



**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 24th November 2022.

Well, volatility likely to be the hallmark of today's trade as November F&O series contract expire today.

### That said, this morning - there are 3-big catalysts:

- 1) The FOMC November meeting minutes suggests slower rate increases will be appropriate.
- 2) WTI crude futures plunged almost 5% to below \$77 per barrel.
- 3) The US dollar slumps to 106.14 levels.

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 (18267)**: Buy at CMP. Stop at 17901. Targets 18350/18605. Aggressive targets at 19101 zone.

# **Bank Nifty (42729)**: Buy at CMP. Stop at 41857. Targets 42950/43201. Aggressive targets at 43750 zone.

## Outlook for Thursday: Buy something! We like: SBI, PNB, BANK OF BARODA and APOLLO HOSPITALS.

# The FOMC Meeting Minutes showed that most participants agreed for slower rate hikes as recession threat grows.

# Fed officials say that slower rate hikes would give them more space to evaluate the "lagging" effects on the economy amid the rising threat of a recession.

# In December, the Fed is likely to raise rates again, but markets are betting on a smaller 1/2-point increase. The minutes also suggest a smaller rate hike is likely.

# The Fed is aiming to bring down inflation to pre-pandemic levels of 2% or so, but they acknowledge it could take a while.

### TOP SECTORS:

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

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

INDICES		
Nifty	18267	0.13%
Bank Nifty	42429	0.64%
Nifty Auto Index	12775	0.23%
Nifty FMCG Index	43854	0.00%
Nifty Infra Index	5261	-0.03%
Nifty IT Index	29406	-0.14%
Nifty Media Index	6423	-0.40%
Nifty Midcap Index	8628	0.52%
Nifty Metal Index	6423	-0.40%
Nifty Pharma Index	12877	0.32%
Nifty Reality Index	439	0.25%
Nifty Smallcap Index	9691	0.54%
Sensex	61511	0.15%
SGX Nifty	18295	0.15%

### 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
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## STOCKS IN FOCUS:

# **BULLISH VIEW:** APOLLO HOSPITALS, PUNJAB NATIONAL BANK, GMR INFRASTRUCTURE, COROMANDEL INTERNATIONAL, NIFTY FINANCIAL, DEEPAK NITRITE, POLYCAB INDIA, COAL INDIA, AND PERSISTENT SYSTEMS, AND NMDC

# **BEARISH VIEW:** GUJARAT STATE PETRONET, JUBILANT FOODWORKS, INDRAPRASTHA GAS, DR LAL PATHLABS, AND BALRAMPUR CHINI MILLS, ICICI PRUDENTIAL LIFE INSURANCE, IPCA LABORATORIES, MAX FINANCIAL SERVICES, SHRIRAM TRANSPORT FINANCE.

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

# The **1 stock to buy right now: Buy HBL POWER SYSTEM (CMP 109): 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.

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.

## Technical Strategy

<b>LTTS</b>	3823
<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.

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 inched higher in yesterday's trade – forming continuation of 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 17033 mark.

### Daily chart of Bank Nifty:



# Bank Nifty: In yesterday's trade, Bank Nifty inched higher and the positive takeaway was that buyers emerged all thru. Bank Nifty ended 0.64% higher as the benchmark scaled fresh all-time-high at 42860.55 mark. PSU Bank index was again a star outperformers, up 1.02% higher while Nifty Private Bank index inched up 0.49%.

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 41901 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 37293 mark.

## DERIVATIVE & INSTITUTIONAL CUES:

# The **Nifty options data** for November series suggests Nifty is likely to be in a trading range of 18000-18500 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 18300 and then at 18700 strike price, while there was meaningful Put writing at 18000 and then at 18300 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.

# As per Wednesday's provisional data available on the NSE, FIIs sold shares worth Rs. 789.90 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 413.80 crores.

# The Put-Call Open Interest Ratio is at 0.77 for Nifty.

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

## 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 Stocks rose Wednesday after the Federal Reserve released its minutes, which hinted that the central bank is open to becoming less aggressive in lifting interest rates.

The minutes revealed that, when making interest rate decisions going forward, the Fed will consider the “lags with which monetary policy affected economic activity and inflation.”

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 struggles to stay bullish ahead of key FOMC Minutes.

# Nifty (+23, 18267).

# Sensex (+92, 61511)

After a higher open, the way our Nifty moved in today’s session would have put a tortoise to shame. And you could also compare the market’s range with that of a porcupine’s spines.

Yep, absolutely listless and an uninspiring session despite tomorrow being a November F&O series expiry day.

**Bottom-line:** Investors preferred to stay on the sidelines ahead of the minutes of the Federal Reserve’s October policy meeting to be wired this evening at around 8pm IST.

**# Top Index Gainers:** APOLLO HOSPITALS (+3.14%) HDFCLIFE (+1.49%) JSW STEEL (+1.45%) BAJAJ FINANCE (+1.35%) SBI (+1.34%)

**# Top Index Losers:** ADANI ENTERPRISES (-3.40%) ADANI PORTS (-1.41%) HEROMOTO CORP (-1.23%)

# Adv-Dec 25 — 25

# Nifty PCR 0.77

# BANK NIFTY PCR 1.23

# INDIA VIX 14.20 (+2.60%)

# Nifty MidCap (+0.43%, 8620)

# NiftySmallC (+0.40%, 9678)

# BANK Nifty (+0.64%, 42729)

# Nifty IT (-0.21%, 29385)

# USD/INR (+0.09%, 81.79)

# TOP PICKS (F & O)

It's like having investment binoculars !

