

The background features a magnifying glass with a black handle and frame. Inside the lens, a red line graph representing a stock market index is visible, showing fluctuations. To the right of the graph, a stylized grey building with horizontal lines is depicted. The background outside the lens consists of green and yellow radial stripes emanating from a central point, suggesting a sun or a bright light source.

**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 Thursday's trading session at Dalal Street, dated 4th August 2022.

'Unstoppable Rally' likely to continue for benchmark Nifty as this morning there are 5-positive catalysts:

- 1) Overnight, Wall Street's rally gained steam.
- 2) WTI Crude-oil prices tumble 3% to \$ 91.25 a barrel
- 3) Return of foreign investors in Indian equities as FIIs remain net buyers in last 4-sessions.
- 4) Decent Q1 with mostly positive management commentaries.
- 5) Hopes of normal monsoon.

The biggest negative catalyst at the moment is that the US yield curve have steepened. The gap between the 2-year and 10-year note yields is the widest in over two decades, reflecting the market's lingering concerns.

**The U.S. Treasury yields gained on Wednesday and are still flashing recession signal. The 2-year/10-year yield curve remained inverted at around 30 basis points, a key recession warning.**

Benchmark 2-year Treasury note yields fell to 3.126%, while 10-year notes are pegged at 2.823%, pegging the so-called inversion of the yield curve.

Technically, the biggest intraday make-or-break support on Nifty seen at 17189 mark.

**Now, before we get into details, here is the preferred trade on Nifty and Bank Nifty:**

# **Nifty (17388):** Buy at CMP. Strict stop at 16963. Targets 17557. Aggressive targets at 18000-18100 zone.

# **Bank Nifty (37989):** Buy at CMP. Strict stop at 36901. Targets 38250/38765. Aggressive targets at 41289.

**Outlook for Thursday: Nifty will aim to inch towards 17500 mark.**

Actually, the renewed optimism is on backdrop of street betting that rate hikes could slow down soon. Investors are in jubilant mood and taking heart from last week's signs that the Federal Reserve will slow down the pace of monetary tightening.

INDICES		
Nifty	17388	0.25%
Bank Nifty	37989	-0.09%
Nifty Auto Index	12919	-0.80%
Nifty FMCG Index	42624	-0.41%
Nifty Infra Index	4971	-0.12%
Nifty IT Index	29417	1.35%
Nifty Media Index	2116	-0.42%
Nifty Midcap Index	8219	-1.21%
Nifty Metal Index	5553	-0.19%
Nifty Pharma Index	12682	-0.77%
Nifty Reality Index	442	-0.76%
Nifty Smallcap Index	9357	-0.48%
Sensex	58351	0.37%
SGX Nifty	17460	0.21%

Outlook for the Day	
	Positive session likely.

Nifty Outlook	
Intraday	Positive (17300-17550)
Medium Term	Positive (15251-18100)
Long Term	Positive (12500-19001)

Key Levels to Watch	
Nifty Support	17171/16871
Nifty Resistance	17557/18157

Pivot Level	
Nifty	16211

So, judging by Nifty's yesterday's positive close, the simple strategy on the benchmark Nifty is to establish long positions and remain a buyer as long as Nifty trades above its biggest intraday support at 17171 mark.

Our **call of the day** suggests it's likely to be another robust day of trading as Nifty is likely to trade on the front foot amidst renewed optimism on the backdrop of return of foreign investors in Indian equities.

Meanwhile, this week is shaping up to be another crucial one for Dalal Street as the spotlight will be on the RBI's MPC meeting outcome to be wired on August 5th.

After Fed rate hike decision last week, all eyes will be on RBI MPC's interest rate decision.

The street expects the RBI to hike repo rates by another 50 basis points to 5.4% from the current 4.9%.

The Monetary Policy Committee has increased the key interest rates by 90 basis points in two tranches since May to take it to 4.90% from historic low of 4%, as it strives to rein in inflation that has in recent months consistently remained above the central bank's comfort 4-6% band.

