

The Daily

Oct 06, 2023





DOMESTIC INDICES			
	CLOSE	POINTS	% CHANGE
SENSEX	65632	406	0.62
NIFTY	19546	110	0.56
MIDCAP	31866	-11	-0.03
SMALL CAP	37650	221	0.59

SECTORAL INDICES			
	CLOSE	POINTS	% CHANGE
CG	48194	624	1.31
IT	32415	315	0.98
CD	45855	418	0.92
TECK	14595	120	0.83
AUTO	36079	291	0.81
BANKEX	49684	342	0.69
FINANCE	9558	39	0.41
REALTY	4558	17	0.38
OIL & GAS	18649	35	0.19
METAL	22565	-5	-0.02
HEALTHCARE	27929	-83	-0.30
POWER	4525	-25	-0.56

BSE 200 GAINERS/LOSERS			
GAINERS	%	LOSERS	%
AWL	5.76	JSWENERGY	-5.19
DMART	3.99	LODHA	-4.88
ADANIANT	3.22	AXISBANK	-4.38
NESTLEIND	2.91	M&MFIN	-4.37
MPHASIS	2.16	ZOMATO	-4.32

ADVANCE/DECLINES		
	BSE	%
ADVANCES	2278	60
DECLINES	1384	37
UNCHANGED	123	3

INSTITUTIONAL ACTIVITY			
Rs Cr	04-10-2023	05-10-2023	OCT TOTAL
FII	-4424	-1864	-10008
DII	1769	521	6403

Indian markets could open higher, in line with positive Asian markets today and mixed US markets on Oct 05

U.S. stocks finished lower while Treasury yields eased as investors awaited Friday's monthly jobs report from the Labor Department. Investors were staying cautious ahead of Friday's jobs report for September, even with a slight pullback in long-term Treasury yields that have been battering stocks.

The U.S. trade deficit shrank by 10% in August to a nearly three-year low of \$58.3 billion, reflecting a change in consumer spending habits and possibly some developing weakness in the economy. The last time the deficit was that low was in September 2020

Choppy trading in recent days sent the Cboe VIX index , a gauge of expected equity-market volatility, to 20 for the first time in four months as stocks tumbled.

The Reserve Bank of India is forecast to keep interest rates unchanged in a monetary policy decision due Friday.

Shares in Asia rose before a monthly US payrolls report that will help define the path forward for Federal Reserve interest rates.

Nifty broke a two day losing streak on Oct 05 and ended in the positive. At close, Nifty was up 0.56% or 108.2 points at 19544.3. Nifty rose on Oct 05 forming a bullish island reversal. A move below 19458 could nullify this formation. Nifty could now face resistance in the 19665 - 19734 band while 19333 could offer support once 19458 is breached.

Bajaj Finance to raise Rs 10,000 crore via QIP, preferential issue

Bajaj Finance announced a Rs 10,000 crore fundraise via qualified institutions placement as well as the preferential issue of shares. The NBFC plans to raise up to Rs 8,800 crore via QIP and Rs 1,200 crore via preferential allotment to promoter Bajaj Finserv.



GLOBAL INDICES			
	CLOSE	POINTS	% CHANGE
DOW JONES	33120	-9.98	-0.03
S & P 500	4258	-5.56	-0.13
NASDAQ	14723	-53.03	-0.36
FTSE	7452	39.09	0.53
CAC	6998	1.52	0.02
DAX	15070	-29.70	-0.20
NIKKEI	31086	33.50	0.11
SHANGHAI	3110	3.16	0.10
HANG SENG	17500	275.00	1.60
BOVESPA	113284	-323.00	-0.28

EXCHANGE RATES		
	VALUE	% CHANGE
USD/INR	83.2	0.20
EURO/USD	1.055	-0.03
USD/GBP	1.218	-0.05
USD/JPY	148.6	0.04

COMMODITIES		
	VALUE	% CHANGE
GOLD (\$ / Oz)	1836.4	0.25
SILVER (\$ / Oz)	21.2	0.74
CRUDE OIL FUTURES	82.8	0.53
BRENT OIL (\$ / Barrel)	84.5	0.23

