



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



Daily Research Reports



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Good Morning & Welcome to Monday's trading action at Dalal Street dated 27th of September 2021.

Sensex 60,000 is finally here! Congratulations India!!

The preferred trades:

Nifty (17853): Buy between 17700-17750 zone. Stop 17551. Targets 18001/18251. Aggressive targets at 18501 mark.

Bank Nifty (37830): Buy at CMP. Stop 36959. Targets 38113/39101. Aggressive targets at 40001.

Well, whenever a big milestone is achieved, usually there are two groups of investors!

The first: Why am i not fully invested?

The other: Should we be selling in the milestone?

Well, we suspect — Sensex 60,000 could draw in investors from the sidelines with more stocks participating in the next leg.

Our **call of the day** suggests not selling 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/intermonth perspective we are bullish on stocks like NAZARA TECHNOLOGIES, INFOSYS, 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.

Now the big question of the day: Will the Evergrande fallout spiral out of control?

Well, the market is not done with Evergrande. Last Monday, traders were afraid Evergrande would miss a bond payment, and then on Friday, it actually missed the payment.

Honestly speaking, **when life is spiraling out of control sometimes you have to go down with it in order for things to spiral right back into place.**

INDICES		
Nifty	17853	0.17%
Bank Nifty	37830	0.16%
Nifty Auto Index	10429	0.54%
Nifty FMCG Index	41091	-1.10%
Nifty Infra Index	4999	-0.43%
Nifty IT Index	37103	0.78%
Nifty Media Index	2153	-0.64%
Nifty Midcap Index	8184	-1.06%
Nifty Metal Index	5498	-2.10%
Nifty Pharma Index	14289	-0.64%
Nifty Reality Index	501	1.50%
Nifty Smallcap Index	10837	0.12%
Sensex	60048	0.27%
SGX Nifty	17887	0.19%

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

The make-or-break intraday support levels on Nifty are placed at 17701 mark.

We suspect, downside likely to be limited as investors believe in US Fed to taper and then raise rates in such a way not to harm economic recovery or affect real interest rates. The Fed's patient stance on tapering shall act as positive catalyst for our stock markets.

Also, keeping optimism alive will be reports that Maharashtra government has taken a decision to reopen theatres and auditoriums with effect from October 22.

1. Elections in Germany which will be crucial for Eurozone's spending agenda.
2. Japan's ruling party which will select its new leader.
3. Equity markets remain nervous and volatile on backdrop of September series F&O expiry.
4. Auto Sales data for September month will trickle in on Friday, October 1st.
5. The street will be worried as Delta Variant is overwhelming Alaska, site of worst U.S. outbreak. Hospitals in Alaska struggle to handle a worsening outbreak.

TOP SECTORS:

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

STOCKS IN FOCUS:

- # **BULLISH VIEW:** #NAZARA TECHNOLOGIES #INFOSYS #COAL INDIA #DIVIS LAB #LARSEN #COFORGE #DIXON #TCS #HDFC BANK.
- # **BEARISH VIEW:** #AU BANK #BHEL #MARUTI #LUPIN #GLENMARK.
- # Our **chart of the day** is bullish on stocks like NAZARA TECHNOLOGIES, INFOSYS, LARSEN, HDFC BANK and COFORGE with an interweek perspective.
- # **The 1 Stock to Buy Right Now:** Buy HDFC BANK at CMP (1602). Stop 1553. Targets 1627/16651. Aggressive targets at 1675. Breakout Play. Interweek Strategy.

Outlook for Monday: Nifty will aim to scale above 18,000 mark.

All eyes will now be on Nifty which is on the verge of hitting 18,000 points for the first time -- a major milestone.

Technical Strategy

NIPPION (NAM INDIA)	437
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.

WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

Daily chart of Nifty:



Technically speaking, the biggest make-or-break support for Nifty seen at 17537 mark. Please note, Nifty will be vulnerable below 17537 mark with aggressive downside risk at 17257 and then at 16779-16900 zone. Please note, Nifty's 200 day EMA is still at 15263 mark.

