CMP. Stop 36711. Targets 38113/39101. Aggressive targets at 40001.

**TOP SECTORS:**

# **Bullish View:** IT, FMCG, METAL

# **Bearish view:** PSU BANKS

**STOCKS IN FOCUS:**

# **BULLISH VIEW:** #COAL INDIA #TATA STEEL #DIVIS LAB #LARSEN #COFORGE #DIXON #TCS #HDFC BANK.

# **BEARISH VIEW:** #AU BANK #BHEL #MARUTI #LUPIN #GLENMARK.

INDICES		
Nifty	17823	1.57%
Bank Nifty	37772	2.24%
Nifty Auto Index	10373	0.86%
Nifty FMCG Index	41549	0.10%
Nifty Infra Index	5020	1.69%
Nifty IT Index	36817	1.08%
Nifty Media Index	2167	-1.71%
Nifty Midcap Index	8272	1.28%
Nifty Metal Index	5616	1.65%
Nifty Pharma Index	14381	0.32%
Nifty Reality Index	494	8.66%
Nifty Smallcap Index	10824	0.78%
Sensex	59885	1.63%
SGX Nifty	17862	0.26%

Outlook for the Day	
	Nifty will aim 18000+

Nifty Outlook	
Intraday	Positive (17737-18021)
Medium Term	Positive (17251-18251)
Long Term	Positive (16251-19001)

Key Levels to Watch	
Nifty Support	17737/17501
Nifty Resistance	18001/18251

Pivot Level	
Nifty	17101

- # Our **chart of the day** is bullish on stocks like INFOSYS, DIVIS LAB, LARSEN, HDFC BANK and COFORGE with an interweek perspective.
- # **The 1 Stock to Buy Right Now:** Buy COFORGE at CMP (5653). Stop 5451. Targets 5701/5751. Aggressive targets at 5821. Momentum Play. Interweek Strategy.

## Outlook for Friday: Nifty & Sensex scale above 18,000 and 60,000 respectively.

The theme revolves around:

1. The Fed's patient stance on tapering.
2. Optimism amidst solution to China Evergrande's debt crisis.

Please note, Fed Chair Powell says a solid September jobs report could get the ball rolling on tapering, which analysts believe could begin before the end of the year.

Meanwhile, the Wall Street Journal, however, reports that local authorities in China are being asked to prepare for an Evergrande default, and a \$47.5 million dollar bond obligation due Thursday remains unpaid.

### WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

#### Daily chart of Nifty:



- # **Technically speaking**, the biggest make-or-break interweek support for Nifty seen at 17551 mark. The price action for Nifty in near term is suggesting that we are likely to see a 17500 – 18100 range in near term with buying on dips as the preferred strategy. Nifty's 200 day SMA at 15251 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 38100 and then aggressive inter-month targets placed at psychological 40000 mark.

### Technical Strategy

<b>NIPPION (NAM INDIA)</b>	444
<b>Action</b>	BUY
<b>Target</b>	501
<b>Support</b>	401/359
<b>Resistance</b>	457/521
<b>Holding Period</b>	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.**

## DERIVATIVE & INSTITUTIONAL CUES:

- # **The options data** for September series suggests Nifty is likely to be in a trading range of 17500-18100 zone. Maximum Call OI is at 18500 followed by 18000 strike price. So, the 18000 zone is Nifty's crucial resistance zone. Maximum Put open interest stands at 17500 levels followed by 17600 levels. Call writing was seen at 18500 and then at 18000 strike price, while there was meaningful Put writing at 17800 and then at 17700 strike prices.
- # The Put-Call Open Interest Ratio is at 1.38 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.
- # As per Wednesday's provisional data available on the NSE, FIIs sold shares worth Rs. 1943 crores while DIIs bought shares worth Rs. 1850 crores in the Indian Equity Market.
- # As per Thursday's provisional data available on the NSE, both FIIs and DIIs bought shares worth Rs. 357.93 crores and Rs. 1173.09 crores in the Indian Equity Market.
- # **Stock banned in F&O segment:** # CANARA BANK # ESCORTS # VODAFONE IDEA # IBULHSGFIN # IRCTC # PNB.