BOND YIELD		
	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	7.214	-0.024

ADR		
	VALUE	% CHANGE
DR REDDY'S LAB	65.7	-0.20
HDFC BANK	59.3	0.03
ICICI BANK	22.9	0.79
TATA MOTORS	25.1	0.00
WIPRO	4.88	0.00
VEDANTA LTD	16.50	0.00
INFOSYS	17.61	0.97

Larsen & Toubro has secured various orders (Large) for its Buildings & Factories business

The Buildings & Factories business of Larsen & Toubro has secured various orders in the large category under its various business units. The business has secured an order to construct a residential township in Bengaluru involving the construction of 3,627 apartments spread across 19 Towers having configuration of 3 Basements + Ground + 23 to 41 Floors, 88 Villas along with club houses, swimming pools and other amenity structures. The total built up area will be approximately 9.7 million sq.ft.

The business also secured orders from a reputed developer to construct Commercial Towers in Hyderabad. The scope of work includes construction of 2 buildings (2B+G+6P+1T+15 Floors and 3B+LG+UG+4P+1T+14 Floors) with a combined built-up area of 4.2 million square feet. (*2,500 to 5,000 crores)

RITES emerges Lowest Bidder (L-1) in tender floated by Bangladesh Railway

RITES is the lowest bidder (L-1) in the tender floated by Bangladesh Railway. The estimated order value is approximately USD 111,003,177 (One Hundred Eleven Million Three Thousand One Hundred Seventy Seven US Dollars) for Procurement of 200 Broad Gauge (BG) Passenger Carriages for Bangladesh Railway.

Macrotech Developers (Lodha) posts strong pre sale and Collection numbers

Lodha achieved its best ever quarterly pre-sales performance of INR 35.3 bn in Q2, which is otherwise seasonably the weakest quarter of the year. With this company has achieved 48% of its FY24 pre-sales guidance (H1: 69 bn, FY24 guidance: 145 bn) despite no new locations being launched in H1. With festive season commencing shortly and strong launch pipeline for H2 with launches of c. 7 new locations, the company is on target to meet its full-year guidance.

Collections were INR 27.5 bn for 2QFY24, up 16% YoY and 14% QoQ. Company added 2 new projects totaling ~1.2 million sq. ft. of saleable area and INR ~23 bn GDV. With this, Lodha has already achieved INR ~143 bn of new business addition in 1HFY24, achieving >80% of FY24 guidance.



Sobha Ltd. quarterly business update

Recorded highest ever quarterly sales value of Rs. 17.24 billion, up 48.1% compared to Q2-23. Historically highest quarterly new sales area of 1.69 mn sft, growth of 26.1% over Q2-23. SOBHA's share of sales value was Rs. 12.76 million, also highest ever, up 32.7% from Q2-23. Average Price realization was at Rs. 10,223 per sft, growth of 17.4% compared to Q2-23. Milestone achieved of quarterly sales of over 1,000 homes.

Reliance unveils concept of swappable battery for electric two-wheelers at 'The Battery Show'

Reliance Industries unveiled the concept of swappable batteries for electric two-wheelers. The unveiling took place during the first edition of 'The Battery Show India' being held along with Renewable Energy India Expo in Greater Noida. The concept has already reached engineering and manufacturing stage and could come out as a product for customers next year.

Tata Elxsi to develop automotive cyber security solution with IISc

Tata Elxsi announced the joint development of an automotive cyber security solution together with the Indian Institute of Science (IISc) under the framework of an existing Memorandum of Understanding (MoU). This joint development will leverage Tata Elxsi's artificial intelligence and machine learning skill set and the business foray towards software-defined vehicles (SDV) & EV solutions, coupled with the strength of advanced research at Bengaluru-based IISc.

