

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 illustration of a tall, modern building with many windows is shown. The background outside the magnifying glass consists of green and yellow radial lines 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 Wednesday's trading session at Dalal Street, dated 17th August 2022.

In early action, SGX Nifty is seen flirting slightly above the dotted lines indicating markets will trade with positive bias in a range bound environment.

Honestly speaking, the next major direction for benchmark Nifty depends on the September Federal Reserve hike bets.

So, commanding attention would be the FOMC minutes and also the latest US retail sales numbers to trickle on Wednesday.

We suspect, the FOMC minutes are unlikely to add anything new to the rate hike debate, but if they reinforce the view that the majority of Fed members are still keen on frontloading, it could push the odds of a 75-bps increase back up, having dipped below 40% in the week gone by.

If this scenario pans out to be true, then that should simply lift the dollar and bring back bears in the equity markets across the global stock markets.

Technically, stay aggressively bullish as long as Nifty stays above its biggest make-or-break support at 17377 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 (17825): Buy between 17700-17750 zone. Strict stop at 17351. Targets 17889. Aggressive targets at 18000-18100 zone.

Bank Nifty (39240): Buy between 38700-38800 zone. Strict stop at 37671. Targets 39551/40005. Aggressive targets at 41289.

Outlook for Wednesday: Buy on dips.

Nifty has staged a remarkable rally since mid-June. Nifty is up more than 16.5% since it hit its nadir on June 17.

Well, the latest surge in benchmark Nifty may have left the market overextended and vulnerable to a pullback. Nifty's 14-day relative strength index, a closely watched momentum gauge is at overbought zone.

INDICES		
Nifty	17825	0.72%
Bank Nifty	39240	0.51%
Nifty Auto Index	13250	2.52%
Nifty FMCG Index	42964	1.19%
Nifty Infra Index	5065	0.88%
Nifty IT Index	29909	0.08%
Nifty Media Index	2037	-0.37%
Nifty Midcap Index	8456	1.17%
Nifty Metal Index	5893	0.68%
Nifty Pharma Index	12934	0.54%
Nifty Reality Index	452	1.97%
Nifty Smallcap Index	9512	0.95%
Sensex	59842	0.64%
SGX Nifty	17853	0.00%

Outlook for the Day	
	Buy on dips.

Nifty Outlook	
Intraday	Positive (17650-17950)
Medium Term	Positive (16251-18500)
Long Term	Positive (12500-19001)

Key Levels to Watch	
Nifty Support	17661/17375
Nifty Resistance	17889/18157

Pivot Level	
Nifty	16211

That brings us to the big question: Are traders getting a tad complacent?.

We suspect, Nifty bulls will continue to appreciate that cooling of inflation is a step in the right direction.

Technically, the charts are constructively in favour of the bulls. As the gyan mantra says, 'Keep It Simple and Trade with the Up-Trend'.

Well, there are more positive catalysts this morning...

- 1) Helping sentiments will be the bullish FIIs who have been buyers in the month August to the tune of Rs. 16,219 crores.
- 2) Optimists hope that if inflation is off the front pages then growth will resume leadership probably sometime after the Federal Reserve slows its tightening effort.
- 3) Steel stocks likely to be in focus. Steel rebar futures have reached a five-week high of CNY 4,140 in mid-August, amid strong efforts by Chinese regulators to spur economic activity. The PBoC cut key lending rates in an emergency move to support demand in the Chinese economy, after a worse than expected levels of industrial production and retail sales showed a sluggish rebound from strict Covid lockdowns in Q2. On the supply side, data from the Shanghai Metals Market pointed to a 5.5% weekly decrease in rebar inventories to 7.24 million tonnes across Chinese warehouses and steel makers as of August 11th. At the same time, power outages in China's Zhejiang province interrupted blast furnace operations in the area.

Bottom-line: Technically, stay aggressively bullish as long as Nifty stays above its biggest make-or-break support at 17377 mark. Upside targets on Nifty are at 18100 mark.

TOP SECTORS:

Bullish Sectors: BANKS, METALS, AUTO, INFRA, IT, FMCG.

Bearish Sectors: MEDIA, PHARMA.

Technical Strategy

COAL INDIA	223
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.

STOCKS IN FOCUS:

BULLISH VIEW: RELIANCE (RIL), TATA MOTORS, ABB, BATA INDIA, BOSCH, CANARA BANK, ESCORTS, COAL INDIA, MAZGAON DOCK SHIPBUILDERS LIMITED (MDSL), TATA STEEL, CHAMBAL FERTILISER, JINDAL STEEL & POWER, BEL, SRF, NMDC, TATA ELXSI, AARTI INDUSTRIES, DEEPAK NITRITE, ICICI BANK, ULTRATECH CEMENT, CONCOR, HDFC BANK, MARUTI, M&M, BANK OF BARODA, PIDILITE, COROMANDEL INTERNATIONAL, TEGA INDUSTRIES.

BEARISH VIEW: METROPOLIS, MUTHOOTH FINANCE, BIOCON, IPCA LAB, INDIAMART, GLENMARK, SYNGENE.

