



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



Daily Research Reports



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Wealth Creator thru Systematic Investment

Good Morning & Welcome to Wednesday's trading session at Dalal Street, dated 16th November 2022.

This morning, a better market mood prevails as investors cheer:

- 1) Well, there is another sign of cooling US inflation. Overnight, a softer-than-expected US producer inflation data triggered a sell-off in the US Dollar to 106 levels.
- 2) A sluggish Crude Oil price below \$ 85 a barrel.
- 3) Heightened optimism about China easing coronavirus restrictions.
- 4) The CME Group's FedWatch suggests an 85.4% chance of a smaller 50 basis point rate hike in December.

Our **call of the day** suggests, bulls likely to take lead in today's trade as well, and that's in-line with the theme of the week - 'Jashn Abhi Shuru Hui hai'

Well, the optimism on backdrop of - 'Cooling Inflation-Sparked Rally' should ideally take Nifty to its all-time-high at 18605 mark.

The positive takeaway is that the final stretch of the year-end rally should lift Nifty to even above the psychological 19,000 mark.

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

Nifty (18403): Buy at CMP. Stop at 18101. Targets 18605/18751. Aggressive targets at 19251 zone.

Bank Nifty (42372): Buy at CMP. Stop at 41665. Targets 42750/43000. Aggressive targets at 43750 zone.

Outlook for Wednesday: Nifty will aim at its all-time-high at 18605 mark.

SGX Nifty is indicating a solid higher open for our stock markets – as Nifty bulls will aim to join the conga-line of rising stock markets – as overnight, Wall Street simply powered higher and the German DAX scaled to a new 5-Month high.

Investors' sentiment remained buoyant across globe after data showed US inflation rates are starting to fall - strengthening expectations that the Federal Reserve will slow the pace of rate hikes

INDICES		
Nifty	18403	0.41%
Bank Nifty	42373	0.70%
Nifty Auto Index	13156	0.64%
Nifty FMCG Index	43911	-0.02%
Nifty Infra Index	5299	0.49%
Nifty IT Index	29865	0.05%
Nifty Media Index	2050	-0.20%
Nifty Midcap Index	8675	-0.04%
Nifty Metal Index	6590	0.47%
Nifty Pharma Index	13037	0.13%
Nifty Reality Index	453	-0.11%
Nifty Smallcap Index	9777	0.26%
Sensex	61873	0.40%
SGX Nifty	18551	0.29%

Outlook for the Day	
	Positive session likely.

Nifty Outlook	
Intraday	Positive (18350 -18650)
Medium Term	Positive (17100-19000)
Long Term	Positive (14500-19501)

Key Levels to Watch	
Nifty Support	18311/18201
Nifty Resistance	18605/19251

Pivot Level	
Nifty	17677

TOP SECTORS:

Bullish Sectors: IT, BANK NIFTY, METALS, INFRA.

Bearish Sectors: MEDIA, PHARMA

STOCKS IN FOCUS:

BULLISH VIEW: RBL BANK, VEDANTA, HDFC BANK, RAIN INDUSTRIES, IDFC, HINDALCO, TATA STEEL, SBI, BANK OF BARODA, MARUTI, CANBANK, LTTS, MINDTREE, COFORGE, MCDOWELL, JK PAPER, ABBOTT INDIA, UNITED BREWERIES, L&T INFOTECH, PIDILITE.

BEARISH VIEW: SUN TV NETWORK, BHARAT FORGE, ALKEM LABORATORIES, LAURUS LAB, CHAMBAL FERTILISER, LIC HOUSING FINANCE, BANDHAN BANK, GLENMARK, JUBILANT FOODWORKS, DEEPAK NITRIATE, PEL, MFSL, DR LAL PATHLABS, RAMCO CEMENTS, DIVIS LABORATORIES.

Our **chart of the day** is bullish on INFOSYS, SBI, PIDILITE, VEDANTA and DELTA CORP with an interweek perspective.

The 1 stock to buy right now: RBL BANK (CMP 145): Buy at CMP. Stop 136. Targets 151/157. Aggressive targets at 171. (Intermonth Strategy). Rationale: Rebound Play.

WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

Daily chart of Nifty:



Technical Strategy

VEDANTA	319
Action	BUY
Target	351
Support	305/293
Resistance	337.50/371
Holding Period	120-150 DAYS

Incorporated in the year 1965, **Vedanta Ltd** is one of the world's leading diversified resources producing company which include aluminum, Oil & Gas, copper, Iron Ore, zinc-lead-silver, Power and scrap. Vedanta is also one of the largest resources company in India.

The key positive catalyst in favor of Vedanta's stock price is the firm's improving operating performance, supported by stable volume across business segments and increased commodity prices. 85%+ of EBITDA comes from Zinc, Aluminium and Oil & Gas.

The recent magnificent uptick in metal prices on LME augurs well for Vedanta. A possible ban on Russian aluminum/copper/nickel trading on LME can further spur the metal prices and add too strength in the current uptrend.

Vedanta is largest aluminum capacity in India with captive power and an alumina refinery and the 9th largest Aluminium producer globally in terms of smelting production.

Vedanta is one of the Largest integrated zinc- lead smelter, Rampura Agucha – largest underground mine globally, 6th largest silver producer globally, Gamsberg - one of the largest zinc deposits in the world.

Vedanta is India's largest private sector crude oil producer and one of the lowest cost producers in the world with strong exploration fundamentals supports reserves and resources growth (OALP 51 blocks having >5.5 mmboe with 65,000 sq km average).

Vedanta is India's largest private sector exporter of iron ore since 2003, according to the Federation of Indian Mineral Industries. ESL Steel is engaged in the manufacturing of steel with a total current capacity of 1.5 Mt per year and the potential to increase to 3 Mt per year.

In Q1FY23, EBITDA stood at ₹10,741 crore up by 7% from ₹10,032 crore of Q1FY22, however, down by 22% from ₹13,768 crore of Q4FY22.

Gross debt increased by ₹8,031 crore in 1QFY23 to ₹61,140 crore as on 30th June 2022.

Buy at CMP, and on dips between 280-285 zone with targets at psychological 350 mark and then aggressive targets at 371 mark with stop at 269 mark. Aggressive 1-year targets at 400 levels.

Nifty: Technically, Nifty's biggest make-or-break intraday support now placed at 18201 mark. Only below 18201 mark, Nifty likely to slip quickly to 17750-17900 zone.

For the day, expect momentum buying to lift Nifty above its upside targets at 18605.

Nifty's 200 DMA at 17001 mark.

Daily chart of Bank Nifty:



Bank Nifty: In yesterday's trade, Bank Nifty traded with positive bias and scaled a fresh all-time-high at 42450 mark as it ended 0.70% higher. PSU Bank index inched up 0.33% higher while Nifty Private Bank index advanced 0.67%.

The positive takeaway is that the recent sequence of higher high/low remains intact for Bank Nifty on all-time-frames.

Intraday support for Bank Nifty seen at 42000 mark. The biggest interweek support for Bank Nifty seen at 40819 mark.

For the day, buying on any sharp declines shall be the preferred strategy.

Bank Nifty's 200 DMA at 37153 mark.

DERIVATIVE & INSTITUTIONAL CUES:

The **Nifty options data** for November series suggests Nifty is likely to be in a trading range of 18000-19000 zone. Maximum Call OI is at 19000 followed by 19500 strike price. So, the 19000 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 18000 levels followed by 18300 levels. Call writing was seen at 19000 and then at 18700 strike price, while there was meaningful Put writing at 18300 and then at 18400 strike prices.

The Volatility index was hovering well below the 20 levels now at 14.64.

In Friday's trade, both the Foreign institutional investors (FIIs) and the domestic institutional investors (DIIs) were net buyers worth Rs. 3958 crores and Rs 616 crores respectively.

In Monday's trade, both the Foreign institutional investors (FIIs) and the domestic institutional investors (DIIs) were net buyers worth Rs. 1089.40 crores and Rs 47.20 crores respectively.