### **This could make the markets turn volatile.**

Investors will spy with one big eye on how stock markets reacts to the RBI's policy outcome.

Now, other than RBI policy outcome the next big catalyst for the week is the Friday's US jobs report. The forecast for Friday's nonfarm payrolls print is 250k in July versus 372k in June.

Bottom-line: Benchmarks likely to continue with their up-move. Nifty likely to aim psychological 17500 mark.

Meanwhile, the Rupee is at 79.13 away from it's an all-time low of 80.235.

### **Meanwhile, the Q1 earning calendar will kick off with reports from the likes of:**

Thursday: ADANI, APL, BALKRISIND, BEML, BERGEPAIN, BHEL, BRITANNIA, CONCOR, DALBHARAT, GAIL, HCC, LICHSFIN, MANAPPURAM, REC, UJJIVAN.

Friday: FORTIS, IRB, M&M, NMDC, PETRONET, PFIZER, TITAN.

Saturday: AMARARAJBAT, IOB, MARICO, SBIN.

## Technical Strategy

<b>TEGA INDUSTRIES</b>	476
<b>Action</b>	BUY
<b>Target</b>	601
<b>Support</b>	441/401
<b>Resistance</b>	541/621
<b>Holding Period</b>	90-120 Days

**Tega Industries**, provides specialised products and serviced for mining, mineral beneficiation, bulk material handling, and slurry transportation industries. The company commenced operations in 1978, with an foreign collaborator with Skega AB. It was founded by Madan Mohanka, who later acquired the entire equity stake of Skega AB in 2001.

The company currently has manufacturing facilities in India, Australia, South Africa, and Chile, with customer base expanding to 72 countries. The company's products and services can be classified into three categories:

# Product portfolios: includes consumables required in mines and mineral processing sector. The company provides a wide range of products used in mineral processing mines from blasting to flotation in the following order: chutes and their liners, grinding mill liners, trommels and screens, hydrocyclones, pumps and flotation components, and conveyor products.

# Mill liners: are used in mineral beneficiation process, grinding mills. The company's mill liners include DynaPrime, DynaSteel, DynaPulp, and DynaWear, all being company's flagship products.

# Services segment: includes a range of services providing specialised plant audit consulting services to clients for improvements in grinding and classification, from selling single replacement parts to all-inclusive solutions for maintenance and operations. Tega also focuses on developing distinctive solutions to improve the efficiency and productivity of the machinery and facilities owned by its clients over the course of their respective lifecycles.

Valuation: We believe that the company is well positioned to exploit the upcoming trends in the industry. The company is currently trading at P/E of 25.9x a discount of 22.4% compared to industry average of 31.7x. We see the stock to trade close to industry average over next one year due to rising industry demand and strong management execution. We recommend BUY with a target price of INR 656.2 with 1-yr forward (FY23E) EPS of INR 20.7.

**Preferred strategy: Accumulate at CMP, and on dips between 400-415 zone, targeting 503/521, and then aggressive targets at psychological 600 mark. Stop at 373. Holding period 5-8 Months**

## TOP SECTORS:

# **Bullish Sectors:** BANK NIFTY, METALS, IT, PSU BANKS, INFRA, FMCG.

# **Bearish Sectors:** PHARMA.

## STOCKS IN FOCUS:

# **BULLISH VIEW:** AARTI INDUSTRIES, COAL INDIA, MPHASIS, PERSISTENT SYSTEM, BALKRISHNA INDUSTRIES, ICICI BANK, ULTRATECH CEMENT, CONCOR, HDFC BANK, TATA STEEL, BANK OF BARODA, CANARA BANK, COROMANDEL INTERNATIONAL, TATA COMMUNICATION.

