



MARKET EXPLORER

Fundamentals | Technical | Derivatives

April, 2024

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Dear Investor,

The markets continued their upward momentum for the second consecutive month. The gains in the benchmark were largely because of the gradual improvement in macro and economic environment, continuous demand and spending as well as FII turning buyer. Thus, for the month of March, the benchmark indices Sensex and Nifty gained ~1.6% each. Further, FY24 saw a decent run for the markets as Sensex & Nifty gained ~25% and 29%, respectively. Going ahead, for FY25 we expect the rally to continue but volatility is expected to remain high as there are events lined-up. The broader markets underperformed in the month of March, with BSE-Midcap and BSE-Smallcap closing in the red, down by 0.1% and 4.6%, respectively. Amongst the sectors, a mixed trend was witnessed wherein Banks, Auto, Metals, Consumer Durables and Capital Goods were the gainers while IT, FMCG, Realty and Healthcare were the top losers.

During the month, the sectoral data announced were Auto numbers, GST numbers, Telecom, Banking & Finance data. a) Auto sales numbers for March 2024 saw healthy volume in the PV segment as Maruti reported growth of 10.1% YoY while M&M's PV segment grew by 13% YoY and Tata Motors increased by 13.8% YoY. The 2W segment recorded subdued growth as RE increased by 4.6% YoY while Hero Motocorp grew by 5.6% YoY. Tractors growth reported a decline as Escorts/M&M fell by 15.2%/25.7% YoY. In CV, Ashok Leyland/VECV de-grew by 5.6%/4.4% YoY. b) GST collections during March 2024 were Rs 1.78 lakh cr, up by 11.5% YoY. The surge was driven by GST collection from domestic transactions at 17.6% YoY. GST revenue net of refunds for March 2024 is Rs 1.65 lakh cr which is growth of 18.4% YoY. During FY24, GST collections were recorded at Rs 20.2 lakh cr, up by 11.7% YoY (13.4% on net basis). c) India's Telecom subscribers in the month of January 2024 increased by 22.2 lakh with a total subscriber base of 116.1cr customers. During the month, Jio added 41.8 lakh customers with a market share of 40%, Bharti Airtel added 22.2 lakh customers with a market share of 33% while Vodafone-Idea customers witnessed decline of 15.2 lakh customers with a market share of 19.1%.

On the Banking & Finance monthly data a) Life Insurance new business premium for the month of February 2024 was Rs 33,913cr, up by 48.4% YoY. The growth in premium was led by LIC of India which increased by 67.5% YoY to Rs 19,896cr while private insurance companies increased by 27.8% YoY to Rs 14,017cr. LIC has the highest market share at 58.7%, followed by SBI Life and HDFC Life at 7.8% and 7.7%, respectively. b) Mutual funds AuM for February 2024 was Rs 54.5 lakhs cr, up by 34% YoY as SIP contribution increased by 40.2% YoY to Rs 19,187cr. During the month, small cap funds saw an inflow of Rs 2,922.4cr as against Rs 3,257cr in January 2024 while mid-cap and large cap saw an inflow of Rs 1,808cr and Rs 921cr, respectively. c) Credit card spends during the month of February 2024 was Rs 1.5 lakhs cr, up by 26% YoY, however, it declined by 10.4% MoM. With regards to cards outstanding, 11 lakhs cards were dispatched taking the total cards count to 10.1cr. Amongst banks, HDFC Bank has the highest market share of cards at 20.3% followed by SBI at 18.6% and ICICI Bank at 16.7%.

On the fund flow side, FII turned net buyers in the month of March, after being on the seller side for the past two consecutive months. Thus, FII added stocks worth Rs 3,314cr. Further, DII continued being a net buyer for the eight consecutive months and bought stocks worth Rs 56,312cr in the month of March. India's macro data suggested, CPI for February 2024 came in at 5.09% as compared to 5.1% in January 2024 with Food inflation at 8.66%, slightly higher than 8.3% MoM and the ease was amid a broad-based moderation in prices. Further, India's IIP grew by 3.8% in January 2024 with the growth of 3.2% in manufacturing, 5.9% in mining and 5.6% in power.

