

Indices	Current Value	% 1 D	% YTD
Sensex	76,457	-0.0	5.8
Nifty	23,265	0.0	7.1
BSE Midcap	44,684	0.7	21.3
BSE Small cap	49,707	0.9	16.5

Sectors – