

The Daily

August 22, 2024





DOMESTIC INDICES

	CLOSE	POINTS	% CHANGE
SENSEX	80905	102	0.13
NIFTY	24770	71	0.29
MIDCAP	48318	205	0.43
SMALL CAP	55336	480	0.87

SECTORAL INDICES

	CLOSE	POINTS	% CHANGE
CD	62593	964	1.56
HEALTHCARE	42008	393	0.94
METAL	31979	230	0.73
CG	73121	317	0.44
TECK	19225	45	0.23
AUTO	57889	128	0.22
OIL & GAS	32519	57	0.18
IT	42261	44	0.10
FINANCE	11366	8	0.07
BANKEX	57809	-98	-0.17
POWER	8333	-14	-0.17
REALTY	8112	-108	-1.31

BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
AWL	9.99	TORNTPOWER	-4.18
NYKAA	9.42	MANKIND	-3.26
GLAXO	6.35	FLUOROCHEM	-2.48
PATANJALI	4.79	SONACOMS	-2.44
SCHAEFFLER	4.05	SOLARINDS	-2.15

ADVANCE/DECLINES

	BSE	%
ADVANCES	2607	65
DECLINES	1345	33
UNCHANGED	86	2

INSTITUTIONAL ACTIVITY

Rs Cr	20-08-2024	21-08-2024	AUG TOTAL
FII	-1458	-800	-36272
DII	2252	3097	58584

Indian markets could open flat to mildly higher, in line with mixed Asian markets today and positive US markets on Aug 21

The S&P 500 closed higher Wednesday as the minutes of the US Federal Reserve's July meeting strengthened expectations for a rate cut next month, overriding concerns about the economy following softer labor market data.

The Bureau of Labor Statistics revised down March 2024's employment gains by 818,000 positions earlier in the session, as part of the agency's annual benchmark review of payroll data. The revision lowered the 2.9 million payroll additions originally reported by 818,000. It was the steepest preliminary downward revision since the global financial crisis, and suggested that the apparent softening in the labor market could be more pronounced than previously assumed.

Minutes from the latest US Fed policy meeting showed several officials acknowledged a conceivable case for cutting rates, before the central bank voted to keep them steady. Chair Jerome Powell will have a chance to offer investors further clarity when he speaks in the Jackson Hole economic symposium on Friday.

BOJ Governor Kazuo Ueda will face intense market scrutiny on Friday when he speaks to lawmakers, after the central bank's rate hike and hawkish signals contributed to the global market turmoil earlier this month.

Stocks in Asia edged higher on Thursday ahead of key events from the Federal Reserve and the Bank of Japan that will help outline the global rates trajectory.

Nifty rose for the fifth consecutive session to close at 24770 with a gain of 71 points or 0.29%. Short term trend remains bullish for the Nifty and existing longs can be held with the stop loss of 24500 levels. On the higher side 24950-25078 is likely to act as a resistance.

Reliance Industries to invest Rs 1,000 cr to stem coal bed methane output fall

Reliance Industries (RIL) plans to invest more than Rs 1,000 crore to enhance production from its coal bed methane (CBM) blocks in Sohagpur, Madhya Pradesh. Facing a decline in CBM output, RIL aims to increase production to 1 million standard cubic meters per day within three years by drilling new wells.



GLOBAL INDICES

	CLOSE	POINTS	% CHANGE
DOW JONES	40890	55.52	0.14
S & P 500	5621	23.73	0.42
NASDAQ	19825	105.02	0.53
FTSE	8283	10.11	0.12
CAC	7525	38.99	0.52
DAX	18449	91.43	0.50
NIKKEI	38175	223.20	0.59
SHANGHAI	2850	-6.89	-0.24
HANG SENG	17398	6.99	0.04
BOVESPA	136464	377.00	0.28

EXCHANGE RATES

	VALUE	% CHANGE
USD/INR	83.9	0.20
EURO/USD	1.114	-0.07
USD/GBP	1.309	-0.05
USD/JPY	145.4	0.10

COMMODITIES

	VALUE	% CHANGE
GOLD (\$ / Oz)	2537.4	-0.40
SILVER (\$ / Oz)	29.4	-0.37
CRUDE OIL FUTURES	71.9	-0.07
BRENT OIL (\$ / Barrel)	76.1	0.05

