



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



Daily Research Reports



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Good Morning & Welcome to Monday's trading session at Dalal Street, dated 21st November 2022.

Well, if last week's sluggish trading action is any indication, then we suspect – Nifty is likely to trade volatile and choppy this week too.

This morning, in early action too, SGX Nifty is seen treading water, indicating Nifty will struggle for direction in today's trade.

But our **call of the day** suggests there is a bright possibility that Nifty could zoom higher and march towards its all-time-high at 18605.

The positive catalyst: Nifty bulls will aim to celebrate a tumbling Crude Oil price at \$80.08 a barrel.

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

Nifty (18308): Buy between 18250-18300 zone. Stop at 18101. Targets 18605/18751. Aggressive targets at 19251 zone.

Bank Nifty (42437): Buy between 41900-42000 zone. Stop at 41665. Targets 42750/43000. Aggressive targets at 43750 zone.

Outlook for Monday: Buy on dips should be the preferred strategy.

The other 2-big positive catalysts:

- 1) The tumbling US Dollar index (down around 7% to 107 levels) from the multi-decade peak of 114 hit on the backdrop of Fed's fight against inflation.
- 2) Positive Wall Street cues in Friday's close.

That said any excessive upside likely and the expected risk rally to lose steam on backdrop of:

- 1) Fed's hawkish remarks.
- 2) Uninspiring action from the FIIs camp in last week's trade.

This week, the minutes of the Federal Reserve's October policy meeting to be wired on Wednesday, 23rd November will command investors' attention.

The street is expecting that the US central bank to raise the policy rate by 50 basis points in December and most importantly, will spy with one big eye if October policy meeting could confirm a smaller hike amid growing concerns over an economic downturn.

INDICES		
Nifty	18308	-0.20%
Bank Nifty	42437	-0.05%
Nifty Auto Index	12775	-1.18%
Nifty FMCG Index	43747	-0.22%
Nifty Infra Index	5263	-0.40%
Nifty IT Index	29669	-0.04%
Nifty Media Index	1991	-0.44%
Nifty Midcap Index	8540	-0.51%
Nifty Metal Index	6444	-0.18%
Nifty Pharma Index	12861	-0.67%
Nifty Reality Index	449	0.10%
Nifty Smallcap Index	9614	-0.52%
Sensex	61663	-0.14%
SGX Nifty	18356	-0.11%

Outlook for the Day	
	Buy on dips.

Nifty Outlook	
Intraday	Positive (18205 -18550)
Medium Term	Positive (17100-19000)
Long Term	Positive (14500-19501)

Key Levels to Watch	
Nifty Support	18177/17969
Nifty Resistance	18605/19251

Pivot Level	
Nifty	17677

Keeping upside capped will be a harsh tone by the Fed officials especially Federal Reserve Governor Christopher Waller statement that markets were "way out in front" and that rates will not fall until there is "clear, strong" evidence inflation is falling.

San Francisco Fed President Mary Daly too has advised that markets should stop thinking about the pace of rate hikes and start thinking about the level.

TOP SECTORS:

Bullish Sectors: IT, BANK NIFTY

Bearish Sectors: MEDIA, PHARMA, AUTO, REALTY

STOCKS IN FOCUS:

BULLISH VIEW: ABB, PUNJAB NATIONAL BANK, PIDILITE, HINDUSTAN AERONAUTICS, SIEMENS, RBL BANK, LARSEN, BHARTI AIRTEL, BHARAT ELECTRONICS.

BEARISH VIEW: DELTA CORP, EICHER MOTORS, AARTI INDUSTRIES, METROPOLIS HEALTHCARE, INFO EDGE, CIPLA, BANDHAN BANK, LALPATH LABS, PEL, MUTHOOT FINANCE, DIXON TECHNOLOGIES.

Our **chart of the day** is bullish on SBI, PNB, ABB, PIDILITE and RBL BANK with an inter-month perspective.

The 1 stock to buy right now: PIDILITE (CMP 2899): Buy at CMP. Stop 2631. Targets 2731/2667. Aggressive targets at 2821. (Interrmonth Strategy). Rationale: Momentum Play.

WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

Daily chart of Nifty:



Technical Strategy

INFOSYS	1593
Action	BUY
Target	1721
Support	1551/1501
Resistance	1675/1751
Holding Period	30-40 DAYS

Incorporated in the year 1981, Infosys is a global leader in next-generation digital services and consulting and enables clients in more than 50 countries to navigate their digital transformation.