In Tuesday's trade, both the Foreign institutional investors (FIIs) and the domestic institutional investors (DIIs) were net sellers worth Rs. 221 crores and Rs 549 crores respectively.

The Put-Call Open Interest Ratio is at 1.25 for Nifty.

Stocks in Ban for today's trade: BHEL, DELTA CORP, SUN TV NETWORK, GUJARAT NARMADA VALLEY FERTILIZERS AND CHEMICALS, AND PUNJAB NATIONAL BANK.

ECONOMIC CUES:

India's retail inflation has eased to a three-month low at 6.77% in October as food inflation decelerated.

That said, the easing is unlikely to force a pause in the RBI's rate hiking cycle.

Retail inflation has remained outside of the central bank's Monetary Policy Committee's tolerance band of 2-6 per cent for more than three successive quarters, marking the panel's failure to achieve its legally-mandated inflation target.

GLOBAL STOCK MARKETS:

U.S. stocks scaled firmly higher Tuesday as the dollar slipped against its global peers and Treasury yields retreated. Investors looked to consolidate last week's rally following a better-than-expected reading of factory gate producer price inflation and solid earnings from the nation's biggest retailers.

The producer price inflation slowed to 8% last month, well south of the Street consensus forecast and more than three percentage points lower than the multi-decade highs reached in March of this year.

Last week, Dow Jones had a great week (up 4.15%), along with its counterparts Nasdaq and S&P 500 witnessing an upside of 8.10% and 5.90% respectively.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Nifty gathers bullish momentum. Bulls eye to capture Nifty's all-time-high at 18605 mark.

Nifty (+74, 18403).

Sensex (+249, 61873)

For most of the session, Nifty was seen trading flat - bouncing between positive and negative territory but bulls regrouped at lower levels and lifted the benchmarks to end the day with smart gains.

Despite, wavering for most of the session - outsized gains were witnessed in Bank Nifty, up 0.86%.

Long story short: Nifty shall aim to recapture Nifty's all-time-high at 18605 mark.

Top Index Gainers: POWERGRID (2.41%) ONGC (+2.26%) NTPC (+1.22%) ICICI BANK (+2.04%)

Top Index Losers: HDFC LIFE (-1.01%) GRASIM (-0.71%) CIPLA (-0.59%)

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Nifty PCR 1.25

BANK NIFTY PCR 1.10

INDIA VIX 14.64 (-1.84%)

Nifty MidCap (-0.03%, 8676)

NiftySmallC (+0.26%, 9778)

BANK Nifty (+0.70%, 42373)

Nifty IT (+0.17%, 29899)

USD/INR (+0.17%, 81.10)

TOP PICKS (F & O)

It's like having investment binoculars !

DELTA CORPORATION: Signaling a massive breakout. Establish long positions.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
DELTA CORPORATION	228	221	213	237.5	257	Positive	Buy at CMP. Stop 219. Targets 237.50/245. Aggressive targets at 257. (Intermonth Strategy). Rationale: Breakout Play.
HINDALCO	457	431	417	473	511	Positive	Buy at CMP. Stop 427. Targets 473/489. Aggressive targets at 511. (Intermonth Strategy). Rationale: Breakout Play.
IEX	145	142	1437.5	153	165	Positive	Buy at CMP. Stop 141. Targets 153/159. Aggressive targets at 165. (Intermonth Strategy). Rationale: Momentum Play.
INFY	1595	1569	1527	1631	1725	Positive	Buy at CMP. Stop 1553. Targets 1631/1675. Aggressive targets at 1725. (Intermonth Strategy). Rationale: Breakout Play.
VEDANTA	319	313	299	327.5	351	Positive	Buy at CMP. Stop 311. Targets 327.50/339. Aggressive targets at 351. (Intermonth Strategy). Rationale: Rebound Play.