## The POSITIVE CATALYSTS:

- Evergrande reached a bond payment agreement.
- 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. Surging infections with the Delta variant of coronavirus. Concerns about the Delta variant.
2. Signs of weakness in the global recovery.
3. Spiking wholesale gas costs.
4. Overbought technical conditions.
5. A hawkish Fed environment.
6. 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:

The policy-setting Federal Open Market Committee (FOMC) signaled that it plans to keep a key U.S. short-term interest rate near record zero while projecting the U.S. economy has made progress and the committee judges that a moderation in the pace of asset purchases may soon be warranted.

**Fed was more hawkish than anticipated** as the Fed said it could begin tapering its \$120 billion in monthly bond purchases if the economy continues to improve. The Fed mostly signaled tapering of bond buys as soon as November, and the conclusion of the process in mid-2022. The hawkish surprise means a rate hike could come sooner. Fed policymakers see first rate hike in 2022.

"The sectors most adversely affected by the pandemic have improved in recent months, but the rise in COVID-19 cases has slowed their recovery," the Fed said Wednesday. "Inflation is elevated, largely reflecting transitory factors."

Inflation is running at the hottest levels since 2008, although August CPI cooled somewhat, to 5.3% from last year. So-called core inflation, which strips-out volatile components such as food and energy prices, rose 4.3% the highest since the early 1990s.

"Growth is likely to continue at a strong pace for the rest of the year."

## GLOBAL STOCK MARKETS:

Overnight at Wall Street, U.S. stocks powered higher with the Dow turning positive for the week, following a dovish statement on bond market tapering from the Federal Reserve and cautious optimism that a workable solution can be found for indebted property giant China Evergrande.

Weekly jobless claims also moved higher, to 351,000, over the period ending on September 18, although the four-week average -- which is measured a week in arrears -- fell to 335,750.

## RECAP OF PREVIOUS DAY'S TRADING SESSION:

# Nifty (+276, 17823)

# Sensex (+958, 59885)

# Adv-Dec 40 — 10

# Nifty PCR 1.38

It was nice to see the benchmark Nifty enjoying a strong session and most importantly, was seen \*racing to hit the magical 18000 mark.\* Interestingly, \*Sensex jumped 900 points\*and ended a tad lower below the magnificent 60,000 milestone 59885 mark.

The positive takeaway was that all the sectoral indices participated in the rally with Nifty Realty index being the star performer, up 8.66% on expectation of huge buying demand which could be ahead of festive season and on backdrop of prevailing low interest rates.

\*The long and short of today's trade is, 'Bulls Unlocked'.\*

**\*The key highlights of yesterday's trade:\***

# 'Bulls Unlocked'

# Nifty hits a new record peak at 17843.90. Sensex ends a tad below 60000 mark.

# Bajaj twins, RIL hit fresh all-time highs.

# Mid-cap & Small-cap indices too trade with positive bias, up 1.28% & 0.78% respectively.

# Bank Nifty (+2.24%) zooms and outperforms Nifty's gains of 1.57%.

# VIX a tad higher at 16.60, up 0.67%.

# Top Index Gainers: BAJAJ FINSERV (+4.63%) HINDALCO (+4.49%) LT (+3.72%).

# Top Index Losers: HDFC LIFE (-1.08%) DR REDDYS LAB (-0.96%) JSW STEEL (-0.63%).

# TOP PICKS (F & O)

It's like having investment binoculars !

**HDFC Bank: A screaming buy. We expect the stock to race higher towards 1651 mark.**

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
COAL INDIA	167.3	159	151	175	189	Positive	Buy at CMP. Stop 157. Targets 175/189. Aggressive targets at 201. Momentum Play. Intermonth Strategy.
COFORGE	5653	5537	5437	5701	5821	Positive	Buy COFORGE at CMP (5653). Stop 5451. Targets 5701/5751. Aggressive targets at 5821. Momentum Play. Interweek Strategy.
HDFC BANK	1570	1553	1521	1598	1651	Positive	Buy at CMP. Stop 1537. Targets 1598/1621. Aggressive targets at 1651. Breakout Play. Interweek Strategy.
INFOSYS	1743	1711	1687	1757	1807	Positive	Buy at CMP. Stop 1701. Targets 1757/1807. Aggressive targets at 1845. Upside breakout. Intermonth Strategy.
DIVIS LAB	5212	5087	5001	5271	5501	Positive	Buy at CMP. Stop 5067. Targets 1271/545. Aggressive targets at 5501. Breakout Play. Interweek Strategy.