So, the line in the sand is Nifty's 17537 support. **Alternatively, if Nifty's 17537 support holds then we suspect Nifty still has the fire power to touch the magical 18000 mark.** In this scenario, a bullish breakout will be the probable theme as the backdrop of recent sequence of higher high/low is still intact on all-time-frames.

Well, Nifty moved from 16000 to 17000 mark in just 19 days which is by far the fastest one. Now investors will be anxious to see how fast it can capture the 18000 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.

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 17900 strike price. So, the 18000-18100 zone are Nifty's crucial resistance zone. Maximum Put open interest stands at 17000 levels followed by 17500 levels. Call writing was seen at 18500 and then at 18000 strike price, while there was meaningful Put writing at 17900 and then at 17700 strike prices.

India VIX, which measures the expected volatility in the market, jumped to almost 18 mark before settling at 16.92 from 15.23 on week-on-week basis

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. 442.49 crores while DIIs sold shares worth Rs. 515.85 crores in the Indian Equity Market.

Stock banned in F&O segment: #CANARA BANK #ESCORTS #VODAFONE IDEA #IBULHSGFIN #IRCTC #PNB #SAIL #ZEEL

The POSITIVE CATALYSTS:

- 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:

Aditya Birla Sun Life AMC, the last initial public offering in the current month will open next week on September 29 and will close on October 1. The price band for the offer has been fixed at Rs. 695-712 per equity share.

The IPO of Aditya Birla Sun Life AMC, the jointly owned company by Aditya Birla Capital and Sun Life (India) AMC Investments Inc, is a complete offer for sale by both the shareholders. They will together sell 3,88,80,000 equity shares through IPO.

Meanwhile, Paras Defence and Space Technologies will make its debut on Dalal Street in later part of the week on October 1 after its issue being subscribed 304 times, the highest among IPOs launched atleast since 2007.

ECONOMIC CUES:

The policy-setting Federal Open Market Committee (FOMC) has 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:

In Friday's trade at Wall Street, the stock market rally went nowhere — fast.

Digging deeper, the major indexes tumbled on Monday, but then roared back, with a slew of leading stocks flashing buy signals. On a weekly basis, the Dow Jones ended 0.62% higher at 34798, Nasdaq ended 0.02% higher at 15047.7 & S&P 500 ended 0.51% higher at 4455.48.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

- # Nifty (+30, 17853)
- # Sensex (+163, 60048)

- # Adv-Dec 20 — 30
- # Nifty PCR 1.12

After registering fresh all-time highs in Friday's trade, the benchmarks trimmed gains towards the end of day, up 0.17% while Sensex retained 60000 mark, up 0.27% at 60048.

The key highlights of today's trade:

- # Nifty hits a new record peak at 17946.90. Sensex too hits 60326 mark for the first time ever.
- # Mid-cap & Small-cap indices underperform the benchmarks, down 1.06% & 0.12% respectively.
- # Top Index Gainers: ASIANPAINTS (+3.74%) EICHER (+3.08%) M&M (+2.97%).
- # Top Index Losers: TATASTEEL (-3.92%) JSWSTEEL (-2.58%) SBIN (-2.03%).

TOP PICKS (F & O)

It's like having investment binoculars !

HDFC Bank: A screaming buy. We expect the stock to race higher towards 1675 mark.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
COAL INDIA	166	159	151	175	189	Positive	Buy between 159-162 zone. Stop 157. Targets 175/189. Aggressive targets at 201. Momentum Play. Intermonth Strategy.
COFORGE	5649	5537	5373	5833	5911	Positive	Buy COFORGE at CMP. Stop 5451. Targets 5707/5751. Aggressive targets at 5833. Breakout Play. Interweek Strategy.
DIXON	4380	4297	3991	4735	5001	Positive	Buy at CMP. Stop 4137. Targets 4501/4735. Aggressive targets at 5001. Breakout Play. Interweek Strategy.
HDFC BANK	1602	1577	1529	1627	1675	Positive	Buy at CMP. Stop 1553. Targets 1627/16651. Aggressive targets at 1675. Breakout Play. Interweek Strategy.
INFOSYS	1764	1711	1687	1757	1807	Positive	Buy at CMP. Stop 1701. Targets 1757/1807. Aggressive targets at 1845. Upside breakout. Intermonth Strategy.