In the global markets, economic inflation data announced for the month were for the US, UK and Euro Area. a) The US Consumer prices which rose by 0.4% MoM and 3.2% YoY in February 2024. The increase in prices was mainly led by shelter and transportation services while energy prices such as Gasoline and Fuel oil saw a decline. b) The UK CPI eased to 3.4% in February 2024 as compared to 4% in January 2024 which was the lowest level in the last 30 months. The decline in CPI can be mainly attributed to the decline in pace of food and restaurant price rises while household services and motor fuels remained elevated. c) Euro Area CPI inflation during February 2024 was 2.6% as compared to 2.8% in January 2024. The lowest inflation rate was registered in Latvia, Denmark while high inflation rate was recorded in Romania, Croatia and Estonia.

The interest rates policy meeting committee for US, UK kept the status quo on the interest rates while Japan increased its key rates. So, The US FOMC keeps interest rates unchanged at 5.25%-5.5% for the 5th consecutive meeting. However, the committee said that it expects three rate cuts in CY24 despite sticky inflation. Further, the Bank of England too decided to keep policy rates unchanged at 5.25% as the inflationary pressure continues to remain high; however, the governor confirmed that the macros are progressing in a favorable direction. However, on the other side, the Bank of Japan ended the era of negative interest rates and increased its key interest rate for the first time in 17years from -0.1% to a range of 0%-0.1%. It comes as wages have jumped after consumer prices rose.

We expect FY25 to be an eventful one and its returns would depend upon how the number of factors will pan out. To begin with we have RBI monetary policy meet scheduled on 5th April, followed by quarterly earnings & elections outcome. Further macro-environment, interest rate cuts and ongoing geo-political issues will be monitored. Further, we anticipate most of the above factors would be in the favor of the market, aiding the rally to continue with at least double digit returns. Further, we prefer investing in stocks which are a mix of large-cap and large-midcap as that would aid in balance in the investor's portfolio. Thus, amongst sectors investors can bet on private Banking, IT and FMCG while they can also look for investment in select pockets of the Auto and Cement sectors.

Research Team

Religare Broking Limited





MONTHLY WRAP-UP

Indian Indices			
		% Change	
	Close	1 Month	1 Year
SENSEX	73,651.4	1.6	24.9
CNX NIFTY	22,326.9	1.6	28.6
BSE MIDCAP	39,322.1	-0.1	63.4
BSE SMLCAP	43,166.3	-4.6	60.1
NIFTY BANK	47,124.6	2.2	16.0

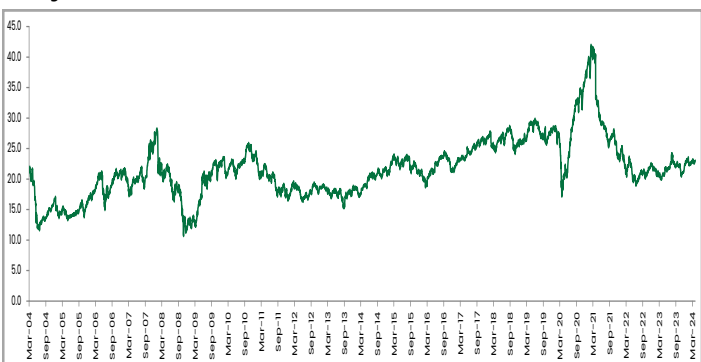
BSE Sectoral Indices			
		% Change	
	Close	1 Month	1 Year
BSE Metal	28,196.1	5.0	47.0
BSE Cons Durable	52,276.6	2.1	38.9
BSE Cap Goods	60,943.1	6.1	77.3
BSE FMCG Sector	19,318.4	-0.7	17.2
BSE Healthcare	35,052.8	-0.1	60.2
BSE IT Sector	35,644.8	-7.2	25.2
BSE PSU	18,274.6	-0.3	92.4
BSE Teck	16,111.2	-5.0	24.1
BSE Auto	49,142.1	5.0	74.0
BANSEX	53,515.2	2.0	16.3
BSE Oil & Gas	27,644.5	-0.1	59.0
BSE Power	6,701.7	1.7	85.9
BSE Realty	7,108.4	-1.2	129.2

Close price as on March 28, 2024

FII Investments In Indian Equities

Net Investment (₹ Crore)				
Month	2021	2022	2023	2024
Jan	8,981	(41,346)	(41,465)	(35,978)
Feb	42,044	(45,720)	(11,091)	(15,963)
Mar	1,245	(43,281)	1,998	3,314
Apr	(12,039)	(40,653)	5,712	
May	(6,015)	(54,292)	27,856	
Jun	(26)	(58,112)	27,250	