BOND YIELD

	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	6.967	+0.111

ADR

	VALUE	% CHANGE
DR REDDY'S LAB	84.2	1.24
HDFC BANK	60.5	0.60
ICICI BANK	28.1	0.68
TATA MOTORS	25.1	0.00
WIPRO	6.26	1.46
VEDANTA LTD	16.50	0.00
INFOSYS	22.57	1.17

Coal India actively pursuing the acquisition of critical minerals in India

Coal India is actively pursuing the acquisition of critical minerals, such as lithium, domestically and overseas to reduce import dependence. These minerals are essential for clean energy technologies, particularly in the production of batteries for electric vehicles. The company has successfully secured its first non-coal mineral mining venture in India and plans to continue participating in auctions for critical mineral blocks. Coal India aims to ensure self-reliance in coal production and provide quality coal for power generation at a fair price.

Avantel Ltd updates on order from NewSpace India Ltd

Avantel Ltd had received a Provisional Purchase Order worth Rs.67.92 Crores from M/s. NewSpace India Limited. M/s. NewSpace India Limited has accepted the prototype terminals (Xponders) and issued the bulk production clearance. The provisional purchase order has now been converted into a final purchase order.

Coal-Rich Indian State to Pass Mining Tax After Court Ruling

The Indian state of Jharkhand has passed a bill imposing mining taxes, according to people familiar with the matter, a move that's set to inflate the prices of minerals from coal to bauxite. The state assembly has approved the Jharkhand Mineral Bearing Land Cess Bill and it now awaits the assent of the governor, the people said, asking not to be named as the deliberations aren't yet public. A sum of 100 rupees (\$1.19) a ton will be levied on coal and iron ore production once it's passed, they said.

Hero MotoCorp to drive in new scooter trims; bolster production capacity of Xtreme 125R

Hero MotoCorp revealed intentions to enhance its scooter lineup and strengthen its 125 cc bike segment. Plans include launching new petrol and electric scooter models and increasing Xtreme 125R production capacity. Notable market share gains in the 125 cc segment were reported, with upcoming Destini and Xoom model launches expected shortly, aiming for further growth.

Ipca Labs expects its US generics sales to touch \$200 million

Ipca Laboratories is gearing up to make a strong return to the US generics business, with regulatory issues over its manufacturing facilities now behind, and integration of Unichem.



Company is aiming for consolidated US revenue of US\$ 200 million (Rs 1,700 crore) in the next 12-18 months, as per the management. US business of Unichem clocked revenue of around US\$ 120 million in FY24. While Ipca doesn't give a separate break up of its US revenue, it is quite small contributor to its overall sales.

Transport Corporation of India to consider buyback of equity shares on Aug 24

Transport Corporation of India Limited said that the board of directors will meet on August 24, 2024, to consider, inter alia, a proposal for buyback of the fully paid-up equity shares of the Company. Promoters' held 68.93% stake as on Jun-2024.

Aarti Drugs to consider buyback of equity shares on Aug 26

Aarti Drugs said that the board of directors would meet on August 26, 2024, to consider, inter alia, a proposal for buyback of the fully paid-up equity shares of the company.

Earlier in August 2023, the company had done buyback of 6.65 lakh equity shares at Rs 900 per share through tender offer route. Promoters' held 55.7% stake as on Jun-2024.

Indoco Remedies received final ANDA approval from the US FDA for Lofexidine Tablets

Indoco Remedies announced the receipt of final approval from the US FDA for ANDA of Lofexidine Tablets 0.18 mg to market a generic equivalent of Lucemyra Tablets, 0.18 mg of USWM, LLC. Indoco has been granted a Competitive Generic Therapy (CGT) designation by the US FDA and being the first approved generic, is eligible for 180 days of CGT exclusivity in the USA.

