

# Equity Research Desk

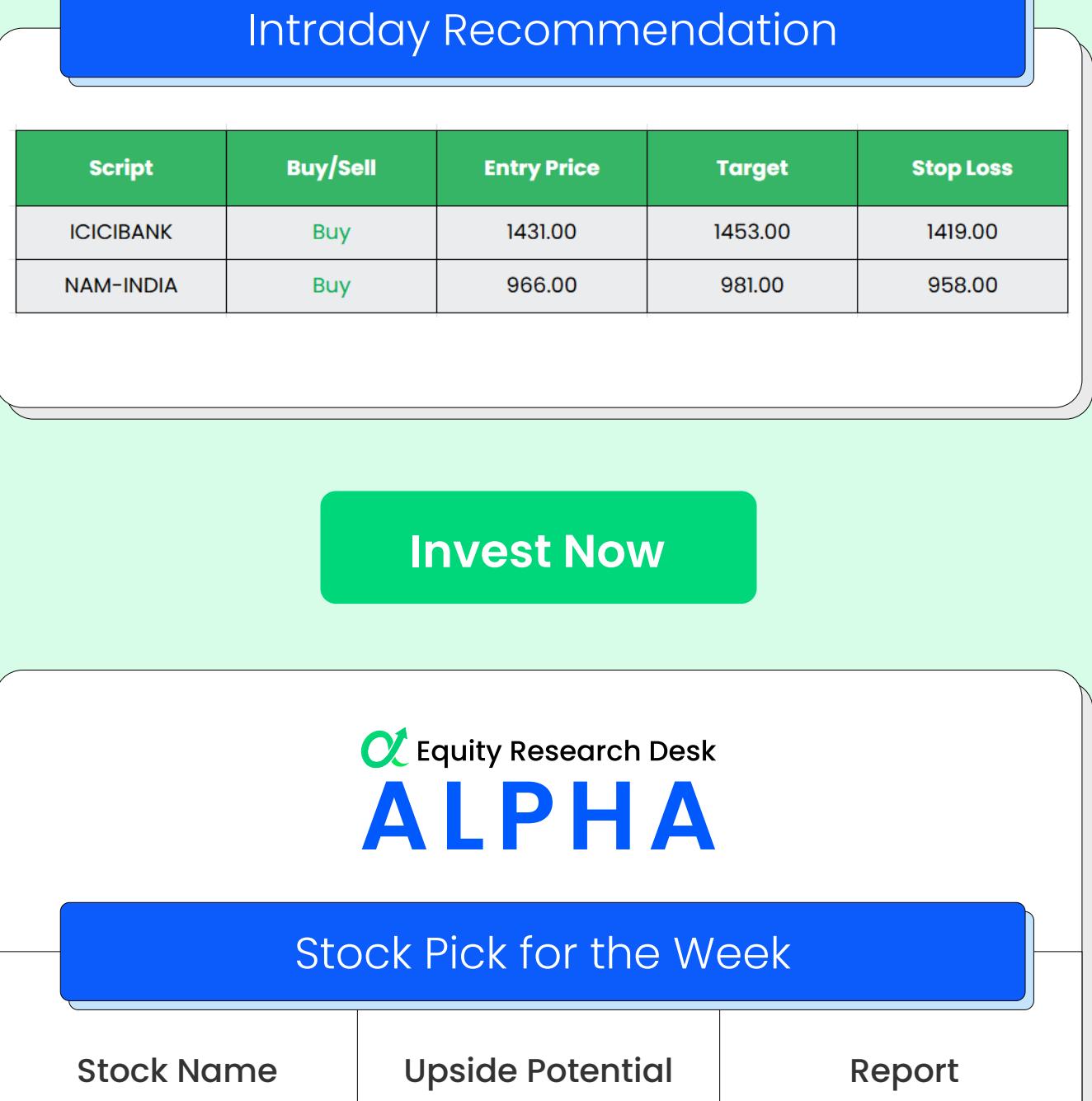
# MORNINGER

## Gap-Down Opening Seen For Nifty Today

Trends in the GIFT Nifty index futures for February delivery, which was trading at 25,720 at 7:30 am, indicates a gap-down opening for Nifty today.

