



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



**Daily Research Reports**



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**Good Morning & Welcome to Wednesday's trading session at Dalal Street, dated 23rd November 2022.**

**This morning, investors' sentiment likely to be buoyant on backdrop of positive catalysts like;**

1. Cleveland Fed President Loretta Mester said that she favors a smaller 50 basis point rate hike for the central bank's in December Fed meeting.
2. WTI oil prices hover around the \$80 a barrel.

That brings us to our call of the day which suggests Bulls will be on lookout for goalpost at Nifty's all-time-high at 18,605 mark. The bulls will also hope and pray for some massive short covering.

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

**# Nifty (18244):** Buy at CMP. Stop at 18101. Targets 18350/18605. Aggressive targets at 19101 zone.

**# Bank Nifty (42457):** Buy at CMP. Stop at 41757. Targets 42750/43000. Aggressive targets at 43750 zone.

**Outlook for Wednesday: Buy something! We like: SBI, PNB, BANK OF BARODA, PIDILITE and APOLLO HOSPITALS.**

It's shaping to be a bullish and an inspiring session as Nifty bulls will hope for some massive short covering ahead of November F&O series expiry this Thursday, November 24th.

That said, commanding attention will be the minutes of the Federal Reserve's October policy meeting to be wired on Wednesday, 23rd November at around 8pm IST.

# 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.

**Long story short:** Nifty bulls will take total control on hints of a dovish Federal Reserve.

INDICES		
Nifty	18244	0.46%
Bank Nifty	42457	0.26%
Nifty Auto Index	12746	0.39%
Nifty FMCG Index	43854	0.56%
Nifty Infra Index	5262	0.41%
Nifty IT Index	29447	0.81%
Nifty Media Index	2008	0.60%
Nifty Midcap Index	8584	0.55%
Nifty Metal Index	6449	0.89%
Nifty Pharma Index	12836	0.33%
Nifty Reality Index	438	-1.22%
Nifty Smallcap Index	9640	0.03%
Sensex	61419	0.45%
SGX Nifty	18340	0.35%

Outlook for the Day	
	Positive session likely

Nifty Outlook	
Intraday	Positive (18157 -18550)
Medium Term	Positive (17100-19000)
Long Term	Positive (14500-19501)

Key Levels to Watch	
Nifty Support	18157/17969
Nifty Resistance	18605/19251

Pivot Level	
Nifty	17677

## TOP SECTORS:

# **Bullish Sectors:** BANK NIFTY, INFRA

# **Bearish Sectors:** MEDIA, PHARMA, REALTY

## STOCKS IN FOCUS:

# **BULLISH VIEW:** APOLLO HOSPITALS, PUNJAB NATIONAL BANK, LTTS, PIDILITE, HINDUSTAN AERONAUTICS, LARSEN, BHARAT ELECTRONICS. GUJARAT STATE PETRONET, ESCORTS, DR LAL PATHLABS, MINDTREE L&T INFOTECH, ALKEM LABORATORIES, JK CEMENT, BANK OF BARODA, AND IRCTC.

# **BEARISH VIEW:** MAX FINANCIAL SERVICES, SYNGENE INTERNATIONAL, MUTHOOT FINANCE, ADITYA BIRLA FASHION AND RETAIL, NAVIN FLUORINE INTERNATIONAL, IPCA LABORATORIES, PVR

# Our **chart of the day** is bullish on SBI, PNB, BANK OF BARODA, PIDILITE and APOLLO HOSPITALS with an inter-month perspective.

# **The 1 stock to buy right now: Buy HBL POWER SYSTEM (CMP 111):** Incorporated in 1986, **HBL Power Systems Limited** is a small-cap company with a market capitalization of 2967 crores and engaged in the manufacturing of different types of batteries (include VRLA, nickel-cadmium, silver, and lithium-ion types) and, power electronics (include thyristor battery charger, battery monitoring system and earth leakage monitor) and concrete products (include spun concrete products, spun concrete piles and spun concrete telecom towers).