# **BEARISH VIEW:** BIOCON, LIC HOUSING FINANCE, SYNGINE, GLENMARK, IGL, DIXION TECHNOLOGIES, IPCA LAB, LUPIN, BHARAT FORGE.

# Our **chart of the day** is bullish on SRF, AARTI INDUSTRIES, COAL INDIA, PERSISTENT SYSTEM, BALKRISHNA INDUSTRIES and MPHASIS with an interweek perspective.

# **The 1 Stock to Buy Right Now: MPHASIS (CMP 2320):** Buy at CMP. Stop 2221. Targets 2381/2419. Aggressive targets at 2601. (Intermonth Strategy). Rationale: Oversold zone.

## WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

### Daily chart of Nifty:



# **Nifty:** Technically speaking, on the downside, the line in the sand is at Nifty's support at 17189 mark. Only in case of Nifty's major interweek support at 16971 mark collapses, the next pivot point could be found at psychological 16500 mark. The technicals will turn dramatically positive if Nifty continues to stay above its 200 DMA 17013 mark. All bullish eyes on Nifty's psychological 17500 mark.

# **Bank Nifty:** In yesterday's session, Bank Nifty was seen consolidating amidst value buying and most importantly, ended the day on a positive note. # Bank Nifty ended 0.30% lower as against Nifty gains of 0.25%. Bank Nifty will face a major hurdles placed at 38765 mark. The biggest support for Bank Nifty seen at 36900 mark. We have a positive bias on Bank Nifty as long as 36900 support holds with aggressive inter-month targets at its all-time-high at 41830 mark.

## DERIVATIVE & INSTITUTIONAL CUES:

# **India VIX**, which measures the expected volatility in the market, has inched to 18.46 levels.

# The **Nifty options data** for August series suggests Nifty is likely to be in a trading range of 16500-18000 zone. Maximum Call OI is at 18000 followed by 17500 strike price. So, the 17500 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 16500 levels followed by 16000 levels. Call writing was seen at 18000 and then at 18500 strike price, while there was meaningful Put writing at 17000 and then at 17300 strike prices.

# In yesterday's trade, Foreign institutional investors (FIIs) net bought shares worth Rs 765.20 crore, whereas domestic institutional investors (DIIs) sold shares worth Rs 518.40 crore.

# **The Put-Call Open Interest Ratio is at 1.44 for Nifty.**

## ECONOMIC CUES:

# On the economic data front, investors this week are awaiting the July nonfarm payrolls report slated for release Friday for further clues into the state of the economy and the job market. The street is expecting 250,000 new jobs were added to the economy last month following June's 372,000 gain.

# The July Gross Goods and Services Tax (GST) rose 28% to Rs 1.49 lakh crore on an annual basis in July. This is the sixth time that the monthly GST collection crossed the Rs 1.40-lakh-crore mark since the inception of GST and fifth month at a stretch since March 2022.

Last month, FM Nirmala Sitharaman's had stated, "Rs 1.40 lakh crore seems to be the rough bottom line. We're not going below that."

## GLOBAL STOCK MARKETS:

In overnight trade at Wall Street, U.S. stocks rose following two consecutive trading days of losses as investors looked past House Speaker Nancy Pelosi's contentious visit to Taiwan and awaited key economic data.

Pelosi met Taiwan President Tsai Ing-wen on Wednesday in Taipei, where Tsai thanked Pelosi for her support of democratic values and said she was committed to working with the U.S. over security in the Taiwan straits.

Beijing, which claims Taiwan as part of its territory, has warned Pelosi and the U.S. administration not to set foot there. Chinese officials have threatened unspecified military countermeasures should her visit proceed.

Taiwan is a democratic self-ruled island that China sees as a runaway province, and Beijing has been vocal about its opposition to Pelosi's trip.

In the week gone by on a weekly basis, Dow Jones ended 2.96% higher at 32845 while the S&P 500 ended up 4.26% at 4130. Nasdaq was star out performer, ending 4.71% higher at 12391, thus outperforming the Dow & S&P for the week ended.

