



**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 28th of September 2021.

Early indication at SGX Nifty confirms that this is a market with a one-track mind —Bullish track —Up, up and away.

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

The preferred trades:

- # **Nifty (17855):** Buy at CMP. Stop 17551. Targets 18001/18251. Aggressive targets at 18501 mark.
- # **Bank Nifty (38171):** Buy at CMP. Stop 37211. Targets 38513/39101. Aggressive targets at 40001.

TOP SECTORS:

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

STOCKS IN FOCUS:

- # **BULLISH VIEW:** #ADANI ENTERPRISES #ADANI PORTS #NAZARA TECHNOLOGIES #MRF #MOTHERSON SUMI #TATA MOTORS #COAL INDIA #DIXON #HDFC BANK.
- # **BEARISH VIEW:** #SRTRANSFIN #PI INDUSTRIES # LAL PATH LABS #METROPOLIS # OFSS # INDIGO
- # Our **chart of the day** is bullish on stocks like NAZARA TECHNOLOGIES, ADANI ENTERPRISES, ADANI PORTS and DIXON with an interweek perspective.
- # **The 1 Stock to Buy Right Now:**
BUY NAZARA TECHNOLOGIES.
At CMP 2280 and ADD on Dips 2000-2050 zone.
Targets – 2451/2750.
Stop Loss on closing basis – 1901.
Holding Period: Up to 60 Days.
- # The disinvestment of Bharat Petroleum Corporation (BPCL) is intended to be completed by March 2022 according to company Chairman, Arun Kumar Singh.

INDICES		
Nifty	17855	0.01%
Bank Nifty	38171	0.90%
Nifty Auto Index	10765	3.22%
Nifty FMCG Index	40720	-0.90%
Nifty Infra Index	5022	0.46%
Nifty IT Index	36034	-2.88%
Nifty Media Index	2188	1.63%
Nifty Midcap Index	8211	0.33%
Nifty Metal Index	5504	0.11%
Nifty Pharma Index	14157	-0.93%
Nifty Reality Index	516	2.99%
Nifty Smallcap Index	10823	-0.12%
Sensex	60078	0.05%
SGX Nifty	17905	0.30%

Outlook for the Day

Nifty will aim 18000+

Nifty Outlook

Intraday	Positive (17757-18057)
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
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The Reserve Bank on Monday imposed a penalty of Rs 2 crore on private lender RBL Bank for deficiencies in regulatory compliances and non-compliance of the provisions of the Banking Regulation Act.

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

The 10-key trading themes of the day:

1. Worries over Evergrande are still evident.
2. The Federal Reserve and ECB are seen cautiously moving towards trimming their massive stimulus programs. Fed seen more dovish than ECB.
3. Fed Chair Jerome Powell to testify to Senate on Tuesday, September 28th.
4. US government shutdown due on Friday if lawmakers cannot agree to raise the debt ceiling and funding plan.
5. German election ends in a deadlock with coalition likely. The election outcome is crucial for Eurozone's spending agenda.
6. Japan's ruling party which will select its new leader.
7. Equity markets likely to be volatile on backdrop of September series F&O expiry.
8. Auto Sales data for September month will trickle in on Friday, October 1st.
9. Overbought technical conditions.
10. Spiking oil prices to their highest level in three years.

WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

Daily chart of Nifty:



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.

Technically speaking, the biggest make-or-break support for Nifty seen at 17537 mark. Please note, Nifty will be vulnerable only 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.

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 38511 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 18.05 mark.

The Put-Call Open Interest Ratio is at 0.96 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.

As per Monday's provisional data available on the NSE, FIIs sold shares worth Rs. 594.63 crores while DIIs bought shares worth Rs. 1397.69 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 oil prices. Oil prices have climbed to their highest level in three years. In Europe, natural gas prices have risen 500% over the past year and in Britain, the vast majority of commercial gas stations have run dry amid panic-buying linked to a shortage of drivers and hauliers.
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:

A three-year high for oil prices powered the Dow Jones higher on Monday, but rising Treasury yields, and a looming global power crisis, are holding down broader gains on Wall Street.

The benchmark 10-year Treasury note yields traded at a 3-month high of 1.51% heading into the start of the session, before easing to 1.48%, with tomorrow's \$60 billion sale of 2-year notes -- which settle on the debt ceiling deadline of September 30 - firmly in focus

In last week's trade, 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 (+2, 17855)
- # Sensex (+29, 60078)

- # Adv-Dec 25 — 25
- # Nifty PCR 0.96

Bullish opening for Nifty, but the trading landscape was challenging amidst profit booking from early morning top at 17943.50.

Blame it to the Evergrande risks, lack of a clear winner in Germany's election and as the street contemplated on Federal Reserve's tightening.