HBL engineering solutions consist of training simulators and railways, including data loggers, audio frequency track circuit, electronic interlocking system, train collision avoidance system, digital axle counter and integrated power supply.

HBL has reported a healthy improvement in business performance. Revenue from operations increased by 34% from Rs 909 crore in FY21 to Rs 1,221 crore in FY22, the pre-covid levels. EBITDA more than doubled from Rs 72 crore in FY21 to Rs 160 crore in FY22. EBITDA margin stood at 12 per cent in FY22 against 9 per cent in Fy21.

The management commentary is quite positive as they expect overall business to continue to transform in favour of better-margin portfolios. The electronics and defence verticals are high margin spaces and the NCPP and PLT batteries likely to generate healthy returns. Barring unforeseen adversities, the management expects healthy returns in the next 3-4 years.

## Technical Strategy

<b>LTTS</b>	3856
<b>Action</b>	BUY
<b>Target</b>	4257
<b>Support</b>	3711/3614
<b>Resistance</b>	3947/4501
<b>Holding Period</b>	60-90 DAYS

**Theme:** Incorporated in 2012, **L&T Technology Services Limited (LTTS)** is a global leader in Engineering and R&D (ER&D) services. With 913 patents filed for 57 of the Global Top 100 ER&D spenders, LTTS lives and breathes engineering. With regards to – World's 1st Autonomous Welding Robot, Solar 'Connectivity' Drone, and the Smartest Campus in the World.

LTTS as our top pick in the Tier II IT Services space amidst its expertise in engineering design, product development, smart manufacturing, and digitalization touches every area of human lives – as they have 89 Innovation and R&D design centers globally, we specialize in disruptive technology spaces such as 5G, Artificial Intelligence, Collaborative Robots, Digital Factory, and Autonomous Transport.

LTTS management expects strong growth during the medium term, which implies a growth momentum of ~20% over FY21-25E. Growth is expected to be driven by strong bookings in the transportation vertical (USD 100mn+ Jaunt Air Mobility deal won in Q4 and USD 50mn+ deal in rail won in Q1) and consistency in USD 10mn+ TCV wins (seven in Q1FY23 as compared to six in Q4FY22 and 20 in Fy22)

**Technical Outlook:** Technically, brace yourselves with oversold conditions seen forming on the daily and weekly time scale. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 3735-3750 zone.

**Preferred Strategy:** Simply buy at CMP, and on dips between 3250-33000 zone, targeting 4150/4751 mark and then targets at psychological 6000 with stop below 2509. Stop at 2921.

HBL won multiple contracts for supply of Kavach (Train Collision Avoidance System). HBL along with Siemens has signed the first contract under Mission Raftar project, with Eastern Railway for deployment of Kavach. Kavach (TVAS-Train Collision Avoidance System) involves over 260 km of track and 120 locomotives from Howrah to Pradhankhanta. The contract is valued Rs 286.69 crore, of which HBL's work share is Rs 205.88 crore. The contract is scheduled for completion in 700 days.

HBL's electronics vertical is expected to emerge as the key business and profitability driver over the coming years. Indian Railways have announced their plan to deploy Kavach over 34,368 km of track, covering high density and highly utilised routes, targeting the completion of this ambitious plan by 2026.

The other major opportunity for Kavach (TCAS) is Vande Bharat Trains (Train 18). HBL has received an order for 46 TCAS systems to be installed on new Vande Bharat Trains being produced at ICF for which deliveries are scheduled in the second half of FY23.

**Simply buy at CMP, and on dips between 75-80 zone, targeting 121/137.50 mark and then aggressive targets at psychological 150 mark. Stop below 71. Holding Period: 5-8 Months.**

## WHAT TECHNICAL TELLS US ON NIFTY/SENSEX:

### Daily chart of Nifty:



# **Nifty:** Nifty zoomed higher in yesterday's trade- forming a bullish candle on the daily charts.

Technically, Nifty's biggest make-or-break intraday support now placed at 18157 mark. Only below 17969 mark, Nifty likely to slip quickly to 17750-17777 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 17029 mark.