## Derivatives Strategies

**Future Call:** BUY NATIONALUM SEPTEMBER FUTURES at CMP 91.30. Targets at 92.35 and then at 94. Stop: 90. Holding Period: Intraday. Analyst's Remark: Momentum Play (NATIONALUM SEPTEMBER Futures CMP 91.30)

**Option Call:** SELL NIFTY 30th SEPTEMBER PE Strike Price 17800 at CMP 114.10. Maximum Profit: Rs. 5,705/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY below 17601. (NIFTY SEPTEMBER Futures CMP 17842).

### Market Summary:

- Nifty September Futures ended Thursday's session at a premium of +19 vs premium of +20.
- The 30th September expiry Put-Call Open Interest Ratio was at 1.31 for Nifty whereas it was 1.10 for Bank Nifty.
- The 30th September expiry Put-Call Volume Ratio was at 1.03 for the Nifty and 0.91 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 18500 Strike Price, followed by 18000 Strike Price for 30th September Series. Long buildup was seen at strike prices 17800-18500.
- Maximum Put Open Interest (OI) was seen at strike price 17000 followed by 17500 strike prices for 30th September series. Short buildup was seen at strike prices 17500-18000.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 39000 Strike Price and Maximum Put Open Interest stands at 37000 Strike Price.
- As per Thursday's provisional data available on the NSE, FIIs bought shares worth Rs. 357.93 crores in the Indian Equity Market. DIIs too bought shares worth Rs. 1173.09 crores in the Indian Equity market.
- Long Buildup: DLF, GRASIM, HDFCBANK, MCDOWELL.
- Short Buildup: ICICIGI, BALKRISIND, ASTRAL.
- Short Covering: NATIONALUM, CADILAH.
- Long Unwinding: ZEEL, DRREDDY, MUTHOOTFIN.
- Stocks banned in F&O segment:** CANBK, ESCORTS, IBULHSGFIN, IDEA, IRCTC, PNB.
- New in Ban: CANBK.
- Out of Ban: SUNTV.

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

<b>Nifty Spot</b>	17822.95 (+1.57%)
<b>Bank Nifty Spot</b>	37771.70 (+2.24%)
<b>VIX</b>	16.6025 (+0.67%)
<b>Premium</b>	+19 vs +20
<b>Nifty Future OI</b>	1.23 crores (-2.85%)
<b>Bank Nifty Future OI</b>	17.25 lakhs (-14.53%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
<b>BSE Cash Vol. (Rs. in Cr)</b>	11822.6	6233.87
<b>NSE Cash Vol. (Rs. in Cr)</b>	74,189.74	68,733.86
<b>NSE Derivative Vol. (Rs. in Cr)</b>	1,24,74,331	60,87,668

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
<b>Index Future Volumes</b>	3,34,718	30,680
<b>Stock Future Volumes</b>	10,57,637	95,778
<b>Index Option Volumes</b>	12,94,17,611	1,19,38,609
<b>Stock Option Volumes</b>	43,77,888	4,09,265
<b>Total</b>	13,51,87,854	1,24,74,331

### Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
18500	35.61 (+268%)
18600	6.26 (+277%)
18700	8.79 (+446%)
Puts	in lakhs (% Change)
17700	28.86 (+153%)
17800	28.31 (+234%)
17900	2.72 (+236%)





### The Dow Is Rising despite the FOMC's hawkish policy.

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1752	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 (\$)	22.65	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 (\$)	73.3	69.25	65	72.05	75.05	Positive	Interweek Strategy: Establish buy positions at CMP. Targets 75.05/77.50. Stop at 69.05.
EUR/USD	1.1745	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	93.03	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	34842	32795	31015	35513	36219	Positive	Stocks surge amid the Fed's patience on tapering and amid cautious optimism for a brokered solution to the Evergrande debt crisis. Interweek Strategy: Establish buy positions at CMP. Targets 35513/36219 mark with stop at 33911.

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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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