Infosys is a NYSE listed global consulting and IT services company with more than 345k employees. From a capital of US\$250, the firm has grown to become a US\$ 17.53 billion (LTM FY23 revenues) company with a market capitalization of approximately US\$ 71.41 billion.

Buy at CMP, and on dips between 1550-1560 zone with targets at psychological 1650 mark and then aggressive targets at 1721 mark with stop at 1469 mark.

Nifty: Technically, Nifty's biggest make-or-break intraday support now placed at 18257 mark. Only below 18077 mark, Nifty likely to slip quickly to 17750-17900 zone.

For the day, buying on dips shall be the preferred strategy. Expect momentum buying to lift Nifty above its upside targets at 18605.

Nifty's 200 DMA at 17019 mark.

Daily chart of Bank Nifty:



Bank Nifty: In Friday's trade, Bank Nifty was seen consolidating, down 0.005%, but the positive takeaway was that the benchmark was seen flirting with its fresh all-time-high at 42611.75 mark. PSU Bank index inched up 1.53% higher while Nifty Private Bank index slipped 0.40%.

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 41900 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 37227 mark.

DERIVATIVE & INSTITUTIONAL CUES:

The **Nifty options data** for November series suggests Nifty is likely to be in a trading range of 17500-19000 zone. Maximum Call OI is at 18400 followed by 19000 strike price. So, the 19000 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 18300 levels followed by 18000 levels. Call writing was seen at 18400 and then at 18300 strike price, while there was meaningful Put writing at 18300 and then at 17900 strike prices.

The Volatility index inched was hovering well below the 20 levels - now at 14.39 levels as on November 18th

As per Friday's provisional data available on the NSE, FIIs sold shares worth Rs. 751 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 891 crores

The Put-Call Open Interest Ratio is at 0.74 for Nifty.

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

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. equities were higher at the close on Friday, slightly rebounding from previous two days of losses. Positive news regarding potential diplomacy with Russia helped. Investors also looked past hawkish comments from a top Federal Reserve official that had fanned fears of aggressive interest rate hikes from the central bank.

However, in the week gone by, Dow remained almost unchanged, but Nasdaq ended 1.56% lower and S&P 500 too ended 0.69% lower.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Nifty ends lower for 2nd day in a row. Nifty Auto index (-1.17%) drag but PSU Banks shine (+1.34%).

Nifty (-36, 18308).

Sensex (-87, 61663)

For most of the session, Nifty traded with negative bias but the positive takeaway was that bulls regrouped at lower levels on backdrops of improving Asian and European stock markets – but still, the benchmark Nifty ended the day in red.

Long story short: Profit booking was the theme amidst overbought technical conditions.

Top Index Gainers: HCL TECH (+1.44%) ASIAN PAINTS (+0.92%) HUL (+0.85%) SBI (+0.50%) INFY (+0.44%)

Top Index Losers: M&M (-2.51%) BAJAJ AUTO (-1.79%) NTPC (-1.66%) BAJAJ FINANCE (-1.60%) INDUSIND BANK (-1.57%)

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Nifty PCR 0.74

BANK NIFTY PCR 0.89

INDIA VIX 14.39 (-3.28%)

Nifty MidCap (-0.55%, 8536)

NiftySmallC (-0.58%, 9607)

BANK Nifty (-0.05%, 42437)

Nifty IT (-0.99%, 29656)

USD/INR (+0.20%, 81.67)

TOP PICKS (F & O)

It's like having investment binoculars !

ABB & PIDILITE: Looks attractive with an inter-month perspective.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
ABB	3093	3013	2945	3213	3466	Positive	Buy at CMP. Stop 2993. Targets 3207/3293. Aggressive targets at 3466. (Intermonth Strategy). Rationale: Rebound Play.
BEL	107.35	103	99	112	125	Positive	Buy at CMP. Stop 102. Targets 112/117. Aggressive targets at 125. (Intermonth Strategy). Rationale: Breakout Play.
MCDOWELL	874	855	837	913	1001	Positive	Buy at CMP. Stop 831. Targets 913/941. Aggressive targets at 1001. (Intermonth Strategy). Rationale: Momentum Play.
PIDILITE	2699	2663	2603	2731	2821	Positive	Buy at CMP. Stop 2631. Targets 2731/2667. Aggressive targets at 2821. (Intermonth Strategy). Rationale: Momentum Play.
RBL BANK	144	139	130	153	161	Positive	Buy at CMP. Stop 137. Targets 153/157. Aggressive targets at 163. (Intermonth Strategy). Rationale: Momentum Play.