## Nifty Technical Outlook

On Thursday, Nifty opened gap-down, slipped below 25,900, and faced selling pressure through the session. It tested 25,750 intraday but closed above 25,800, snapping a four-day winning streak. The IT index dragged the Nifty, dropping 5.5% amid AI concerns, with Tech Mahindra falling nearly 6%. Financials offered support, but market breadth was negative. Retail inflation eased to 2.75% in January. TCS market cap fell below ₹10 lakh crore for the first time since December 2020. Except Defence, Consumer Durables, Financials and Metals, all sectoral indices closed in the red. The Nifty dropped 146.65 points closing at 25,807.20. The Nifty formed a bearish candlestick pattern on the daily chart, but we expect the buying interest to emerge at lower levels. The volatility index IndiaVIX has closed below 12 and we expect the volatility to ease in the short term. The Nifty short-term trend remains bullish and the trend will turn bearish only below 25,600 levels. The 9-day simple moving average is placed at 25,721.



## Domestic & Global Indices

Index	Last Close Price	CMP	Daily Change (%)
NIFTY	25953.85	25807.20	-0.57%
NIFTY BANK	60745.35	60739.75	-0.01%
INDIA VIX	11.55	11.73	1.54%
DOW 30	50121.40	49451.98	-1.34%
NASDAQ 100	23066.47	22597.15	-2.03%
FTSE 100	10472.11	10402.44	-0.67%
DAX	24856.15	24852.69	-0.01%
NIKKIE 225	57650.49	57639.79	-0.02%
Brent Crude (\$)	69.62	67.54	-2.99%
Gold (\$)	5084.75	4921.11	-3.22%
Silver (\$)	84.26	75.22	-10.73%

After a choppy close on Wednesday, Wall Street saw sharper losses on Thursday as early gains faded and selling intensified. Concerns over the broader impact of AI on sectors like financials, transportation, logistics and commercial real estate weighed on sentiment. Tech weakness added pressure, with Cisco plunging 12.3% despite better-than-expected results, after issuing disappointing guidance. The Dow index moved down by 669 points to close at 49,451.98 and the S&P 500 index moved down by 108 points to close at 6,832.76.

## Index Levels

Index Levels	S2	S1	Close	R1	R2
NIFTY	25600.00	25700.00	25807.20	25920.00	26000.00
NIFTY BANK	60150.00	60440.00	60739.75	61000.00	61400.00

## Sectors in Focus (Intraday)

Bias	Sector
Positive Bias	Banks, Healthcare, Energy, Metal, Defence & Auto
Negative Bias	IT & FMCG

## Intraday Recommendation

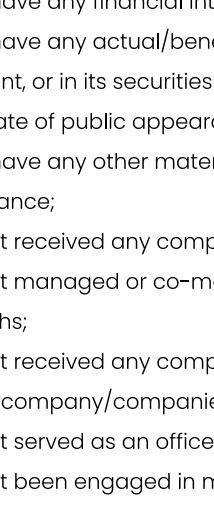
Script	Buy/Sell	Entry Price	Target	Stop Loss
ICICIBANK	Buy	1431.00	1453.00	1419.00
NAM-INDIA	Buy	966.00	981.00	958.00

## Invest Now

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# ALPHA

## Stock Pick for the Week

Stock Name	Upside Potential	Report
	18%	<a href="#">Click Here</a>

## Trading Activity (Cash) - 12/02/2024

Category	Buy Value	Sell Value	Net Value
FII / FPI	17949.52	17841.10	108.42
DII	17213.85	16937.00	276.85

## Derivatives Watch

Based on Open Interest in Futures, FII's have decreased their long position by 155 contracts and have increased their short position by 837 contracts. FII's are net bearish by 992 contracts.

