



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



Daily Research Reports



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Good Morning & Welcome to Thursday's trading session at Dalal Street, dated 11th August 2022.

Early action at SGX Nifty is indicating that Dalal Street is likely to be in joyful mood — echoing global stock markets' optimism on backdrop of a positive catalyst:

The US CPI report showed consumer price inflation rate cooling in July. Consumer prices (CPI) eased to 8.5% annual pace in July from the 41-year peak rate of 9.1% it reached in June.

Well, this confirms the bullish street's view—for the moment—that the Federal Reserve will slow down the pace of interest rate increases.

Our **call of the day** suggests **upwards and upwards will go Nifty — with absolutely no signs of hesitation!**

Technically, stay aggressively bullish as long as Nifty stays above its biggest make-or-break support at 17167 mark. Upside targets on Nifty are at 18100 mark.

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

Nifty (17534): Buy at CMP. Strict stop at 17107. Targets 17889. Aggressive targets at 18000-18100 zone.

Bank Nifty (38288): Buy at CMP. Strict stop at 37671. Targets 38765. Aggressive targets at 39155/41289.

Outlook for Thursday: Nifty likely to race towards 18,000 mark as investors cheer cooling U.S inflation.

There are more positive catalysts this morning...

Oil prices seen depressed at \$89 a barrel amidst rising US stock piles.

This month, as of now, FIIs have bought to the tune of Rs. 9503 crores.

The world's largest coal miner, Coal India's net profit zoomed 178% to Rs 8,834 crore. We are pretty bullish on the stock with targets at 251+ with inter-month perspective.

INDICES		
Nifty	17535	0.06%
Bank Nifty	38237	0.13%
Nifty Auto Index	12952	0.18%
Nifty FMCG Index	42822	-0.37%
Nifty Infra Index	4986	0.23%
Nifty IT Index	29701	-0.89%
Nifty Media Index	2093	-0.49%
Nifty Midcap Index	8248	-0.13%
Nifty Metal Index	5760	1.62%
Nifty Pharma Index	12951	0.08%
Nifty Reality Index	435	-0.87%
Nifty Smallcap Index	9317	-0.35%
Sensex	58817	-0.06%
SGX Nifty	17728	1.10%

Outlook for the Day	
	Massive buying likely.

Nifty Outlook	
Intraday	Positive (17500-17800)
Medium Term	Positive (16251-18100)
Long Term	Positive (12500-19001)

Key Levels to Watch	
Nifty Support	17451/17121
Nifty Resistance	17889/18157

Pivot Level	
Nifty	16211

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

Thursday: APOLLO HOSPITAL, AUROBINDO PHARMA, BATA INDIA, BHARAT FORGE, GRSE, JET AIRWAYS, PAGE INDUSTRIES, WONDERLA.

Friday: AMRUTANJAN, DIVIS LABS, NAUKRI, ONGC, PFC, POLYPLEX, SUNTV, WOCKPHARMA.

Saturday: JKCEMENT.

TOP SECTORS:

Bullish Sectors: Banks, Metals, Auto, Infra, IT, FMCG.

Bearish Sectors: MEDIA.

STOCKS IN FOCUS:

BULLISH VIEW: TATA STEEL, TATA MOTORS, COAL INDIA, JK PAPER, ANDHRA PAPER, SESHASAYEE PAPER, BEL, SRF, ABB, NMDC, TATA ELXSI, AARTI INDUSTRIES, DEEPAK NITRITE, ICICI BANK, CONCOR, HDFC BANK, MARUTI, M&M, BANK OF BARODA, FEDERAL BANK, COROMANDEL INTERNATIONAL.

BEARISH VIEW: MOTHERSON SUMI, IPCA LABS, FSL, BIOCON, MCX, INDIA BULLS HOUSING FINANCE, GLENMARK, SYNGENE, BANDHAN BANK.

Our **chart of the day** is bullish on TATA MOTORS, TATA STEEL, COAL INDIA, BEL, JK PAPER and SRF on any corrective declines with an interweek perspective.