The key highlights of yesterday's trade:

- # Nifty ends a tad higher.
- # Autos gains (+2.3%) on bargain hunting while IT (-3%) drops amidst profit booking.
- # Mid-cap & Small-cap indices trade listless, up 0.33% & -0.11% resp.
- # Bank Nifty (+0.90%) zooms, scales fresh record highs and outperforms Nifty's gains of 0.01%.
- # Top Index Gainers: MARUTI (+6.44%) M&M (+4.30%) TATA MOTORS (+4.10%).
- # Top Index Losers

TOP PICKS (F & O)

It's like having investment binoculars !

ADANI ENTERPRISES: A screaming buy. We expect the stock to race higher towards 1717 mark.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
ADANI ENTERPRISES	1531	1487	1441	1629	1717	Positive	Buy ADANI ENTERPRISES at CMP. Stop 1471. Targets 1629/1717. Aggressive targets at 1807. Breakout Play. Intermonth Strategy.
ADANI PORTS	750	736	717	787	901	Positive	Buy at CMP. Stop 733. Targets 787/813. Aggressive targets at 901. Breakout Play. Intermonth Strategy.
BHARAT FORGE	781	763	741	807	827	Positive	Buy at CMP. Stop 737. Targets 807/827. Aggressive targets at 857. Breakout Play. Interweek Strategy.
COAL INDIA	167	159	151	175	189	Positive	Buy between 159-162 zone. Stop 157. Targets 175/189. Aggressive targets at 201. Momentum Play. Intermonth Strategy.
DIXON	4492	4297	3991	4735	5001	Positive	Buy at CMP. Stop 4137. Targets 4571/4735. Aggressive targets at 5001. Breakout Play. Interweek Strategy.

Derivatives Strategies

Future Call: BUY AMBUJACEM SEPTEMBER FUTURES between 414-415 zone. Targets at 423 and then at 430. Stop: 405. Holding Period: Intraday. Analyst's Remark: Rebound Play (AMBUJACEM SEPTEMBER Futures CMP 419)

Option Call: SELL NIFTY 30th SEPTEMBER CE Strike Price 17900 at CMP 84.15. Maximum Profit: Rs. 4,208/-. Loss: Unlimited. Stop: Exit Call Option if NIFTY moves above 17965. (NIFTY SEPTEMBER Futures CMP 17862).

Market Summary:

- Nifty September Futures ended Monday's session at a premium of +07 vs discount of -04.
- The 30th September expiry Put-Call Open Interest Ratio was at 0.96 for Nifty whereas it was 1.06 for Bank Nifty.
- The 30th September expiry Put-Call Volume Ratio was at 0.98 for the Nifty and 0.90 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 18000 Strike Price, followed by 18500 Strike Price for 30th September Series. Short buildup was seen at strike prices 17700-18300.
- Maximum Put Open Interest (OI) was seen at strike price 17800 followed by 17700 strike prices for 30th September series. Short buildup was seen at strike prices 17300-18000.
- 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 Monday's provisional data available on the NSE, FIIs sold shares worth Rs. 594.63 crores in the Indian Equity Market. DIIs on the other hand bought shares worth Rs. 1397.69 crores in the Indian Equity market.
- Long Buildup: ICICIBANK, COALINDIA, SBIN, HDFCBANK.
- Short Buildup: WIPRO, HCLTECH, TECHM, HAVELLS.
- Short Covering: TATAMOTORS, AARTIIND, AMBUJACEM, TVSMOTOR.
- Long Unwinding: BHARTIARTL, MINDTREE, UBL, COROMANDEL.

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

Nifty Spot	17855.10 (+0.01%)
Bank Nifty Spot	38171.25 (+0.90%)
VIX	18.0525 (+6.68%)
Premium	+07 vs -04
Nifty Future OI	1.19 crores (-1.68%)
Bank Nifty Future OI	15.27 lakhs (-2.90%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	5209.73	6526.17
NSE Cash Vol. (Rs. in Cr)	68,710.09	79,004.54
NSE Derivative Vol. (Rs. in Cr)	41,89,420	39,93,160

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	3,08,335	28,404
Stock Future Volumes	15,89,286	1,38,596
Index Option Volumes	3,92,27,870	36,52,351
Stock Option Volumes	41,10,822	3,70,068
Total	4,52,36,313	41,89,420

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
17900	51.57 (+50%)
18000	71.25 (+33%)
18100	34.69 (+29%)

Puts	in lakhs (% Change)
16700	15.76 (-15%)
16800	20.45 (-22%)
16900	17.94 (+29%)

Dow Rises on Oil, Banks, Tech Clipped by Treasury Yield Surge

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 (\$)	75.69	73.45	72.5	77.5	79	Positive	Interweek Strategy: Establish buy positions at CMP. Targets 77.50/79. Stop at 73.05.
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	The Dow Jones Industrial Average was higher Monday as bond yields rose and oil prices climbed to their highest level in three years. Interweek Strategy: Establish buy positions at CMP. Targets 35513/36219 mark with stop at 33911.

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