

# The Daily

June 06, 2024





DOMESTIC INDICES			
	CLOSE	POINTS	% CHANGE
SENSEX	74382	2303	3.20
NIFTY	22620	736	3.36
MIDCAP	42586	1798	4.41
SMALL CAP	46278	1319	2.93

SECTORAL INDICES			
	CLOSE	POINTS	% CHANGE
METAL	32121	1635	5.36
AUTO	55003	2369	4.50
BANKEX	55829	2252	4.20
FINANCE	10612	418	4.10
CD	55496	1907	3.56
HEALTHCARE	35578	1185	3.45
POWER	7309	206	2.90
TECK	15807	415	2.70
IT	33769	823	2.50
REALTY	7829	190	2.48
OIL & GAS	27362	618	2.31
CG	65643	814	1.26

BSE 200 GAINERS/LOSERS			
GAINERS	%	LOSERS	%
IDEA	12.32	PAYTM	-4.86
ADANIGREEN	11.01	ADANIENSOL	-2.58
JSWENERGY	9.62	SCHAEFFLER	-2.39
SAIL	9.27	LINDEINDIA	-1.99
PATANJALI	8.77	OIL	-1.96

ADVANCE/DECLINES		
	BSE	%
ADVANCES	2597	66
DECLINES	1221	31
UNCHANGED	100	3

INSTITUTIONAL ACTIVITY			
Rs Cr	04-06-2024	05-06-2024	JUNE TOTAL
FII	-12436	-5656	-9628
DII	-3319	4555	5264

## Indian markets could open mildly higher, in line with mostly positive Asian markets today and higher US markets on June 05

The S&P 500 and Nasdaq Composite ended at records Wednesday as Nvidia Corp.'s market capitalization touched the \$3 trillion mark for the first time. Nvidia is now worth more than Apple, becoming the second-largest U.S. company behind only Microsoft. The rise came amid tentative optimism for interest rate cuts on signs of slowing labor demand and a cooling economy.

US treasury yields continued their fall this week as rate-cut bets were boosted by data showing the economy created fewer than expected private sector jobs in May, with just 152,000 workers hired in the month, down from 188,000 in the prior month, and missing economists estimates of 173,000. Activity in the U.S. services sector expanded at a faster-than-expected pace in May, according to a report Wednesday from the Institute for Supply Management. The ISM services index showed that 53.8% of purchase managers surveyed reported expansion, up from 49.4% in April and better than the Dow Jones estimate of 50.7%.

Bank of Canada became the first Group of Seven central bank to kick off an easing cycle. The Bank of Canada has trimmed its key policy rate by 25 basis points to 4.75 percent, in a widely expected move that marked its first cut in four years, and said more easing was likely if inflation continued to ease.

India's services sector growth, which hit a six-month high in January, eased a little in May amid softer increases in new orders and output, according to a private survey on Tuesday. The HSBC India Services Purchasing Managers' Index (PMI), compiled by S&P Global, fell to 60.6 in February, down from 61.8 in January.

Asia-Pacific stocks rose on Thursday as hopes for rate cuts by the European Central Bank boosted market sentiment, while major indexes in the U.S. hit fresh highs overnight.

Nifty erased some of the previous day's losses and ended higher on June 05 after the NDA allies pledged support for the alliance to form a government for the third term. At close, Nifty was up 3.36% or 735.9 points at 22620.4. Nifty formed a bullish inside day candle with a long lower shadow. It now seems to be consolidating after a sharp fall. Nifty could now head towards 22858 and 23180 on the up while 22319 could offer support in the near term.



GLOBAL INDICES			
	CLOSE	POINTS	% CHANGE
DOW JONES	38807	96.04	0.25
S & P 500	5354	62.69	1.18
NASDAQ	19034	379.10	2.03
FTSE	8247	14.91	0.18
CAC	8007	68.67	0.87
DAX	18570	164.63	0.89
NIKKEI	38903	440.00	1.14
SHANGHAI	3058	-7.31	-0.24
HANG SENG	18509	84.04	0.46
BOVESPA	121407	-395.00	-0.32

EXCHANGE RATES		
	VALUE	% CHANGE
USD/INR	83.4	0.20
EURO/USD	1.089	0.22
USD/GBP	1.280	0.15
USD/JPY	155.7	-0.28

COMMODITIES		
	VALUE	% CHANGE
GOLD (\$ / Oz)	2387.4	0.50
SILVER (\$ / Oz)	30.5	1.55
CRUDE OIL FUTURES	74.5	0.58
BRENT OIL (\$ / Barrel)	78.7	0.42

BOND YIELD		
	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	7.026	-0.007

ADR		
	VALUE	% CHANGE
DR REDDY'S LAB	69.5	1.13
HDFC BANK	58.4	5.26
ICICI BANK	26.7	3.49
TATA MOTORS	25.1	0.00
WIPRO	5.33	2.70
VEDANTA LTD	16.50	0.00
INFOSYS	17.15	2.08

## Torrent Pharma in pact with Takeda to commercialize acid reflux drug

Torrent Pharmaceuticals Ltd has entered into a non-exclusive patent licensing agreement with Takeda Pharmaceuticals to commercialize Vonoprazan in India, which is used to treat and prevent the return of ulcers (sores in the lining of the stomach or intestine) caused by certain types of bacteria.