Based on Open Interest in Options, FII's were net bearish by 48474 contracts. In Nifty, the highest PUT OI was seen at 25800 and the highest CALL Open Interest was seen at 26000 strike.

Based on Open Interest, we are bullish on Bharat Forge, BHEL, HULCO, Mutual Finance, HAL, Bandhan Bank, Zydus Lifesciences, MCX, LICI and Max Healthcare. We are bearish on Lodha, IOC, Godrej Properties, Power India, APLA Apollo, Tata Elxsi, Persistent, LTI Mindtree, Hindustan Unilever and OES.

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India's retail inflation, measured by the Consumer Price Index (CPI), came in at 2.75% in January 2024 under the new base year (FY24). While the headline number is slightly higher than what the old series would have indicated, economists say it is not a major surprise and does not change the near-term policy outlook. Sakshi Gupta, Senior Economist at HDFC Bank, said the print was broadly in line with expectations. "At least it's not a shockingly high number or shockingly low number," she said, noting that while the headline is manageable, food inflation at 2.13% was higher than anticipated.

Hindalco Industries reported a sharp improvement in operating performance for the quarter ended December 31, 2023, supported by a strong India business, even as disruptions at subsidiary Novelis weighed on consolidated earnings. Consolidated revenue rose 23.1% year-on-year to ₹29,264 crore from ₹23,776 crore. EBITDA surged 59.5% to ₹4,248 crore compared with ₹2,664 crore a year ago, while margins expanded to 14.5% from 11.2%. Aluminium upstream revenue rose 6% to ₹10,620 crore, while EBITDA increased 14% to ₹4,832 crore.

Lupin Ltd on Thursday (February 12) reported a consolidated net profit tax of ₹1,175.5 crore, down sequentially from ₹1,357.4 crore in Q2 FY26 but up 37.5% compared to Q3 FY25. Consolidated revenue from operations stood at ₹1,167.5 crore, up 1.7% quarter-on-quarter and 24.3% year-on-year. On a standalone basis, net profit after tax was ₹17.5 crore in Q3 FY26, down from ₹1,357.4 crore in Q2 FY26 and ₹1,114.7 crore in Q3 FY25. Standalone revenue from operations was ₹4,01.1 crore, up 12.5% sequentially and 9.3% year-on-year.

Indian Hotels Company Ltd on Thursday, February 12, reported robust numbers for the third quarter ended December 31, 2023, with net profit surging 50.2% to ₹954.2 crore from ₹635.2 crore a year ago. Revenue for Q3 FY26 increased 12.2% to ₹2,842 crore from ₹2,533 crore year-on-year, reflecting healthy growth momentum. Earnings before interest, taxes, depreciation, and amortisation (EBITDA) grew 11.9% to ₹1,076 crore versus ₹961.2 crore a year ago while EBITDA margins remained flat at 37.9% against 38% year-on-year.

Coal India reported a mixed set of numbers for the quarter ended December, with profit coming in above estimates even as revenue and operating performance declined year-on-year. Net profit stood at ₹7,166 crore, higher than the CNBC-TV18 poll estimate of ₹6,825 crore. Revenue came in at ₹34,924 crore, above the ₹33,288 crore estimate. However, EBITDA at ₹9,331 crore missed expectations of ₹9,997 crore, with margins at 26.7% versus the estimated 30%.

Biocon reported a mixed performance for the December quarter, with revenue and operating profit missing street estimates even as net profit rose year-on-year on a low base. Net profit came in at ₹143.8 crore, below the CNBC-TV18 poll estimate of ₹167.5 crore, but sharply higher than ₹25.1 crore reported in the year-ago quarter. The company recorded a one-time exceptional loss of ₹293.4 crore during the quarter. Revenue stood at ₹4,173 crore, missing the estimate of ₹4,556.2 crore, though it grew 9.2% from ₹3,821 crore a year earlier.

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