The 1 Stock to Buy Right Now: Buy TATA MOTORS August Futures for 0-3 days at CMP 476 for an objective of 489/510. Stop 457. F1 Alert: Momentum Play.

WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

Technical Strategy

COAL INDIA	220
Action	BUY
Target	251
Support	198/173
Resistance	251/301
Holding Period	90-120 Days

Incorporated in 1975, **COAL INDIA Limited (CIL)** is the largest coal producer in the world and accounts for ~80% of the domestic coal production in FY22. Its raw coal production in FY22 stood at 623MT, up 4.4% YoY and functions through its subsidiaries in 84 mining areas spread over eight (8) states of India. CIL has 318 mines (as of 1st April 2022) of which 141 are underground, 158 opencast, and 19 mixed mines.

CIL was conferred the Maharatna status by the government of India (GOI) on Apr'11, which gave the company operational and financial autonomy. CIL has strategic importance in meeting India's energy requirement as ~51% (as of May'22) of the country's power generation capacity is derived from coal-based thermal power plants.

CIL is committed to playing a major role in achieving the Nation's energy security. Based on the demand projection in 'Vision 2024' for the coal sector in the country and subsequent demand projection on CIL, a roadmap has been prepared wherein CIL has envisioned 1 Billion Tonne (Bt) production in the year 2024-25 to meet the coal demand of the country.

The key positive catalyst in favor of CIL is its robust business profile with stable and healthy operating margins. Also, higher international coal prices shall lead to higher e-auction coal prices.

Dispatch of coal and coal products during 2021-22 was at 662.566 Mts and despatch to power utilities (including special forward e-Auction) was 540.571 MTs. Overall coal stock at power houses at 25.627 Mts (28 days) as of 31.3.2022.

Projects: There are 116 ongoing Mining projects having an annual capacity of 915.36 MTY which have contributed 456.28 MT in the year 2021-22. Other than this, there are 161 completed mining projects having an annual capacity of 379.25 MTY. 52 mining projects have been approved in FY 20-21 and FY 21-22. These projects are expected to contribute additional production of 102 MT in FY 24-25 to augment coal production of CIL to 1 billion tonnes by FY 2024-25.

Technically, brace yourselves for an impulse uptrend seen forming on the daily time scale, with positive SAR series, with recent sequence of higher high/low intact on the daily and weekly time frames.

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 176-180 zone. Any corrective declines to 177 zone will be an opportunity to initiate aggressive long positions.

Simply buy at CMP, and on dips between 195-200 zone, targeting 231 mark and then at 251 mark. Stop below 183. Holding Period: 3-5 Months.

Aggressive 1-year targets seen at at psychological 300 mark.

Daily chart of Nifty:



Nifty: Technically speaking, following a short-lasting downward correction in yesterday's trade, Nifty regathered its bullish momentum and touched its highest level in 4-months. The clear bullish momentum on the daily charts hints at a bullish breakout with aggressive targets on Nifty at 18115 mark. The technical indicators head north almost vertically.

On the downside, the line in the sand is at Nifty's support at 17442 mark. Only in case of Nifty's major intraday support at 17442 mark collapses, the next pivot point could be found at psychological 17127 mark. The technicals will continue to be dramatically positive if Nifty continues to stay above its 200 DMA 16993 mark.

Bank Nifty: In yesterday's session, Bank Nifty was seen consolidating with positive bias despite slight overbought technical conditions and most importantly, ended the day well above the dotted lines. Bank Nifty ended 0.13% higher as against Nifty gains of 0.06%. Bank Nifty will face a major hurdles placed at 38765 mark. The biggest support for Bank Nifty seen at 37691 mark. We have a positive bias on Bank Nifty as long as 37691 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 spiked to 19.59 levels.

The **Nifty options data** for August series suggests Nifty is likely to be in a trading range of 17100-18000 zone. Maximum Call OI is at 18000 followed by 17500 strike price. So, the 18000 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 17000 levels followed by 17500 levels. Call writing was seen at 17400 and then at 17300 strike price, while there was meaningful Put writing at 17200 and then at 17100 strike prices.