## RECAP OF PREVIOUS DAY'S TRADING SESSION:

### Nifty shows resilience to sellers as bulls' step-in after morning wobble.

# Nifty (+43, 17388).

# Sensex (+214, 58351)

Despite early morning wobble, Nifty ended the day firmly above the dotted lines – taking the winning streak to six. Most importantly, bulls held to the reins – keeping geopolitical tensions and recession fears at bay.

Amongst stocks, RIL, TCS, Infosys and ICICI Bank were the positive contributors for benchmark Nifty.

### Long story short: Unstoppable Rally for benchmark Nifty.

Meanwhile, European shares too rebounded from early losses to trade in the green on Wednesday, with the Dax adding nearly 0.2%.

### The key highlights of Wednesday's trade:

# Bank Nifty ended 0.30.09% lower as against Nifty gains of 0.25%.

# Nifty IT index was star out-performer the day up 1.30% while Nifty Auto index slipped 0.80%.

# Nifty's Major Gainers: TECH MAHINDRA (+1.92%) INFY (+1.62%) TITAN (+1.57%)

# Nifty's Major Losers: SUN PHARMA (-2.23%) TATA MOTORS (-1.81%) KOTAK BANK (-1.80%)

# Adv-Dec 25 — 25

# Nifty PCR 1.44

# BANK NIFTY PCR 1.09

# INDIA VIX 18.46 (-0.40%)

# Nifty MidCap (-1.27%, 8214)

# NiftySmallCap (-0.52%, 9354)

# BANK Nifty (+0.09%, 37989)

# Nifty IT (+1.44%, 29443)

# USD/INR (+0.69%, 79.12)

# TOP PICKS (F & O)

It's like having investment binoculars !

**MPHASIS & PERSISTENT SYSTEMS: Our preferred bets on the buy side from IT space.**

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
AARTI INDUSTRIES	811	781	757	837	901	Positive	Buy between 781-787 zone. Stop 753. Targets 837/859. Aggressive targets at 901. (Intermonth Strategy). Rationale: Momentum Play.
MPHASIS	2320	2237	2151	2381	2601	Positive	Buy at CMP. Stop 2221. Targets 2381/2419. Aggressive targets at 2601. (Intermonth Strategy). Rationale: Oversold zone.
PERSISTENT SYSTEMS	3722	3571	3489	3817	4001	Positive	Buy at CMP. Stop 3559. Targets 3817/3889. Aggressive targets at 4001. (Interweek Strategy). Rationale: Momentum Play.
SRF	2450	2401	2289	2505	2781	Positive	Buy between 2401-2420 zone. Stop 2271. Targets 2505/2621. Aggressive targets at 2781. (Intermonth Strategy). Rationale: Breakout Play.
TATA COMMUNICATION	1073	1005	949	1107	1157	Positive	Buy at CMP. Stop 977. Targets 1071/1107. Aggressive targets at 1157. (Interweek Strategy). Rationale: Momentum Play.

## Derivatives Strategies

**Future Call:** BUY WIPRO AUGUST FUTURES at CMP 433.90. Targets at 451 and then at 475 zone. Stop: 418. Holding Period: Intraday. Analyst's Remark: Momentum Play. (WIPRO AUGUST Futures CMP 433.90)

**Option Call:** SELL NIFTY 11th AUGUST PE Strike Price 17400 at CMP 183. Maximum Profit: ₹ 9,150/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY moves below 17251. (NIFTY AUGUST Futures CMP 17424)