Vonoprazan is a novel potassium-competitive acid blocker (P-CAB), used for the treatment of acid-related disorder gastroesophageal reflux disease (GERD).

## Cholamandalam eyes strong organic growth amid low financial services penetration in India

Vellayan Subbiah, Chairman, of Cholamandalam Invest and Executive Vice Chairman, of Tube Investments talked about the ambitious growth plans for Cholamandalam. When asked about the company's future growth and whether it would be organic or involve acquisitions, Subbiah expressed confidence in a fully organic growth strategy. He highlighted that financial services penetration in India remains low, presenting significant opportunities for non-banking financial companies (NBFCs).

## Indian Energy Exchange reports 28.9% jump in May 2024 volumes

The Indian Energy Exchange (IEX) on Wednesday (June 4) said it has achieved a total monthly volume of 10,633 MU in May 2024, reflecting a 28.9% year-over-year increase. Electricity volumes reached 9,568 MU, marking a 21% year-over-year growth. Renewable Energy Certificates (REC) saw a significant surge, with volumes hitting 1,055 MU, a staggering 640.3% year-over-year increase.

Notably, the REC market recorded an all-time low price of Rs 165 per certificate during the trading session on May 29, 2024. A total of 10.55 lac RECs (equivalent to 1,055 MU) were traded in the trading sessions held on May 8 and 29, 2024, at a clearing price of Rs 185/REC and Rs 165/REC respectively.

## Kalpataru Projects to consider fund raising via NCDs, board meet on June 10

Engineering firm Kalpataru Projects International Ltd (KPIL) on Wednesday (June 5) said the Executive Committee of its board of directors will meet on Monday (June 10) to discuss and approve a proposal for raising funds. The company plans to issue non-convertible debentures (NCDs) on a private placement basis, subject to necessary approvals.



## **BHEL secures Rs 3,500 crore order from Adani Power for Chhattisgarh thermal plant**

State-owned Bharat Heavy Electrical Ltd (BHEL) clinched a significant order worth more than Rs 3,500 crore from Adani Power Ltd (APL) to set up a 2x800 MW thermal power plant (TPP) in Raipur, Chhattisgarh.

Under the contract signed on June 5, 2024, BHEL will be responsible for the supply of equipment, including boilers, turbines, generators, and associated auxiliaries, as well as the supervision of erection and commissioning for the power project based on 'supercritical technology.'

## **Birla Estates and Barmalt India form JV for luxury Gurugram housing project**

Century Textiles and Industries Ltd (CTIL) on Wednesday (June 5) said its wholly-owned subsidiary Birla Estates Private Ltd has entered into a joint venture with Barmalt India Private Ltd for a luxury residential group housing development in Sector 31, Gurugram.

The land parcel is spread across 13.27 acres with a development potential of approximately 2.4 million square feet offering a revenue potential of approximately Rs 5,000 crore, according to a stock exchange filing.

## **RVNL bags multiple orders worth over Rs 500 crore from Eastern Railway and DHBVN**

Rail Vikas Nigam Ltd (RVNL) on Wednesday (June 5) said it has received multiple orders worth more than Rs 500 crore. It received a letter of acceptance from Eastern Railway for the construction of the Sitarampur bypass line under the Asansol Division. The project is valued at Rs 390.97 crore, according to a stock exchange filing.

Additionally, RVNL emerged as the lowest bidder for the implementation of SCADA (supervisory control and data acquisition supervisory control and data acquisition) and DMS/OMS (distribution management system/outage management system) works in Gurugram under the Revamped Distribution Sector Scheme (RDSS) for Dakshin Haryana Bijli Vitran Nigam Ltd (DHBVN).

## **Hindalco Industries defers Novelis IPO in US, cites market conditions**

Novelis, the US subsidiary of Hindalco Industries, has deferred its initial public offering (IPO) due to market conditions, announcing the decision on Wednesday after launching a roadshow for the offer last week.

Novelis said it would continue to evaluate the timing of the offering. Proceeds from the up to \$945 million worth IPO were to accrue fully to its parent company. Further, the full exercise of the greenshoe option would have taken the proceeds to \$1.08 billion at the upper end of the price band.

## **SUN Mobility partners with IndianOil for setting up battery swapping infra**

SUN Mobility on Wednesday announced a strategic collaboration and a joint venture with IndianOil for setting up and deploying a battery swapping infrastructure network by 2030.

The joint venture expects to scale up to 10,000 battery swapping stations across 40+ cities in the next three years and will enable seamless adoption of electric mobility across two, three as well as small four-wheelers with 'Battery as a Service' (BaaS) mobility solution, the company said in a statement.

## **SpiceJet plans to raise \$250 million by mid-August, says Ajay Singh**

SpiceJet is planning to raise \$250 million (Rs 2,085 crore) by mid-August as it would assist the airline in clearing its balance sheet and put it on the path of growth, its chairman and managing director Ajay Singh said on Wednesday. For the last several quarters, SpiceJet has been grappling with a cash crunch amid multiple legal battles over unpaid dues to aircraft lessors, engine lessors, lenders and former promoter Kalanithi Maran.