State oil companies see output rebound in fields abroad

Output from Indian state firms' oil and gas fields overseas is rising again after falling for four straight years as ONGC Videsh's (OVL) projects in Russia and South Sudan have nearly normalised after severe disruptions last year. The oil and gas output has risen to 8.3 million metric tonnes of oil equivalent (mmtoe) in the April-August period from 8.1 mmtoe in the same period last year.

May have to restrict services to Voda Idea, Indus Towers tells Trai

Indus Towers has told the telecom regulator that it may restrict services to Vodafone Idea (Vi) and explore legal remedies to speed up the recovery of piling receivables, criticising the cash strapped telco for its "wilful and continuous" failure to make contractual payments.

Adani Wilmar - Q2 business update

Adani Wilmar Ltd. has said its volumes will grow 11% in the second quarter, helped by stable rural demand and distribution expansion. However, standalone sales value growth fell 13% over the previous year, reflecting the price cuts taken on account of the sharp fall in global edible oil prices. The profitability for the quarter remains under stress due to divergent trends in the spot and future prices of edible oils. The food business has seen strong value and volume growth, despite the decline in export revenue due to restrictions on rice exports. Revenue from branded food products has been growing at a 40%-plus year-on-year rate for the last eight quarters and contributed around 80% to the overall segment revenue in the September quarter.

Godrej Consumer - Q2FY24 business update

Godrej Consumer Products Ltd. (GCPL) estimated a double-digit growth in organic sales in the Q@FY24 despite facing challenges in a tough macroeconomic environment. The volumes remained steady, with its growth estimated to be in the mid-single digits due to strong demand for its home-care products. Overall, the home-care volumes grew in the mid-single digit, while personal care grew in (the) low single digit. Regarding the international business, the company said its Indonesia business continued its upward trajectory, reporting double-digit volume and value growth. Godrej Africa, the US, and the Middle East reported constant currency sales growth in the mid-teens. However, due to currency fluctuations, the sales growth in rupee terms is projected to see a mid-single-digit sales decline. GCPL expects to post a "healthy" expansion in operating-profit margin across key markets despite higher category development investments.



Ujjivan Small Finance Bank Q2FY24 Business update

Advances are up 27%/5% YoY/QoQ to ₹ 26,600 crore. Disbursement remains robust with 18%/9% YoY/QoQ growth; ₹ 5,749 crore disbursed for Q2FY24; Secured portion of disbursement inching up, 25% of total disbursement Vs 22% in Q1FY24. Affordable Housing now a sizable portion of loan book crossing ₹4,000 crore; disbursed ₹ 541 crore up 69%/30% YoY/QoQ.

Total deposits grew 43%/9% YoY/QoQ to ₹ 29,134 crore from ₹ 20,396 crore/ ₹ 26,660 crore in Sep'22/ Jun'23. Continue to bring down excess liquidity towards comfortable level. Nationwide brand campaign and launch of value-add products yielding results; CASA up 27%/7% YoY/QoQ to ₹ 7,006 crore. Collection continues to be healthy across all buckets. Credit quality continues to improve with PAR/GNPA at 3.7%/2.2% vs 3.8%/2.4% as on Jun 30, 2023

Govt begins kharif paddy procurement; purchases 12.21 lakh tonne so far

The government has started procuring paddy and about 12.21 lakh tonne of the grain has been purchased from farmers at minimum support price (MSP) so far. Paddy worth Rs 2,689.77 crore has been procured from 99,675 farmers in Tamil Nadu, Punjab and Haryana at MSP. The ministry is targeting to procure 521.27 lakh tonne in the current season as against the actual purchase of 496 lakh tonne in the year-ago season.