Nifty PE Movement



Market Overview

The markets continued their upward momentum for the second consecutive month. The gains in the benchmark were largely because of the gradual improvement in macro and economic environment, continuous demand and spending as well as FII turning buyer. Thus, for the month of March, the benchmark indices Sensex and Nifty gained ~1.6% each. Further, FY24 saw a decent run for the markets as Sensex & Nifty gained ~25% and 29%, respectively. Going ahead, for FY25 we expect the rally to continue but volatility is expected to remain high as there are events lined-up. The broader markets underperformed in the month of March, with BSE-Midcap and BSE-Small cap closing in the red, down by 0.1% and 4.6%, respectively. Amongst the sectors, a mixed trend was witnessed wherein Banks, Auto, Metals, Consumer Durables and Capital Goods were the gainers while IT, FMCG, Realty and Healthcare were the top losers.

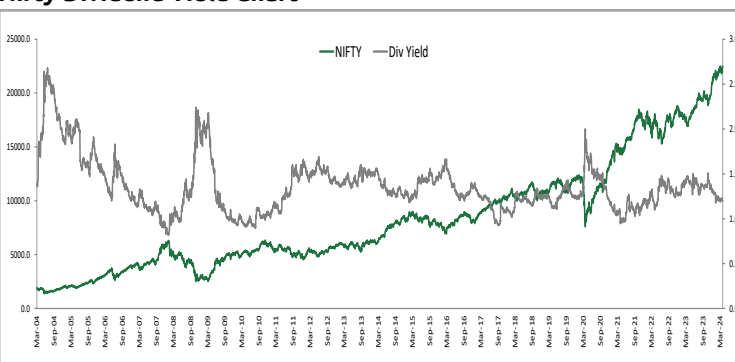
Market Outlook

We expect FY25 to be an eventful one and its returns would depend upon how the number of factors will pan out. To begin with we have RBI monetary policy meet scheduled on 5th April, followed by quarterly earnings & elections outcome. Further macro-environment, interest rate cuts and ongoing geo-political issues will be monitored. Further, we anticipate most of the above factors would be in the favor of the market, aiding the rally to continue with at least double digit returns. Further, we prefer investing in stocks which are a mix of large-cap and large-midcap as that would aid in balance in the investor's portfolio. Thus, amongst sectors investors can bet on private Banking, IT and FMCG while they can also look for investment in select pockets of the Auto and Cement sectors.

Net Investment (₹ Crore)

Month	2021	2022	2023	2024
July	(23,193)	(6,568)	13,922	
Aug	(2,569)	22,026	(20,621)	
Sept	914	18,308	(26,692)	
Oct	(25,572)	(489)	(29,057)	
Nov	(39,902)	22,546	7,033	
Dec	(35,494)	(14,231)	31,960	

Nifty Dividend Yield Chart





MONTHLY OUTLOOK

The Month That Was:- Nifty gained 344.10 points in the month of March, 2024.

Below is a summary of Top Nifty Gainers & Losers:

Top Nifty Gainers March 2024

	Close Price* (₹)	% Change
BAJAJ-AUTO	9148.15	15.66%
MARUTI	12600.35	11.62%
BAJFINANCE	7245.25	11.55%
HINDALCO	560.25	11.19%
TATASTEEL	155.85	10.65%

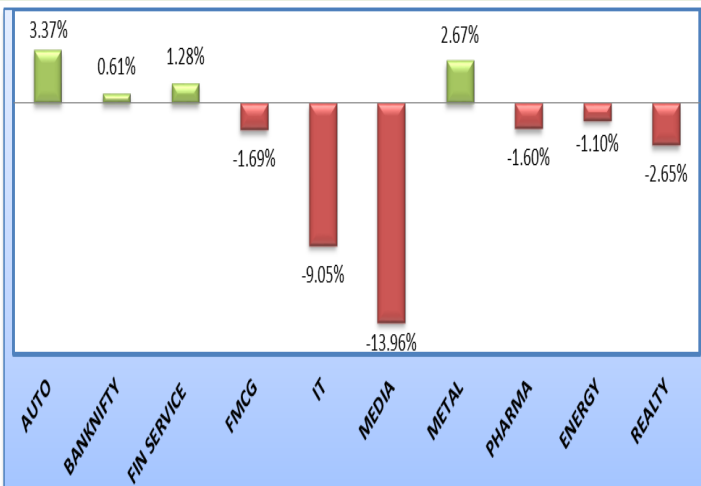
Top Nifty Losers for March 2024

Scrip Name	Close Price* (₹)	% Change
INFY	1498.05	-10.51%
TATACONSUM	1096.20	-7.89%
WIPRO	480.10	-7.42%
HCLTECH	1543.55	-7.23%
LTIM	4938.40	-6.84%

*Closing of last trading day of the month.