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

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
APOLLO HOSPITAL	4605	4527	4447	4719	4991	Positive	Buy at CMP. Stop 4421. Targets 4719/4789. Aggressive targets at 4991. (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.
PNB	50.35	46.5	43	53	65	Positive	Buy between 47-49 zone. Stop 42. Targets 53/59. Aggressive targets at 65. (Intermonth Strategy). Rationale: Rebound Play.
SBI	608	601	591	615	631	Positive	Buy at CMP. Stop 597. Targets 615/623. Aggressive targets at 631. (Interweek Strategy). Rationale: Momentum Play.

## Derivatives Strategies

**Future Call:** BUY FEDERAL BANK DECEMBER FUTURES at CMP 134.85. Targets at 137.50 and then at 141 zone. Stop: 131.65. Holding Period: Intraday. Analyst's Remark: Momentum Play. (FEDERALBANK DECEMBER Futures CMP 134.85)

**Option Call:** BUY NIFTY 01st DECEMBER CE Strike Price 18400 at CMP 72.50. Maximum Loss: ₹ 3625/-. Profit: Unlimited. Stop: Exit Call Option if NIFTY moves below 18175. (NIFTY DECEMBER Futures CMP 18383.30)

### Market Summary:

- Nifty November Futures ended Wednesday's session at a discount of -01 vs premium of +50.
- The 24th November expiry Put-Call Open Interest Ratio was at 0.76 for Nifty whereas it was 1.22 for Bank Nifty.
- The 24th November expiry Put-Call Volume Ratio was at 1.03 for the Nifty and 0.88 for Bank Nifty
- For Nifty, Maximum Call Open Interest (OI) stands at 18300 Strike Price, followed by 18400 Strike Price for 24th November Series. Long Unwinding was seen at strike prices 17700-18200.
- Maximum Put Open Interest (OI) was seen at strike price 18000 followed by 18200 strike prices for 24th November series. Short Covering was seen at strike prices 18200-18900.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 43000 Strike Price and Maximum Put Open Interest stands at 42500 Strike Price.
- As per Wednesday's provisional data available on the NSE, FIIs sold shares worth Rs. 789.86 crores in the Indian Equity Market. DIIs on the other hand, bought shares worth Rs. 413.75 crores.
- Long Buildup: PNB, GMRINFRA, FEDERALBANK, ICICIBANK
- Short Buildup: ADANI PORTS, ADANI ENT, ASIAN PAINT.
- Short Covering: BHEL, SBIN, AXIS BANK, SUNTV.
- Long Unwinding: TATA POWER, IOC, COAL INDIA, IEQX.
- Stocks banned in F&O segment:** PNB.
- New in Ban: PNB
- Out of Ban: NIL.

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

<b>Nifty Spot</b>	18267.25 (+0.13%)
<b>Bank Nifty Spot</b>	42729.10 (+0.64%)
<b>VIX</b>	14.04 (+1.45%)
<b>Premium</b>	-01 vs +50
<b>Nifty Future OI</b>	0.58 crores (-29.49%)
<b>Bank Nifty Future OI</b>	13.15 lakhs (-31.25%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
<b>BSE Cash Vol. (Rs. in Cr)</b>	3607.43	3577.15
<b>NSE Cash Vol. (Rs. in Cr)</b>	49,913.63	48,423.21
<b>NSE Derivative Vol. (Rs. in Cr)</b>	1,13,29,172	1,05,26,565

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
<b>Index Future Volumes</b>	3,78,749	36,932
<b>Stock Future Volumes</b>	20,10,662	1,39,271
<b>Index Option Volumes</b>	10,88,10,163	1,08,82,235
<b>Stock Option Volumes</b>	35,95,206	2,70,734
<b>Total</b>	11,47,94,780	1,13,29,172

### Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
18300	28.7 (+68%)
18400	17.62 (+77%)
18500	23.23 (+81%)
Puts	in lakhs (% Change)
18300	24.51 (+110%)
18400	9.43 (+219%)
18500	6.41 (+133%)





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

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1751	1721	1703	1753	1771	Negative	Gold prices witnessed downward correction. Interweek Strategy: Sell at CMP. Targets 1721/1703 mark with stop at 1757.
SILVER (\$)	21.60	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 (\$)	77.37	74	71	81	85	Negative	The technicals are aggressively bearish. Establish Sell positions at CMP. Targets 74/71 zone. Stop at 81.
EUR/USD	1.0414	0.9131	0.8501	1.0551	1.0751	Positive	Interweek Strategy: Establish long positions at CMP. Targets 1.0551/1.0751 with stop at 0.9131.
US Dollar Index	106.03	104.00	101.00	109.00	112.00	Negative	Selling on strength should be the preferred strategy. Interweek Strategy: Sell at CMP. Targets 104/101 with stop at 109.
DOW JONES	34194	33781	33451	34451	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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