### Market Summary:

- Nifty August Futures ended Wednesday's session at a premium of +36 vs discount of -29.
- The 04th August expiry Put-Call Open Interest Ratio was at 1.44 for Nifty whereas it was 1.09 for Bank Nifty.
- The 04th August expiry Put-Call Volume Ratio was at 1.05 for the Nifty and 0.99 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 17600 Strike Price, followed by 17800 Strike Price for 04th August Series. Short Buildup was seen at strike prices 17500-17700.
- Maximum Put Open Interest (OI) was seen at strike price 17000 followed by 17200 strike prices for 04th August series. Short Buildup was seen at strike prices 17300-17500.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 38000 Strike Price and Maximum Put Open Interest stands at 37500 Strike Price.
- As per Wednesday's provisional data available on the NSE, FIIs bought shares worth Rs. 765.17 crores in the Indian Equity Market. DIIs on the other hand, sold shares worth Rs. 518.42 crores.
- Long Buildup: GRANULES, PEL, TCS, WIPRO, MPHASIS.
- Short Buildup: INDUSTOWER, BHARATFORGE, SUNPHARMA.
- Short Covering: RELIANCE, BHARTIARTL, BERGEPAINT, JUBLFOOD.
- Long Unwinding: TATAMOTORS, IEX, MOTHERSON, VOLTAS.
- Stocks banned in F&O segment:** ESCORTS
- New in Ban: NIL.
- Out of Ban: NIL

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

<b>Nifty Spot</b>	17388.15 (+0.25%)
<b>Bank Nifty Spot</b>	37989.25 (-0.09%)
<b>VIX</b>	18.45 (-0.43%)
<b>Premium</b>	+36 vs -29
<b>Nifty Future OI</b>	0.98 crores (-5.19%)
<b>Bank Nifty Future OI</b>	23.61 lakhs (+0.89%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
<b>BSE Cash Vol. (Rs. in Cr)</b>	6931.9	4684
<b>NSE Cash Vol. (Rs. in Cr)</b>	57,396.79	61,982.74
<b>NSE Derivative Vol. (Rs. in Cr)</b>	1,26,32,038	1,12,98,638

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
<b>Index Future Volumes</b>	3,64,538	32,837
<b>Stock Future Volumes</b>	8,55,666	57,979
<b>Index Option Volumes</b>	13,56,17,560	1,23,25,757
<b>Stock Option Volumes</b>	30,51,777	2,15,465
<b>Total</b>	13,98,89,541	1,26,32,038

### Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
17700	63.43 (+38%)
17800	67.44 (+16%)
17900	29.68 (+23%)

  

Puts	in lakhs (% Change)
17300	72.86 (+52%)
17400	28 (+131%)
17500	7.1 (+18%)





### Oversold conditions in US Dollar Index likely to lead to a bounce.

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1779	1741	1711	1800	1821	Positive	Oversold conditions likely to propel Gold prices up. Interweek Strategy: Buy at CMP. Targets 1800/1821 mark with stop at 1741.
SILVER (\$)	19.97	19.11	18.00	22.00	24.00	Positive	Silver prices likely to witness further bounce. Interweek Strategy: Buy at CMP. Targets 22/24 mark with stop at 19.11.
WTI CRUDE OIL (\$)	91.47	90	86	94	97	Negative	Crude Oil likely to slide amidst overbought conditions. Interweek strategy: Establish Sell positions at CMP. Targets 90/86/82 zone. Stop at 94.
EUR/USD	1.0154	0.0975	0.0650	1.0361	1.0451	Negative	Interweek Strategy: Establish Sell positions at CMP. Targets 0.0975/0.0650 with stop at 1.0271.
US Dollar Index	106.35	103.75	101.00	111.00	115.00	Positive	Interweek Strategy: Buy at CMP. Targets 111/115 with stop at 103.71.
DOW JONES	32834	32651	32201	33001	33551	Positive	Interweek Strategy: Establish long positions at CMP. Targets 33001/33551 mark with stop at 32651.

**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.

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.

## Contact



## Suresh Rathi Group

Mobile no. 9649654000

Email: [info@sureshrathi.in](mailto:info@sureshrathi.in)

Web: [www.sureshrathi.com](http://www.sureshrathi.com)