In yesterday's trade, Foreign institutional investors (FIIs) net bought shares worth Rs 1061.90 crore, whereas domestic institutional investors (DIIs) sold shares worth Rs 768.50 crore.

The Put-Call Open Interest Ratio is at 1.37 for Nifty.

ECONOMIC CUES:

The U.S. economy added 528,000 new jobs in July, topping consensus for 250,000 new jobs in June, while the unemployment rate unexpectedly fell to 3.5%. The good news is that job boom in the US indicates there is no recession.

But the jobs report flags an uptick in wage pressures that will likely keep inflation elevated, and gives the Federal Reserve the green light to continue front-loading rate hikes. But, a booming US jobs report for July bolsters the case for the Federal Reserve to continue its aggressive policy tightening path. Fed gets the license to continue with its rate-hiking spree.

The Monetary Policy Committee (MPC), the rate setting panel of the Reserve Bank of India, has unanimously decided to hike lending rates by 50 bps to 5.40%, above the pre-pandemic level of 5.15%, the highest since 2019 and for the third time since the beginning of the current fiscal year.

GLOBAL STOCK MARKETS:

In yesterday's trade at Wall Street, U.S. stocks shot higher while the dollar slipped modestly lower against its global peers and oil prices remained depressed after inflation data came in lighter than expected.

That confirms the market's view—for the moment—that the Federal Reserve will slow down the pace of interest rate increases.

In the week gone by on a weekly basis, the Dow Jones ended 0.13% lower at 32803 while the S&P 500 ended up 0.36% at 4145. Nasdaq was star out performer, ending 2.15% higher at 12658, thus outperforming the Dow & S&P for the week ended.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Nifty bulls retain control, steadies above 17,500 as wary traders eye US CPI.

Nifty (+10, 17535).

Sensex (-36, 58817)

The positive takeaway from today's trading session was that Nifty showed resilience to sellers as bulls' stepped-in after morning wobble taking the winning streak to three. Most importantly, bulls held to the reins – keeping weak Asian cues, inflation and recession fears at bay.

The biggest positive catalysts:

- 1) This month, FIIs have bought to the tune of Rs. 8441 crores.
- 2) Oil hovers around 6-month low at \$89 a barrel.

Bank Nifty ended 0.13% higher as against Nifty gains of 0.06%. Nifty Metal index was star out-performer the day, up 1.60% followed by Nifty Private Banks index, up 0.51% while Nifty IT & Nifty Reality index slipped 0.97% and 0.91% respectively.

Long story short: Investors brace for the biggest catalyst i:e the US monthly inflation which will be reported this Wednesday at around 6PM IST.

The key highlights of Wednesday's trade:

- # Nifty's Major Gainers: HINDALCO (+4.44%) COAL INDIA (+2.04%) UPL (+1.98%)
- # Nifty's Major Losers: BAJAJ FINANCE (-2.60%) ONGC (-1.90%) HCL TECH (-1.45%)

- # Adv-Dec 30 — 20
- # Nifty PCR 1.37
- # BANK NIFTY PCR 1.17
- # INDIA VIX 19.59 (+1.48%)
- # Nifty MidCap (-0.16%, 8245)
- # NiftySmallC (-0.51%, 9302)
- # BANK Nifty (+0.11%, 38277)
- # Nifty IT (-0.97%, 29677)
- # USD/INR (-0.10%, 79.48)

TOP PICKS (F & O)

It's like having investment binoculars !