Our **chart of the day** is bullish on COAL INDIA, JINDAL STEEL & POWER, TATA STEEL, CHAMBAL FERTILISER and RELIANCE (RIL), with an interweek perspective on any corrective declines with an interweek perspective.

The 1 Stock to Buy Right Now: Buy RELIANCE INDUSTRIES (RIL) August Futures for 0-3 days at CMP 2649 for an objective of 2779. Stop 2591. F1 Alert: Momentum Play.

WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

Daily chart of Nifty:



Nifty: Nifty is entering overbought conditions. That said, Nifty bulls will still aim their biggest hurdles at 18115 mark (April 22nd high). If Nifty moves above 18115 mark then immediate targets are placed at Nifty's all-time-high at 18605 mark and then aggressive targets at 19251 mark.

On the downside, the buyers should take backseat if Nifty slips below its biggest support at 17571 mark. In case of Nifty's major support at 17571 mark collapses, the next big support seen only at 17161.

Nifty's 200 DMA at 16889 mark.

Bank Nifty: In yesterday's session, Bank Nifty was seen trading with positive bias and most importantly, ended on a positive note despite slight overbought technical conditions. Bank Nifty ended 0.51% higher as against Nifty gains of 0.72%.

Bank Nifty will face a major hurdles placed at 39501 mark. The biggest support for Bank Nifty seen at 38591 mark. We have a positive bias on Bank Nifty as long as 37961 support holds with immediate targets at psychological 40,000 mark and then 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 cooled to spiked to 17.68 levels.

The **Nifty options data** for August series suggests Nifty is likely to be in a trading range of 17300-18000 zone. Maximum Call OI is at 18000 followed by 17800 strike price. So, the 18000 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 17500 levels followed by 17600 levels. Call writing was seen at 18100 and then at 17900 strike price, while there was meaningful Put writing at 17400 and then at 17500 strike prices.

In yesterday's trade, Foreign institutional investors (FIIs) net bought shares worth Rs 1377 crore, whereas domestic institutional investors (DIIs) sold shares worth Rs 137 crore.

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

ECONOMIC CUES:

India's wholesale inflation below forecast: The annual wholesale price inflation rate in India fell to 13.93 percent in July 2022 from 15.18 percent in the prior month and less than market estimates of 14.2 percent. This was the lowest reading since February, amid a slowdown in prices of both manufactured products (8.16 percent vs 9.19 percent in June) and basic metals (11.12 percent vs 12.09 percent). Also, prices of primary articles moderated further (15.04 percent vs 19.22 percent) amid a marked slowdown in cost of food (10.77 percent vs 14.39 percent). Meantime, inflation of fuel and power accelerated (43.75 percent vs 40.38 percent). On a monthly basis, wholesale prices fell 0.13 percent in July, after a revised 0.65 percent drop in June.

Inflation concerns, remain at the forefront, particularly with minutes of the Fed's July policy meeting due for release on Wednesday, as bets on a 75 basis point rate hike -- the third in succession -- hold at 40.5% heading into the Fed's September decision. According to the CME Group's FedWatch.

GLOBAL STOCK MARKETS:

Wall Street was on the defensive Tuesday as Treasury yields fall, the dollar finds safe-haven bids and Walmart revives consumer spending hopes.

A solid run of weekly gains for U.S. stocks, the best since November of last year, was extended yesterday as investors shrugged-off weak China data and slumping oil prices to add around 0.3% to the S&P 500 by the close of the session.

China's stumbling growth, linked in part to its 'zero Covid' health policies, is clipping commodity prices in markets around the world and triggering a mini-rally for the dollar, which rose to a one-week high of 106.63 against its global peers in overnight trading.

China's decision to cut a series of rates aimed at stoking credit growth, however, suggests overseas economies are having a more difficult time managing both their soaring energy costs as well as their post-pandemic recoveries.

In the week gone by on a weekly basis, Dow was up 2.93% at 33761. Nasdaq ended 3.08% higher at 13047 & S&P 500 ended up 3.26% at 4280.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Nifty climbs higher taking of the positive baton from last week's explosive buying.

Nifty (+127, 17825).

Sensex (+379, 59842)

Well, Nifty started the session with a bang and remained in bullish mood all thru the session and most importantly, ended the session on a high note.

Auto stocks were in top gear, with Nifty Auto index surging 2.5%, scaling their life-time-high as Escorts was top outperformer, zooming 9.67% higher - followed by Eicher Motors and Maruti, up 3.95% and 3.46% respectively.

Nifty's Major Gainers: HDFC LIFE (+4.78%) ADANI PORTS (+4.65%) EICHER MOTORS (+3.95%)

Nifty's Major Losers: GRASIM (-1.86%) HINDALCO (-1.80%) JSW STEEL (-0.84% %).

Adv-Dec 42 — 8

Nifty PCR 1.37

BANK NIFTY PCR 1.16

INDIA VIX 17.68 (+0.44%)

Nifty MidCap (+1.15%, 8455)

NiftySmallC (+0.91%, 9507)

BANK Nifty (+0.52%, 39244)

Nifty IT (+0.04%, 29899)

USD/INR (-0.27%, 79.30)

TOP PICKS (F & O)

It's like having investment binoculars !