Derivatives Strategies

Future Call: SELL ZYDUSLIFE NOVEMBER FUTURES at CMP 402.30. Targets at 391 and then at 383 zone. Stop: 411. Holding Period: Intraday. Analyst's Remark: Breaking Down. (ZYDUSLIFE NOVEMBER Futures CMP 402.30)

Option Call: BUY NIFTY 24th NOVEMBER PE Strike Price 18300 at CMP 78.95. Maximum Loss: ₹ 3,947.5 /-. Profit: Unlimited. Stop: Exit Put Option if NIFTY moves above 18521. (NIFTY NOVEMBER Futures CMP 18345)

Market Summary:

- Nifty November Futures ended Friday's session at a premium of +37 vs premium of +11.
- The 24th November expiry Put-Call Open Interest Ratio was at 0.73 for Nifty whereas it was 0.87 for Bank Nifty.
- The 24th November expiry Put-Call Volume Ratio was at 0.92 for the Nifty and 1.03 for Bank Nifty
- For Nifty, Maximum Call Open Interest (OI) stands at 18400 Strike Price, followed by 19000 Strike Price for 24th November Series. Short Buildup was seen at strike prices 18300-19300.
- Maximum Put Open Interest (OI) was seen at strike price 18300 followed by 18000 strike prices for 24th November series. Short Covering was seen at strike prices 18600-18800.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 42500 Strike Price and Maximum Put Open Interest stands at 42500 Strike Price.
- As per Friday's provisional data available on the NSE, FIIs sold shares worth Rs. 751.20 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 890.45 crores.
- Long Buildup: PNB, ICICIBANK, SBIN, NMDC
- Short Buildup: BEL, INDUSINDBK, MANAPPURAM, ZYDUSLIFE.
- Short Covering: BIOCON, BSOFT, ADANIANT.
- Long Unwinding: ZEEL, ITC, FEDERALBANK.
- Stocks banned in F&O segment:** BALRAMCHIN, BHEL, DELTACORP, GNFC, IBULHSGFIN, PNB, SUNTV.
- New in Ban: PNB.
- Out of Ban: NIL.

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

Nifty Spot	18307.65 (-0.20%)
Bank Nifty Spot	42437.45 (-0.05%)
VIX	14.39 (-3.28%)
Premium	+11 vs +36
Nifty Future OI	1.2 crores (+0.20%)
Bank Nifty Future OI	23.28 lakhs (-2.78%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	3797.64	4364.66
NSE Cash Vol. (Rs. in Cr)	50,546.68	58,289.81
NSE Derivative Vol. (Rs. in Cr)	84,86,201	22,08,778

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	3,34,168	32,578
Stock Future Volumes	11,26,272	78,412
Index Option Volumes	8,18,02,337	80,34,128
Stock Option Volumes	46,83,853	3,41,082
Total	8,79,46,630	84,86,201

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
18200	10.3 (+28%)
18300	73.55 (+108%)
18400	106 (+94%)
Puts	in lakhs (% Change)
17500	45.95 (+32%)
17600	19.07 (+13%)
17700	28.02 (+39%)

Buying on dips preferred for Dow Jones

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1752	1737	1711	1801	1827	Positive	Gold prices witnessed correction. Interweek Strategy: Buy only above 1761. Targets 1801/1827 mark with stop at 1737.
SILVER (\$)	20.98	19.46	18.00	22.00	23.75	Negative	Silver prices underperformed Gold. Interweek Strategy: Sell at CMP. Targets 19.46/18/17.25 mark with stop at 22.25.
WTI CRUDE OIL (\$)	80.11	77	74	83.5	88	Negative	Establish Sell positions at CMP. Targets 77/74/71 zone. Stop at 84.
EUR/USD	1.0324	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	106.87	108.00	104.00	112.00	115.00	Negative	Interweek Strategy: Sell at CMP. Targets 104/101 with stop at 112.
DOW JONES	33746	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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Disclosure of interest statement – • Analyst interest of the stock /Instrument(s): - No.
• Firm interest of the stock / Instrument (s): - No.

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