Lupin received tentative approval from US FDA for Tolvaptan Tablets

Lupin Limited announced that it has received tentative approval from the US FDA for its Abbreviated New Drug Application for Tolvaptan Tablets, 15 mg, 30 mg, 45 mg, 60 mg, and 90 mg to market a generic equivalent of Jynarque Tablets, 15 mg, 30 mg, 45 mg, 60 mg, and 90 mg, of Otsuka Pharmaceutical Co., Ltd. This product will be manufactured at Lupin's Nagpur facility in India. Tolvaptan Tablets (RLD Jynarque) had estimated annual sales of US\$ 287 million in the U.S. (IQVIA MAT August 2023).

Manappuram Finance's arm Asirvad Micro Finance filed for IPO

Manappuram's unit Asirvad Micro Finance filed its draft red herring prospectus with SEBI for a fresh issue of equity shares amounting to Rs 1,500 crore. The company also plans to raise up to Rs 300 crore in a pre-IPO round. If such placement is completed, the fresh issue size will be reduced.

Laxmi Organic Industries fixed floor price at Rs 283.27 per share for QIP

Board approved the floor price for QIP at Rs 283.27 per share. The issue price will be determined by the company in consultation with the book-running lead managers appointed for the issue.



Important news/developments to influence markets

Initial Jobless Claims Remain Close to 7-Month Low

The number of Americans filing for unemployment benefits edged higher by 2,000 to 207,000 on the week ending September 30th, below estimates of 210,000 and remaining close to the seven-month low of 202,000 from earlier in the month.

US Imports Drop in August

Imports into the United States fell by \$2.3 billion over a month to reach \$314.3 billion in August 2023, led by a \$2.4 billion decrease in goods purchases. Imports of consumer goods fell \$1.9 billion, on account of cell phones and other household goods, which dropped \$1.5 billion.

US Exports Rise to 5-Month High

Exports from the United States increased by \$4.1 billion over a month to \$256 billion in August 2023, the highest level in five months, boosted by a \$3.1 rise in goods sales.

UK Construction Output Falls the Most Since 2020

The S&P Global/CIPS UK Construction PMI dropped to 45 in September 2023 from 50.8 in the previous month and below market expectations of 49.9. The latest reading marked the first contraction in construction sector output since June, with the fastest rate of decline since May 2020.



Index	CMP	View	R1	R2	S1	S2
Nifty Oct Future	19565	Positive	19640	19750	19480	19410
Bank Nifty Oct Future	44405	Positive	44870	45290	44050	43580

Daily Technical View on Nifty

Bullish island reversal.. Some more upside is likely

Observation: After showing a sustainable intraday upside recovery from the lows on Wednesday, Nifty witnessed a reasonable upside bounce on Thursday amidst range bound action and closed the day higher by 109 points. After opening with an upside gap of 85 points, the market shifted into a narrow range movement for better part of the session. The opening upside gap has been left unfilled.

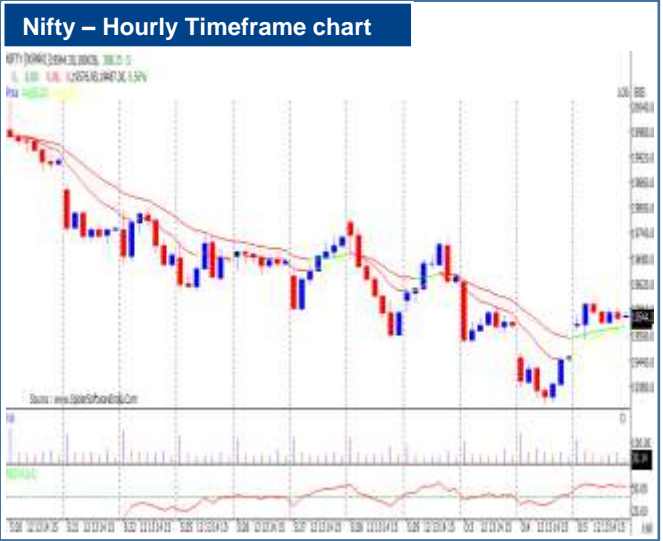
A small positive candle was formed on the daily chart with gap up opening (type of high wave candle formation).