- Breadth of Nifty stocks was positive - 30 stocks closed in green, 20 stocks ended lower in the month of March, 2024.
- Relative comparison shows Auto, Metals and Fin service were the outperformers whereas Media, IT and Realty Under performed in March, 2024.

Sector Relative Performance



All the sectors have been compared with Nifty & the zero line represent Nifty. The movement of the sector vis-a-vis Nifty whether they outperform or underperform is shown in the above chart. It shows which sectors have attracted inflows and also the sectors from where money has exited.



Outlook for Nifty 50 (22,326.90)*

Support 21,900/21,500/21,000

Resistance 22,700/22,850/ 23,300



Outlook for Bank Nifty (47,124.60)*

Support 46,900/ 46,500/45,850

Resistance 47,900 / 48,200/ 48,600



- Nifty oscillated sharply in a range but finally ended the month with decent gains. After the initial up move, it retraced sharply in the first half but recovery in select heavyweights not only pared the losses but also helped the index to close in the green.
- Mixed trend was witnessed on the sectoral front. wherein Auto, Metals and Fin Services outperformed the markets whereas Media, IT and Realty witnessed selling pressure.
- We reiterate our positive view on the index and continue with the "buy on dips" approach until Nifty holds 21900. Going forward, we expect the index to gradually inch higher towards the 22700–22850 zone.

- The banking index started the March month on a strong note and snapped its two consecutive months of underperformance against the Nifty to close the month higher by 2.18%, outperforming the benchmark index.
- PSU Bank continued to inch higher for yet another month to hit new record highs. Private banks also witnessed recovery after 2 months of decline and managed to close higher ~2%.
- The banking index has been trading in a rising channel and currently trading around the middle of the range. Besides, it has also formed a triangle pattern and a breakout above 48,000 zone would fuel momentum. On the downside, the 46500-47000 zone would offer a cushion in case of any profit taking. We feel participation from the private banking majors would play a key role in triggering the next leg of the up move and retesting its previous swing high.

*Close price as on March 28, 2024



DERIVATIVES MONTHLY ROLLOVER REPORT

March Expiry Derivatives Summary

For the March Series, NIFTY closed at around 22,300 after Volume weighted average price (VWAP) based selling activity was witnessed in the second half of the day.

Nifty Futures contract Open Interest started with around 122 lakh vs 140 lakh in March. Bank nifty futures have seen an Open Interest of around 50 lakh vs 26 lakh in March. At expiry, VIX was at around 13% levels implying 720 odd points swing in the NIFTY in next 30 days. The highest Nifty April monthly options Open Interest is at 21000 PE and 23000 CE. Nifty 23000 Call Open Interest stands at around 49000 contracts and 21000 Put Open Interest at around 51000 contracts.