In metal space, we prefer steel stocks. We are bullish on Tata Steel & Jindal Steel & Power.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
CHAMBAL FERTILISER	342	331	311	357	388	Positive	Buy at CMP. Stop 322. Targets 351/371. Aggressive targets at 388. (Intermonth Strategy). Rationale: Momentum Play.
JINDAL STEEL & POWER	410	397	373	419	447	Positive	Buy at CMP. Stop 391. Targets 419/430. Aggressive targets at 447. (Interweek Strategy). Rationale: Breakout Play.
RELIANCE INDUSTRIES (RIL)	2651	2609	2547	2689	2857	Positive	Buy at CMP. Stop 2579. Targets 2689/2721. Aggressive targets at 2857. (Interweek Strategy). Rationale: Momentum Play.
TATA STEEL	113	109	99	117.5	129	Positive	Buy at CMP. Stop 106. Targets 117.50/121. Aggressive targets at 129. (Intermonth Strategy). Rationale: Momentum Play.
UPL	789	761	713	827	867	Positive	Buy at CMP. Stop 753. Targets 807/827. Aggressive targets at 867. (Intermonth Strategy). Rationale: Momentum Play.

Derivatives Strategies

Future Call: BUY BANDHANBANK AUGUST FUTURES at CMP 281.70. Targets at 288 and then at 297 zone. Stop: 273. Holding Period: Intraday. Analyst's Remark: Oversold Zone. (BANDHANBANK AUGUST Futures CMP 281.70)

Option Call: SELL NIFTY 18th AUGUST PE Strike Price 18100 at CMP 270.65. Maximum Profit: ₹ 13,533/-. Loss: Unlimited. Stop: Exit Put Option if NIFTY moves below 17735. (NIFTY AUGUST Futures CMP 17859.30)

Market Summary:

- Nifty August Futures ended Tuesday's session at a premium of +34 vs premium of +19.
- The 18th August expiry Put-Call Open Interest Ratio was at 1.01 for Nifty whereas it was 1.20 for Bank Nifty.
- The 18th August expiry Put-Call Volume Ratio was at 0.87 for the Nifty and 0.95 for Bank Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 17800 Strike Price, followed by 18000 Strike Price for 18th August Series. Short Covering was seen at strike prices 17400-17700.
- Maximum Put Open Interest (OI) was seen at strike price 17700 followed by 17500 strike prices for 18th August series. Short Buildup was seen at strike prices 17200-17900.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 40000 Strike Price and Maximum Put Open Interest stands at 39000 Strike Price.
- As per Tuesday's provisional data available on the NSE, FIIs bought shares worth Rs. 1376.84 crores in the Indian Equity Market. DIIs on the other hand, sold shares worth Rs. 136.24 crores.
- Long Buildup: ICICIBANK, IGL, HDFCLIFE, BEL.
- Short Buildup: METROPOLIS, GRASIM, TATACOMM, LTI.
- Short Covering: DLF, UPL, BANDHANBANK, ZYDUSLIFE.
- Long Unwinding: ZEEL, HINDALCO, BHARATFORG, NAUKRI.
- Stocks banned in F&O segment:** BALRAMCHIN, DELTACORP, TATACHEM.
- New in Ban: NIL.
- Out of Ban: NIL.

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

Nifty Spot	17825.25 (+0.72%)
Bank Nifty Spot	39239.65 (+0.51%)
VIX	17.685 (+0.44%)
Premium	+34 vs +19
Nifty Future OI	1.09 crores (+3.14%)
Bank Nifty Future OI	26.97 lakhs (-7.42%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	15569.84	4348.55
NSE Cash Vol. (Rs. in Cr)	57,995.22	55,743.29
NSE Derivative Vol. (Rs. in Cr)	80,20,282	60,22,243

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	2,63,657	24,544
Stock Future Volumes	9,52,093	67,328
Index Option Volumes	8,24,53,140	76,09,197
Stock Option Volumes	42,42,435	3,19,213
Total	8,79,11,325	80,20,282

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
17500	10 (-22%)
17600	8.44 (-41%)
17700	25.13 (-48%)

Putsin lakhs (% Change)

17700	63 (+112%)
17800	50.5 (+459%)
17900	10.17 (+329%)

Dow Jones likely to hit 35000 mark with interweek perspective

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1791	1765	1721	1811	1845	Positive	Oversold conditions likely to propel Gold prices up. Interweek Strategy: Buy at CMP. Targets 1800/1821 mark with stop at 1741.
SILVER (\$)	20.09	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 (\$)	85.86	81	74	89	95	Negative	Crude Oil prices likely to tumble further below. Interweek strategy: Establish Sell positions at CMP. Targets 81/74 zone. Stop at 89.
EUR/USD	1.0174	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	34242	33721	33251	34651	35001	Positive	Interweek Strategy: Establish long positions at CMP. Targets 34651/35001 mark with stop at 33721.

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.

Contact



Suresh Rathi Group

Mobile no. 9649654000

Email: info@sureshrathi.in

Web: www.sureshrathi.com

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.