Tata Motors: The 1 Stock To Buy Right Now With InterWeek Perspective.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
BEL	287	277	265	295	311	Positive	Buy at CMP. Stop 263. Targets 295/303. Aggressive targets at 311. (Interweek Strategy). Rationale: Momentum Play.
COAL INDIA	220	213	199	237.5	251	Positive	Buy at CMP. Stop 207. Targets 231/237.50. Aggressive targets at 251. (Intermonth Strategy). Rationale: Momentum Play.
SRF	2436	2389	2289	2551	2781	Positive	Buy between 2389-2505 zone. Stop 2271. Targets 2551/2621. Aggressive targets at 2781. (Intermonth Strategy). Rationale: Breakout Play.
TATA MOTORS	476	461	441	489	537	Positive	Buy at CMP. Stop 453. Targets 489/507. Aggressive targets at 537. (Intermonth Strategy). Rationale: Momentum Play.
TATA STEEL	109	105	99	117.5	129	Positive	Buy at CMP. Stop 103. Targets 115/117.50. Aggressive targets at 129. (Intermonth Strategy). Rationale: Momentum Play.

Derivatives Strategies

Future Call: BUY BEL AUGUST FUTURES at CMP 288.70. Targets at 294 and then at 302 zone. Stop: 283. Holding Period: Intraday. Analyst's Remark: Breakout Play. (BEL AUGUST Futures CMP 288.70)

Option Call: SELL NIFTY 18th AUGUST PE Strike Price 17700 at CMP 261.45. Maximum Profit: ₹ 13,072.5/- . Loss: Unlimited. Stop: Exit Put Option if NIFTY moves below 17375. (NIFTY AUGUST Futures CMP 17551.75)

Market Summary:

- Nifty August Futures ended Wednesday's session at a premium of +17 vs premium of +35.
- The 11th August expiry Put-Call Open Interest Ratio was at 1.08 for Nifty whereas it was 1.09 for Bank Nifty.
- The 11th August expiry Put-Call Volume Ratio was at 0.99 for the Nifty and 0.96 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 18000 Strike Price, followed by 17800 Strike Price for 11th August Series. Long Unwinding was seen at strike prices 18100-18500.
- Maximum Put Open Interest (OI) was seen at strike price 17000 followed by 17500 strike prices for 11th August series. Long Unwinding was seen at strike prices 16300-16600.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 39000 Strike Price and Maximum Put Open Interest stands at 38000 Strike Price.
- As per Tuesday's provisional data available on the NSE, FIIs bought shares worth Rs. 1061.88 crores in the Indian Equity Market. DIIs on the other hand, sold shares worth Rs. 768.45 crores.
- Long Buildup: HINDALCO, ICICIBANK, TATACHEM, IRCTC, BEL.
- Short Buildup: ICICIPRULI, CUMMINSIND, MFSL.
- Short Covering: UPL, L&T, DRREDDY, PIIND.
- Long Unwinding: BALRAMCHIN, ASIANPAINT, ASTRAL.
- Stocks banned in F&O segment:** BALRAMCHIN, DELTACORP.
- New in Ban: NIL.
- Out of Ban: ESCORTS.

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

Nifty Spot	17534.75 (+0.06%)
Bank Nifty Spot	38287.85 (+0.13%)
VIX	19.5875 (+1.48%)
Premium	+17 vs +35
Nifty Future OI	1.1 crores (-1.35%)
Bank Nifty Future OI	26.88 lakhs (+1.52%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	4283.63	3647.12
NSE Cash Vol. (Rs. in Cr)	55,711.71	59,168.56
NSE Derivative Vol. (Rs. in Cr)	1,09,88,339	88,37,368

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	2,81,991	25,667
Stock Future Volumes	8,02,655	56,404
Index Option Volumes	11,61,11,420	1,06,68,408
Stock Option Volumes	32,05,401	2,37,861
Total	12,04,01,467	1,09,88,339

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
18300	15.23 (-21%)
18400	9.18 (-17%)
18500	35.35 (-37%)
Puts	in lakhs (% Change)
16400	11.95 (-40%)
16500	43.08 (-35%)
16600	20.56 (-40%)

Dow Jones back in positive terrain

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1809	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 (\$)	20.65	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 (\$)	92.17	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	1.0309	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	105.02	103.75	101.00	111.00	115.00	Positive	Interweek Strategy: Buy at CMP. Targets 111/115 with stop at 103.71.
DOW JONES	33251	32801	32201	33601	34001	Positive	Interweek Strategy: Establish long positions at CMP. Targets 33601/34001 mark with stop at 32801.

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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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