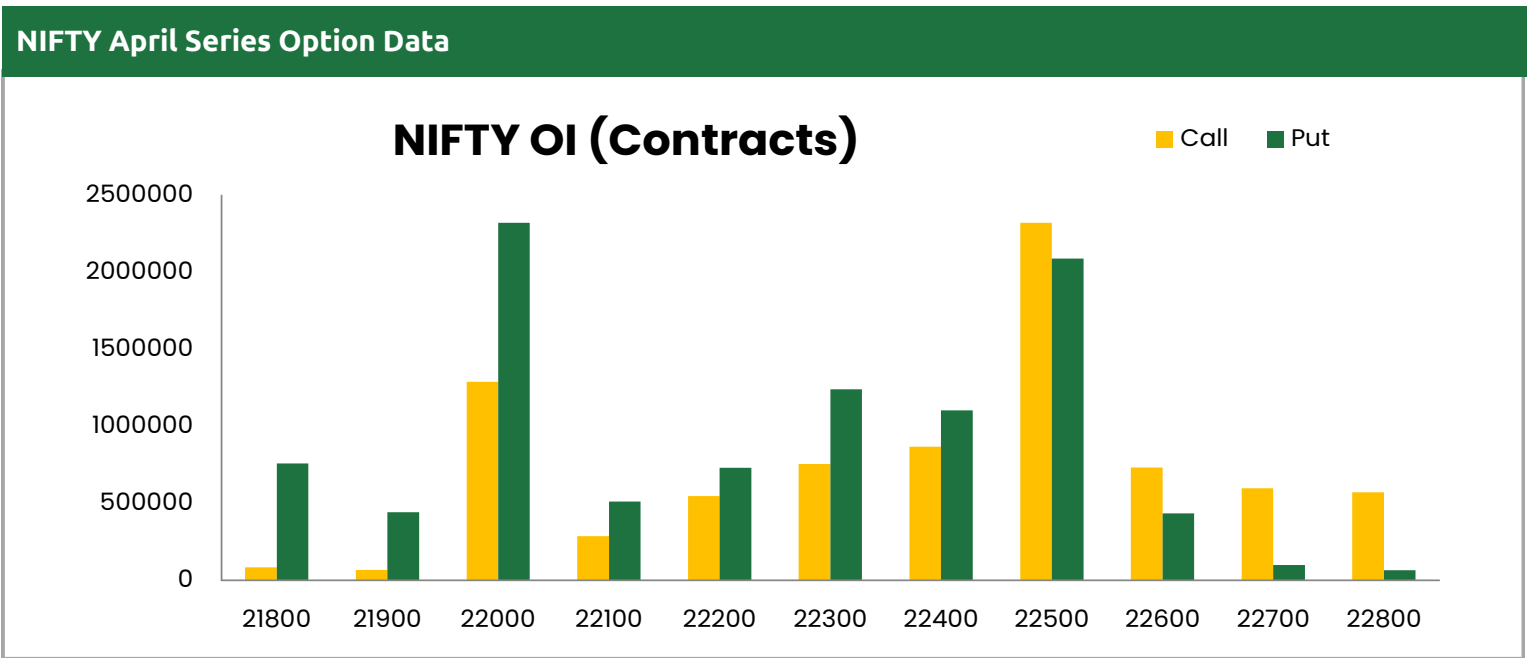
In March series; Textile & Cement @ 96% are the sectors where highest rollovers were seen whereas Telecom & Metals @ 89% are the sectors where lowest rollovers were seen.

We believe **AUTO, FMCG & BANKING** are the sectors that can outperform the index in April series.

IGL, ICICIPRULI, ADANI PORTS & NMDC are the stocks that can outperform the benchmark in the April series.

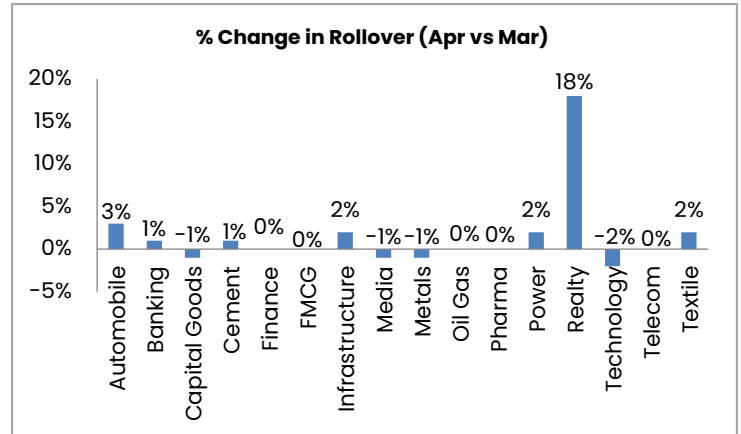
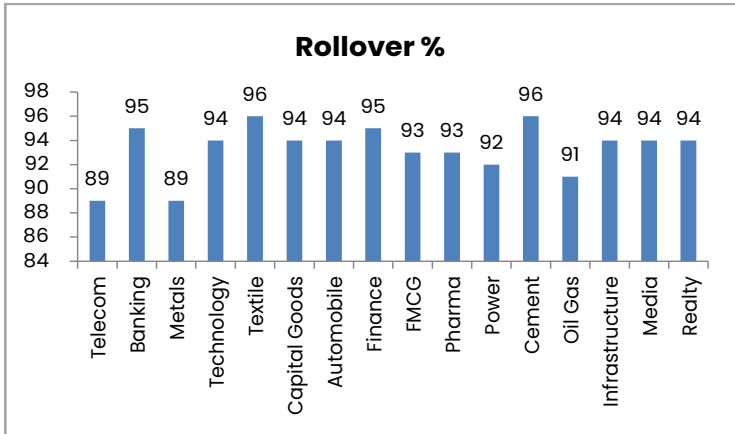
TOP 5 - HIGHEST ROLLS		Expiry-to-Expiry
STOCK NAME	% ROLL	
GLENMARK	99	
DABUR	99	
MFSL	99	
NESTLEIND	99	
TORNTPHARM	98	