## Daily chart of Bank Nifty:



# **Bank Nifty:** In yesterday's trade, Bank Nifty inched higher and the positive takeaway was that buyers emerged from lower levels. Bank Nifty ended 0.26% higher and was seen flirting with its fresh all-time-high at 42611.75 mark. PSU Bank index were star outperformers, up 1.66% higher while Nifty Private Bank index inched up 0.30%.

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 37250 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 18300 followed by 18400 strike price. So, the 18400 mark will be Nifty's crucial resistance zone. Maximum Put open interest stands at 18200 levels followed by 18000 levels. Call writing was seen at 18500 and then at 18700 strike price, while there was meaningful Put writing at 18200 and then at 18000 strike prices.

# The Volatility index inched was hovering well below the 20 levels - now at 13.84 levels as on November 22nd.

# 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.

# As per Monday's provisional data available on the NSE, FIIs sold shares worth Rs. 1594 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 1263 crores.

# As per Tuesday's provisional data available on the NSE, FIIs sold shares worth Rs. 698 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 636 crores.

# The Put-Call Open Interest Ratio is at 0.85 for Nifty.

# **Stocks in Ban for today's trade:** NIL.

## 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:

Overnight at Wall Street, U.S. stocks edged higher despite growing concerns over the latest Covid outbreak in China, while investors continued to monitor comments from Federal Reserve officials about the pace of interest rate increases.

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 snaps 3-day losing streak.

# Nifty (+84, 18244).

# Sensex (-519, 61145)

The benchmarks remained in green throughout today's session. Mostly importantly, Nifty was able to end 3-day losing streak. The positivity can be attributed to subdued crude oil prices and also to some short covering.

# **Top Index Gainers:** INDUSINDBNK (+2.66%) JSWSTEEL (+1.78%) NTPC (+1.76%)

# **Top Index Losers:** BPCL (-1.11%) NESTLEIND (-0.76%) POWERGRID (-0.50%)

# Adv-Dec 37 — 13

# Nifty PCR 0.85

# BANK NIFTY PCR 1.06

# INDIA VIX 13.84 (-6.49%)

# Nifty MidCap (+0.55%, 8584)

# NiftySmallC (+0.03%, 9640)

# BANK Nifty (+0.26%, 42457)

# Nifty IT (+0.81%, 29447)

# USD/INR (-0.11%, 81.685)

# TOP PICKS (F & O)

It's like having investment binoculars !

**APOLLO HOSPITAL** appears attractive with an inter-month perspective.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
ABB	3059	3013	2945	3213	3466	Positive	Buy at CMP. Stop 2993. Targets 3207/3293. Aggressive targets at 3466. (Intermonth Strategy). Rationale: Rebound Play.
APOLLO HOSPITAL	4470	4329	4259	4629	4719	Positive	Buy at CMP. Stop 4311. Targets 4521/4629. Aggressive targets at 4719. (Intermonth Strategy). Rationale: Momentum Play.
BEL	107	103	99	112	125	Positive	Buy at CMP. Stop 102. Targets 112/117. Aggressive targets at 125. (Intermonth Strategy). Rationale: Breakout Play.
MCDOWELL	879	855	837	913	1001	Positive	Buy at CMP. Stop 831. Targets 913/941. Aggressive targets at 1001. (Intermonth Strategy). Rationale: Momentum Play.
LTTS	3856	3772	3611	3943	4289	Positive	Buy at CMP. Stop 3739. Targets 3943/4041. Aggressive targets at 4289. (Intermonth Strategy). Rationale: Momentum Play.