This exclusivity will begin to run from the date of the first commercial marketing of the product. Company intends to launch the product immediately in the USA. This product will be manufactured at its manufacturing facility located at L-14, Verna Industrial Area, Verna, Goa.

As per IQVIA Health data, the sales of the product are around US\$ 15.6 million with an expected growth of 38%.

Zomato to acquire Paytm's entertainment ticketing business for Rs 2,048 crore

Zomato will acquire Paytm's entertainment ticketing business for Rs 2,048 crore, the online food delivery platform and the fintech firm announced on Wednesday, August 21. The acquisition will help Zomato spruce up its "going-out" segment, while the beleaguered fintech firm will sharpen its focus on core payments and financial services distribution. Under the terms of the deal, the entertainment ticketing services will remain accessible on the Paytm app for a transition period of up to 12 months, ensuring continuity for users while Zomato integrates these services into its offerings.



Important news/developments to influence markets

Japan trade balance shrinks more than expected in July on sluggish exports

Japan's trade balance shrank more than expected in July as persistent disruptions in manufacturing output spurred slower-than-expected growth in exports, while improving local demand also saw imports surge.

Trade balance fell to a deficit of 621.8 billion yen (\$4.2 billion) government data showed on Wednesday. The reading was weaker than expectations for a deficit of 330.7 billion yen, and reversed course from the 224 billion yen surplus logged in June.

Exports grew 10.3% year-on-year in July, missing expectations for growth of 11.4%. But they still accelerated sharply from the 5.4% growth seen in the prior month.

Payrolls revised sharply lower; down 818,000 - BLS

The U.S. economy added significantly fewer jobs than first reported during the past year, after a sharp revision to previously published data, likely cementing the probability of an interest rate cut by the U.S. Federal Reserve next month.

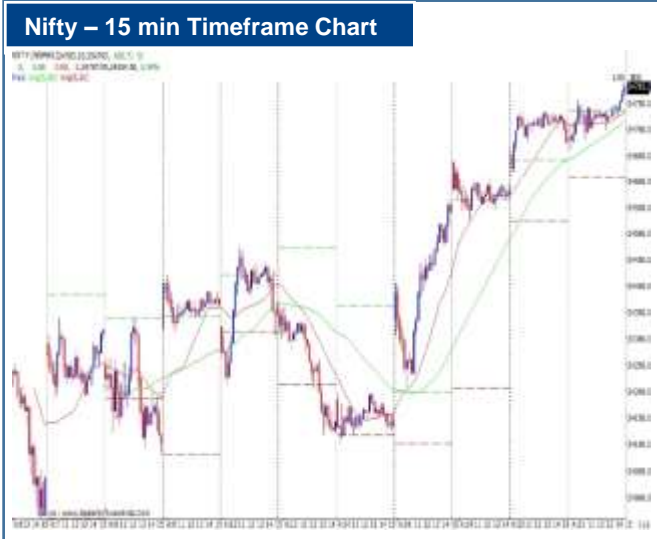
The Bureau of Labor Statistics revised down March 2024's employment gains by 818,000 positions earlier in the session, as part of the agency's annual benchmark review of payroll data.

When spread through the prior year, that amounts to about 68,000 fewer net jobs added per month.



Index	Short term trend	Target	Reversal	CMP	S1-S2	R1-R2
Nifty Fut	UP	25133	24685	24795.6	24685-24533	24885-25133
Bank Nifty Fut	UP	51589	50463	50840.0	50463-49960	51081-51589