TOP 5 - LOWEST ROLLS		Expiry-to-Expiry
STOCK NAME	% ROLL	
JINDALSTEL	55	
METROPOLIS	66	
TATACHEM	79	
ITC	80	
HCLTECH	81	





April Series Sector Outlook



IGL (CMP: 444): Broadly Consolidating, the stock did not do much in March series with gain of just a percent but added substantial OI. With decent cash based buying in last 3 days of rollover activity, we believe these are likely Longs. So one should be Positive on this counter keeping 400 as a Stop.



ICICIPRULI(CMP: 619): The stock gained over 14% with decline in OI implying Short Covering. With lesser positions in the stock, we anticipate a fresh inflow or addition of Long Positions in the stock. The other technical parameters also pointing towards the same. So keeping a Stop at 570, one should be Positively Biased.





April Series Outlook

Long Buildup

Long Build up	Price (%)	OI (%)
SAIL	10.77	83.66
CANBK	2.94	54.17
METROPOLIS	7.60	43.60
TATASTEEL	10.65	42.17
OFSS	14.35	39.55

Short Buildup

Short Build up	Price (%)	OI (%)
LALPATHLAB	-3.78%	89.46
MOTHERSON	-1.76%	73.38
HINDUNILVR	-6.13%	55.55
INFY	-10.51%	53.74
MCX	-11.00%	51.24

ADANI PORTS (CMP: 1400): The stock gained marginally in the previous series but added substantial OI with higher rolls than 3-M average. With decent activity in last week of rollovers, we anticipate the stock to trade in the range of 1250-1450 with Positive bias.



INFY (CMP: 1488): The stock lost more than 10% with 53% OI addition implying as Shorts. Rollovers are in line with the 3-M average. However going forward, one should Hold on For Fresh Shorting in the Stock. We believe Stock might witness decent Short Covering in the days to come.





April Series Outlook



Nifty futures has rolled at around 70% vs 79% which is lesser with respect to the previous series. The Open Interest for the new contract is lower by around 18 lakhs w.r.t the last month contract implying lesser Short Positions.

A combination of both Long & Short rolls was seen in April series. For April futures with an average price of around 22350 which becomes a pivot for the month. Till the time Nifty trades above 21,900-22,000 on spot, the index is in a Buy on Dips mode for the first weekly expiry. We expect the Nifty to find strong support at 21,900-22,000 levels for Apr series. On spot basis 21900-22600 might be the range for Nifty for first fortnight of April series.

FII's Long ratio is now at 45% vs 35% previously in Index futures implying lesser hedged positions into the April series. The IVs for options have declined marginally now at 14% vs 15% implying lesser swing in April series.

Banknifty futures rolled at 87% vs 74%, higher than the previous month.

Banknifty futures have seen huge addition open interest of around 25 lakh w.r.t. the last month. This might be because of the more positions in Banknifty during the March expiry. Like we mentioned previously, Banknifty had traded in tandem with Nifty in the March, we believe the Index has the potential to Out-perform the benchmark in the April series.

For this series, ratio wise (Banknifty/Nifty) has a resistance at 2.20 and support at 2.05. The ratio between Banknifty and Nifty currently at around 2.11.

The major support for Banknifty would be around 45,800 levels. We expect Banknifty to be in 46,000-48,500 levels for the first fortnight of April series.



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Statements on ownership and material conflicts of interest, compensation–Research Analyst(RA)

[Please note that only in case of multiple RAs, if in the event answers differ inter-se between the RAs, then RA specific answer with respect to questions under F(a) to F(j) below, are given separately]

S. No.	Statement	Answer	
		Yes	No
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No
	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest (if answer to F(a) above is Yes

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above , are given below]

SS.No.	Name (s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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