## Derivatives Strategies

**Future Call:** BUY TATASTEEL NOVEMBER FUTURES at CMP 105.60. Targets at 109 and then at 114 zone. Stop: 101. Holding Period: Intraday. Analyst's Remark: Rebound Play. (TATASTEEL NOVEMBER Futures CMP 105.60)

**Option Call:** BUY NIFTY 01st DECEMBER CE Strike Price 18400 at CMP 84.70. Maximum Loss: ₹ 4235/-. Profit: Unlimited. Stop: Exit Call Option if NIFTY moves below 18175. (NIFTY NOVEMBER Futures CMP 18388.50)

### Market Summary:

- Nifty November Futures ended Tuesday's session at a premium of +50 vs premium of +34.
- The 24th November expiry Put-Call Open Interest Ratio was at 0.86 for Nifty whereas it was 1.07 for Bank Nifty.
- The 24th November expiry Put-Call Volume Ratio was at 0.97 for the Nifty and 1.00 for Bank Nifty
- For Nifty, Maximum Call Open Interest (OI) stands at 18300 Strike Price, followed by 18400 Strike Price for 24th November Series. Short Covering was seen at strike prices 18000-18200.
- Maximum Put Open Interest (OI) was seen at strike price 18200 followed by 18000 strike prices for 24th November series. Short Buildup was seen at strike prices 18000-18300.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 42500 Strike Price and Maximum Put Open Interest stands at 42000 Strike Price.
- As per Monday's provisional data available on the NSE, FIIs sold shares worth Rs. 697.83 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 636.39 crores.
- Long Buildup: BHEL, TATASTEEL, REC, BANKBARODA
- Short Buildup: IEX, IGL, PETRONET, ZYDUSLIFE.
- Short Covering: ADANI PORTS, SUNPHARMA, DELTACORP.
- Long Unwinding: TATAPOWER, IOC, COALINDIA.
- Stocks banned in F&O segment:** NIL.
- New in Ban: NIL.
- Out of Ban: ESCORTS, GNFC, IBULHSGFIN, PNB, SUNTV.

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

<b>Nifty Spot</b>	18244.20(+0.46%)
<b>Bank Nifty Spot</b>	42457.05 (+0.26%)
<b>VIX</b>	13.84 (-6.49%)
<b>Premium</b>	+50 vs +34
<b>Nifty Future OI</b>	0.82 crores (-15.16%)
<b>Bank Nifty Future OI</b>	19.12 lakhs (-11.05%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
<b>BSE Cash Vol. (Rs. in Cr)</b>	3577.15	3030.8
<b>NSE Cash Vol. (Rs. in Cr)</b>	48,423.21	46,489.62
<b>NSE Derivative Vol. (Rs. in Cr)</b>	1,05,26,565	87,04,606

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
<b>Index Future Volumes</b>	2,74,635	26,573
<b>Stock Future Volumes</b>	21,20,783	1,46,526
<b>Index Option Volumes</b>	11,21,72,952	1,00,67,157
<b>Stock Option Volumes</b>	38,49,946	2,86,308
<b>Total</b>	11,84,18,316	1,05,26,565

### Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
19000	64.89 (-14%)
19100	16.18 (-11%)
19200	28.21 (-16%)

Puts	in lakhs (% Change)
18000	85.46 (+22%)
18100	54.9 (+23%)
18200	92.99 (+103%)





**Buying on dips shall be the preferred strategy for Dow Jones Index.**

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1739	1721	1703	1753	1771	Negative	Gold prices witnessed downward correction. Interweek Strategy: Sell at CMP. Targets 1721/1703 mark with stop at 1757.
SILVER (\$)	21.07	19.46	18.00	21.45	22.30	Negative	Silver prices too seen trading with negative bias. Interweek Strategy: Sell at CMP. Targets 20.15/19.46 mark with stop at 21.60.
WTI CRUDE OIL (\$ )	81.53	77	74	83.5	88	Negative	The technicals are aggressively bearish. Establish Sell positions at CMP. Targets 77/74/71 zone. Stop at 84.
EUR/USD	1.0301	0.9131	0.8501	1.0359	1.0551	Negative	Interweek Strategy: Establish short positions at CMP . Targets 1/0.9131 with stop at 1.0389.
US Dollar Index	107.09	105.70	104.00	112.00	115.00	Positive	Buy on dips shall be the preferred strategy. Interweek Strategy: Buy between 106.50-107 zone. Targets 112/115 with stop at 105.35.
DOW JONES	34028	33651	33201	34201	34651	Positive	Interweek Strategy: Establish buy positions at CMP. Targets 34201 mark and then at 34651 with stop at 33561.

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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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