Daily Technical View on Nifty



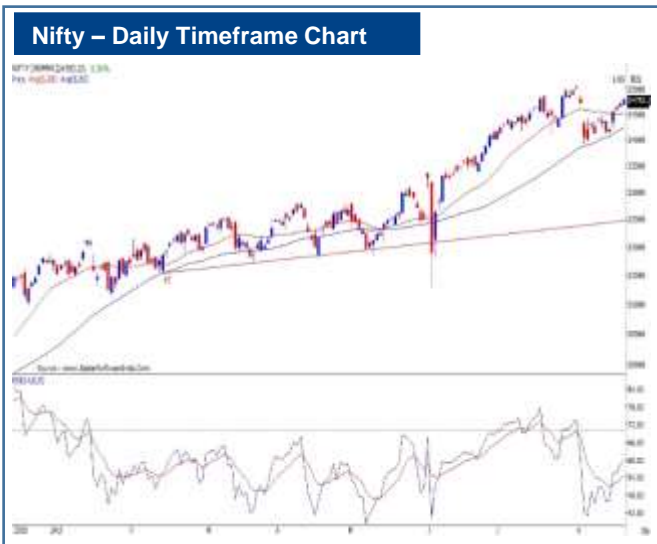
Market: Observation

●Markets surged higher on Wednesday after a shaky opening. Nifty finally gained 71.35 points or 0.29% to close at 24,770.2. Broad market indices like the BSE Mid Cap and Small Cap indices gained more, thereby outperforming the Sensex/Nifty. Market breadth was positive on the BSE/NSE.

Nifty: Short term uptrend looks set to continue

On Nifty 15 min chart, we can observe that Nifty bounced back from close to the 50 period MA after a shaky opening. It then gradually climbed higher to close near the highs of the day.

Crucial supports to watch in the very near term are at 24696-24654.



Nifty: Daily chart indicates uptrend could continue

●The daily timeframe indicates that Nifty has broken out of a range after consolidating above the 50 day SMA last week.

●Nifty has also filled the upper gap area at 24687 as it closed above it on Tuesday. We can therefore expect the Nifty to head towards the current life highs of 25078. Momentum indicators like the 14-day RSI too have bounced back from their recent lows and at 59.87 is not overbought. Our bullish bets will be off if the Nifty corrects and moves below the recent swing lows of 24099.

●Sectorally, most of the sectors are looking positive on the charts. The stronger sectors are Bank Nifty, FMCG, Energy, Pharma and Metal.



OPEN SHORT TERM CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	UPSIDE %	VALID TILL
1	21-AUG-24	BUY	BANK NIFTY 28TH AUG 50600 CALL OPTION	428.3	505.0	290.0	650	28.7	26-AUG-24
2	20-AUG-24	BUY	BANK OF BARODA AUG FUT	247-252.15	254.1	244.5	265	4.3	3-SEP-24
3	20-AUG-24	BUY	GODREJ PROPERTIES AUG FUT	2990.80-2880	2,935.5	2,880.0	3170	8.0	3-SEP-24
4	21-AUG-24	BUY	HINDUSTAN UNILIVER AUG FUT	2773.55-2705	2,793.4	2,665.0	2902	3.9	4-SEP-24
5	21-AUG-24	BUY	CHAMBAL FERTILIZERS AUG FUT	524.75-510	526.0	498.0	558	6.1	4-SEP-24
6	16-AUG-24	BUY	BAJAJ FINANCE	6500-6583.80	6,735.4	6,420.0	6913	2.6	30-AUG-24
7	19-AUG-24	BUY	MRPL	209.25-203.5	213.2	199.0	223	4.6	2-SEP-24

OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	26-JUL-24	BUY	RELIGARE	257-240	259.1	232.0	283.0	300.0	16	26-OCT-24
2	29-JUL-24	BUY	APOLLO HOSPITAL	6500- 6631.95	6752.5	6300.0	7096.0	7300.0	8	29-SEP-24
3	30-JUL-24	BUY	BOROSIL RENEWABLES	528.75-502	512.5	486.0	580.0	625.0	22	30-OCT-24
4	6-AUG-24	BUY	GREENPANEL	358.60-343	364.0	330.0	390.0	439.0	21	6-NOV-24
5	9-AUG-24	BUY	SHYAM METALIC	734.10-697	763.3	676.0	799.0	875.0	15	9-NOV-24
6	13-AUG-24	BUY	GPPL	240.85-230	232.9	223.0	265.0	300.0	29	13-NOV-24
7	13-AUG-24	BUY	VIJAYA DIAGONSTIC*	854.95-805	903.2	785.0	932.0	984.0	9	13-NOV-24
8	19-AUG-24	BUY	RELIANCE	2950-2986	2997.4	2900.0	3195.0	3244.0	8	19-OCT-24
9	20-AUG-24	BUY	MASTEK	2840-2680	3004.3	2600.0	3099.0	3400.0	13	20-NOV-24
10	21-AUG-24	BUY	INDOCO REMEDIES	340.70-320	351.9	314.0	378.0	392.0	11	21-NOV-24
11	21-AUG-24	BUY	CEAT LTD	2774.75- 2625	2825.8	2575.0	3000.0	3193.0	13	21-NOV-24