The opening downside gap of Wednesday and the opening upside gap of Thursday are unfilled, which is indicating a formation of bullish 'island reversal' type pattern as per hourly/daily timeframe chart.

This is positive indication for the short term and it opens potential upside pattern target of 19726 levels for the short term.

Conclusion: The broader negative chart pattern like lower tops and bottoms is intact as per daily timeframe chart and further upside from here could open chances of new lower top formation.

The display of further strength in current upside bounce could possibly pull Nifty towards 19726 levels. Any failure to sustain the highs is expected to trigger fresh weakness from the lower highs.





OPEN SHORT TERM TRADING CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	28-SEP-23	BUY	GODREJ CONSUMER PRODUCTS OCT FUT	1009-989	982.00	975.0	1,060.0	7.9	12-OCT-23
2	3-OCT-23	SELL	JSW STEEL OCT FUT	771.25-782	760.50	790.0	734.0	3.5	17-OCT-23
3	4-OCT-23	SELL	APOLLO HOSPITAL OCT FUT	5040-5140	5,072.95	5,191.0	4,838.0	4.6	18-OCT-23
4	4-OCT-23	SELL	CANFIN HOMES OCT FUT	754.45-770	762.15	786.0	720.0	5.5	18-OCT-23
5	4-OCT-23	BUY	RAMCO CEMENT OCT FUT	944.50-923	937.75	905.0	1,003.0	7.0	18-OCT-23
6	5-OCT-23	BUY	MFSL OCT FUT	916.10-894	917.45	880.0	965.0	5.2	19-OCT-23
7	3-OCT-23	BUY	KPR MILLS	769.15-749.50	748.10	735.5	812.0	8.5	17-OCT-23
8	3-OCT-23	BUY	GIC HOUSING	216.05-210	214.40	205.0	232.0	8.2	17-OCT-23
9	3-OCT-23	BUY	LEMON TREE	116.75-112.80	117.90	110.9	125.0	6.0	17-OCT-23
10	5-OCT-23	BUY	NAZARA TEHNOLOGY	860-836.50	865.95	821.5	907.0	4.7	19-OCT-23
11	5-OCT-23	BUY	EASEMYTRIP	42.25-40.95	41.70	40.0	44.8	7.4	19-OCT-23
12	5-OCT-23	BUY	STOVE KRAFT	562.25-543	565.95	534.0	602.0	6.4	19-OCT-23

OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	8-AUG-23	BUY	BANDHAN BANK*	225-234	249.3	228.5	245.0	260.0	4	8-NOV-23
2	1-SEP-23	BUY	HIKAL	308-285	286.9	276.0	335.0	370.0	29	1-DEC-23
3	4-SEP-23	BUY	GSFC	159-172.25	172.4	154.0	191.5	215.0	25	4-DEC-23
4	6-SEP-23	BUY	SUN PHARMA	1143.06-1105	1119.1	1084.0	1214.0	1265.0	13	6-DEC-23
5	15-SEP-23	BUY	BIOCON	281-265	263.6	257.9	304.0	324.0	23	15-NOV-23
6	26-SEP-23	BUY	DEEPAK FERTILIZERS	594-631	638.9	569.0	698.0	728.0	14	26-DEC-23
7	27-SEP-23	BUY	APL APOLLO	1519-1590	1616.9	1495.0	1693.0	1820.0	13	27-DEC-23
8	27-SEP-23	BUY	BHEL	120-125.20	127.4	117.5	133.0	140.0	10	27-DEC-23
9	29-SEP-23	BUY	AJANTA PHARMA	1740-1796	1758.6	1690.0	1903.0	1975.0	12	29-DEC-23
10	29-SEP-23	BUY	GUJARAT ALKALI	680-720.30	723.0	665.0	783.0	827.0	14	29-DEC-23

*= 1st Target Achieved



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