## **Uno Minda partners with Inovance Automotive to strengthen e-4W product portfolio**

Uno Minda has entered into a Technical License Agreement (TLA) with Suzhou Inovance Automotive Co., Ltd., China (Inovance Automotive) for manufacture and sale of select high voltage category electric vehicle products for passenger vehicle and commercial vehicle in India.

The select electric vehicle products include Charging Control Unit (CCU), EV inverter, EV motors and next generation 3-in-1 electric drive systems (e-Axle). This partnership will significantly expand Uno Minda's e-4W product portfolio, enabling them to effectively cater to the growing Indian EV market. Uno Minda aims to further strengthen the partnership by transitioning it into a joint venture, subject to necessary approvals.

## **EU GMP certificate issued by Health Product Regulatory Authority of Ireland for Valthera facility (Unit II)**

Concord Biotech informed that Health Product Regulatory Authority of Ireland has Issued EU GMP Certificate for Unit II (Valthera facility) of the Company, located at 297-298/2p, Valthera, Dholka - 382225 in Ahmedabad, Gujarat.

## **Important news/developments to influence markets**

### **US private payroll growth slows to 4-month low; small firms cut jobs**

Hiring by U.S. private employers slid to a four-month low in May, with small firms reducing staff, and wage gains for job changers moderated for a second month, according to a report on Wednesday that added to signs the job market is cooling.

Private payrolls increased by 152,000 jobs last month - the fewest since January and well below the average of 194,000 over the past year - after rising by a downwardly revised 188,000 in April, the ADP Employment report showed. Economists polled by Reuters had forecast private employment increasing by 175,000 last month.

### **UK services firms report slower growth and weaker inflation, PMI shows**

Growth among Britain's services businesses eased in May from April's 11-month high and inflation pressures dropped to their lowest in three years, a survey showed on Wednesday, potentially easing the way for a Bank of England rate cut later this year. The S&P Global UK Services Purchasing Managers' Index touched a six-month low of 52.9, down from April's 55.0, in line with an earlier provisional reading.

The composite PMI - which wraps in the manufacturing PMI released on Monday - eased to a two-month low of 53.0 from April's one-year high of 54.1.

### **China's exports seen rising more quickly in May, boosting growth prospects: Reuters poll**

China's exports likely grew more quickly and for a second month in May thanks to improving overseas demand, giving officials some comfort as they navigate numerous challenges at home to shore up an uneven economic recovery. Trade data for May is expected to show outbound shipments grew 6.0% year-on-year by value, according to the median forecast of 32 economists in a Reuters poll on Wednesday, up from the 1.5% increase recorded in April.

### **Euro zone business activity expands at fastest rate in a year, PMI shows**

Euro zone business activity expanded at its quickest rate in a year in May as growth in the bloc's dominant services industry outpaced contraction in manufacturing, according to a private survey, which also showed price pressures easing. HCOB's composite Purchasing Managers' Index (PMI) for the currency union, compiled by S&P Global and seen as a good gauge of overall economic health, rose to 52.2 in May from April's 51.7, its highest since May 2023.





Index	CMP	View	R1	R2	S1	S2
<b>Nifty Jun Fut</b>	<b>22642.90</b>	Bullish	22960	23278	22074	21506
<b>BankNifty Jun Fut</b>	<b>49117.65</b>	Bullish	50133	51149	47441	45765

## Daily Technical View on Nifty



- Nifty erased some of the previous day losses and ended higher.
- At close, Nifty was up 3.36% or 735.9 points at 22620.4. Cash market volumes on the NSE continued to be high at Rs.1.87 lakh cr.
- Midcap index rose more than the Nifty even as the advance decline ratio rose sharply to 3.49:1.
- Nifty formed a bullish inside day candle with long lower shadow.
- It now seems to be consolidating after a sharp fall.
- Nifty could now head towards 22858 and 23180 on the up while 22319 could offer support in the near term.
- IT, Pharma, and Private banking sector could outperform from here as ratio charts have given bullish reversal signs
- Nifty has retraced more than 61.8% of the entire fall which it registered after forming all time high of 23338 on Monday.
- Successful retracement of more than 61.8% indicates negation of the down trend and resumption of an uptrend.



## OPEN SHORT-TERM TRADING CALLS

NO	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	5-JUN-24	BUY	HCL TECH JUNE 1360 CALL OPTION	33.65	30.9	23.7	48	55.3	10-JUN-24
2	5-JUN-24	BUY	TCS JUNE FUT	3787.25-3650	3,765.5	3,605.0	4020	6.8	19-JUN-24
3	5-JUN-24	BUY	VBL	1497-1450	1,494.0	1,430.0	1580	5.8	19-JUN-24
4	5-JUN-24	BUY	SCI	223-216	224.8	211.5	237	5.4	19-JUN-24
5	5-JUN-24	BUY	CAMPUS	283.65-274	289.5	269.0	306	5.7	19-JUN-24

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