*= 1st Target Achieved

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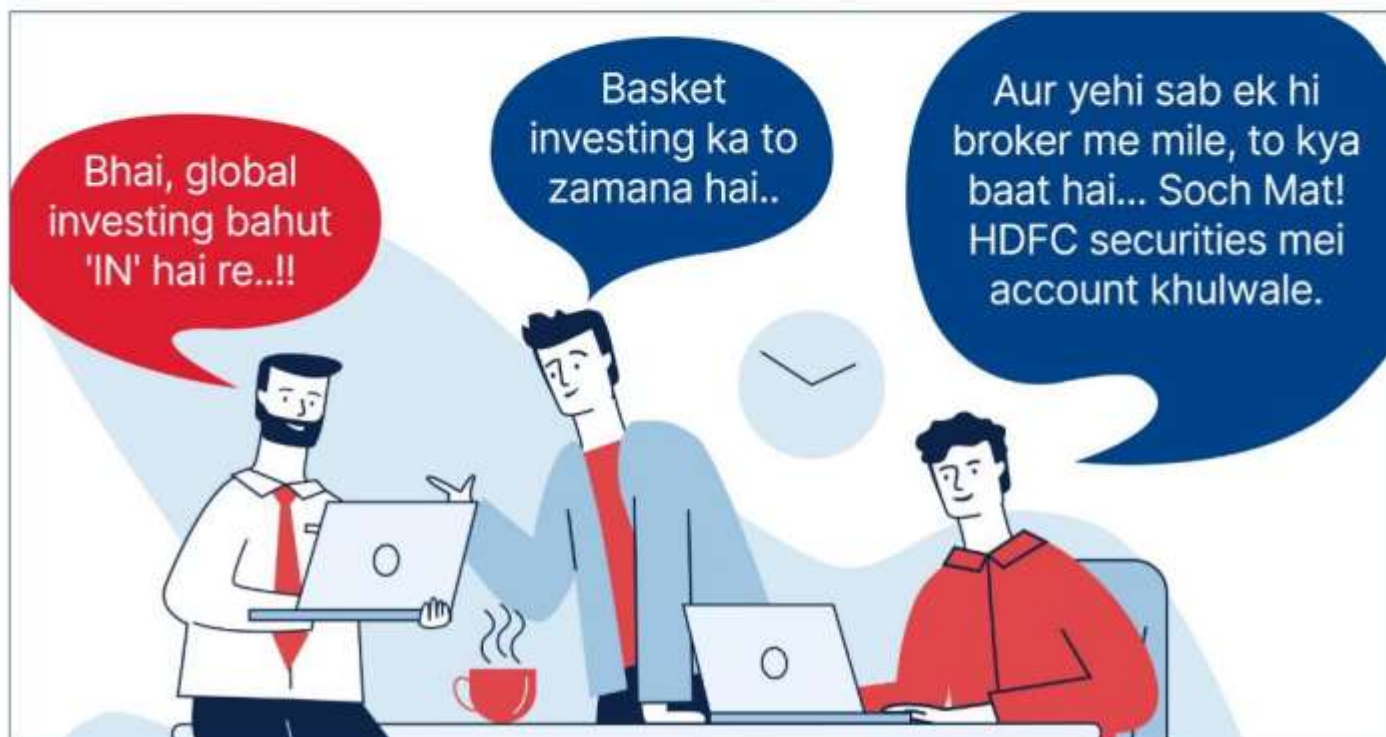
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