Derivatives Strategies

Future Call: SELL AUBANK SEPTEMBER FUTURES between 1081-1083 zone. Targets at 1064 and then at 1047. Stop: 1115. Holding Period: Intraday. Analyst's Remark: Breaking Down (AUBANK SEPTEMBER Futures CMP 1074.95)

Option Call: SELL NIFTY 30th SEPTEMBER CE Strike Price 17900 at CMP 94.95. Maximum Profit: Rs. 4,747.50/-. Loss: Unlimited. Stop: Exit Call Option if NIFTY moves above 17956. (NIFTY SEPTEMBER Futures CMP 17848.80).

Market Summary:

- Nifty September Futures ended Friday's session at a discount of -04 vs premium of +19.
- The 30th September expiry Put-Call Open Interest Ratio was at 1.11 for Nifty whereas it was 0.88 for Bank Nifty.
- The 30th September expiry Put-Call Volume Ratio was at 0.94 for the Nifty and 1.02 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 18500 Strike Price, followed by 18000 Strike Price for 30th September Series. Short covering was seen at strike prices 17300-17600.
- Maximum Put Open Interest (OI) was seen at strike price 17000 followed by 16500 strike prices for 30th September series. Short buildup was seen at strike prices 17900-18200.
- 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 Friday's provisional data available on the NSE, FIIs bought shares worth Rs. 442.49 crores in the Indian Equity Market. DIIs on the other hand sold shares worth Rs. 515.85 crores in the Indian Equity market.
- Long Buildup: HDFCBANK, TATACHEM, INDUSTOWER, DABUR.
- Short Buildup: SUNTV, ADANIANT, LICHSGFIN, AUBANK.
- Short Covering: M&M, HDFCLIFE, SBILIFE, MFSL.
- Long Unwinding: TATASTEEL, JSWSTEEL, JINDALSTEL.
- Stocks banned in F&O segment:** CANBK, ESCORTS, IBULHSGFIN, IDEA, IRCTC, PNB, SAIL, ZEEL.
- New in Ban: SAIL, ZEEL.
- Out of Ban: NIL.

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

Nifty Spot	17853.20 (+0.17%)
Bank Nifty Spot	37830.30 (+0.16%)
VIX	16.9225 (+0.67%)
Premium	-04 vs +19
Nifty Future OI	1.21 crores (-2.06%)
Bank Nifty Future OI	15.73 lakhs (-8.79%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	6526.17	11822.6
NSE Cash Vol. (Rs. in Cr)	79,004.54	74,189.74
NSE Derivative Vol. (Rs. in Cr)	39,93,160	1,24,74,331

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	2,97,376	27,337
Stock Future Volumes	12,86,917	1,17,601
Index Option Volumes	3,65,80,400	33,89,310
Stock Option Volumes	47,64,557	4,58,912
Total	4,29,29,250	39,93,160

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
18700	19.43 (+121%)
18800	12.22 (+165%)
18900	6.67 (+59%)

Puts	in lakhs (% Change)
17700	37.06 (+28%)
17800	35.88 (+27%)
17900	19.07 (+599%)

Week Ahead: Investors will eye German elections and the Evergrande fallout...

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1751	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 (\$)	73.95	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	1.1721	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	93.28	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	34798	32795	31015	35513	36219	Positive	Dow wavered in Friday's trade as investors debate the impact of a China Evergrande default and more companies caution on supply chain disruptions. Interweek Strategy: Establish buy positions at CMP. Targets 35513/36219 mark with stop at 33911.

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• Firm interest of the stock / Instrument (s): - No.