Derivatives Strategies

Future Call: BUY TATAPOWER NOVEMBER FUTURES at CMP 230.70. Targets at 234 and then at 241 zone. Stop: 225. Holding Period: Intraday. Analyst's Remark: Momentum Play. (TATAPOWER NOVEMBER Futures CMP 230.70)

Option Call: BUY NIFTY 24th NOVEMBER CE Strike Price 18500 at CMP 191.85. Maximum Loss: ₹ 9,592.5/-. Profit: Unlimited. Stop: Exit Call Option if NIFTY moves below 18235. (NIFTY NOVEMBER Futures CMP 18482.35)

Market Summary:

- Nifty November Futures ended Tuesday's session at a premium of +79 vs premium of +40.
- The 17th November expiry Put-Call Open Interest Ratio was at 1.15 for Nifty whereas it was 1.40 for Bank Nifty.
- The 17th November expiry Put-Call Volume Ratio was at 1.00 for the Nifty and 0.95 for Bank Nifty
- For Nifty, Maximum Call Open Interest (OI) stands at 19000 Strike Price, followed by 18000 Strike Price for 17th November Series. Short Covering was seen at strike prices 17700-18400.
- Maximum Put Open Interest (OI) was seen at strike price 18300 followed by 18000 strike prices for 17th November series. Short Buildup was seen at strike prices 17900-18500.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 44000 Strike Price and Maximum Put Open Interest stands at 42000 Strike Price.
- As per Tuesday's provisional data available on the NSE, FIIs sold shares worth Rs. 221.32 crores in the Indian Equity Market. DIIs too sold shares worth Rs. 549.28 crores.
- Long Buildup: IGL, ICICIBANK, TATAPOWER
- Short Buildup: IRCTC, POLYCAB, BATAINDIA.
- Short Covering: PNB, POWERGRID, CANBK, CUB.
- Long Unwinding: IDEA, COALINDIA, M&MFIN.
- Stocks banned in F&O segment:** BHEL, DELTACORP, GNFC, PNB, SUNTV.
- New in Ban: DELTACORP.
- Out of Ban: NIL.

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

Nifty Spot	18403.40 (+0.41%)
Bank Nifty Spot	42372.70 (+0.70%)
VIX	14.63 (-1.88%)
Premium	+79 vs +40
Nifty Future OI	1.2 crores (+0.20%)
Bank Nifty Future OI	27.97 lakhs (+14.35%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	4084.28	6571.83
NSE Cash Vol. (Rs. in Cr)	50,711.02	68,044.89
NSE Derivative Vol. (Rs. in Cr)	16,74,004	15,31,396

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	48,355	4,773
Stock Future Volumes	3,14,501	21,606
Index Option Volumes	1,66,99,101	16,26,725
Stock Option Volumes	3,36,107	20,900
Total	1,73,98,064	16,74,004

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
18800	65.9 (+48%)
18900	21.55 (-29%)
19000	73.39 (-18%)

Puts	in lakhs (% Change)
18300	83.16 (+66%)
18400	59.02 (-4%)
18500	62.62 (-7%)

Buying on dips preferred for Dow Jones

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1772	1751	1727	1801	1827	Positive	Gold prices witnessed a huge rebound. Interweek Strategy: Buy at CMP. Targets 1801/1827 mark with stop at 1751.
SILVER (\$)	21.47	21.00	19.45	23.00	25.00	Positive	Silver prices witnessed bounce alongwith Gold. Interweek Strategy: Buy at CMP. Targets 23/23.75/24 mark with stop at 20.85.
WTI CRUDE OIL (\$)	86.83	83	78	91	95	Negative	Establish sell positions at CMP. Targets 83/78 zone. Stop at 91.
EUR/USD	1.0369	0.8501	0.6750	1.0251	1.0551	Positive	Interweek Strategy: Establish long positions at CMP . Targets 1.0251/1.0551 with stop at 0.987.
US Dollar Index	106.33	108.00	104.00	112.00	115.00	Negative	Interweek Strategy: Sell at CMP. Targets 104/101 with stop at 112.
DOW JONES	33565	33451	33001	34001	34201	Positive	Interweek Strategy: Establish buy positions at CMP. Targets 34001 mark and then at 34201 with stop at 33451.

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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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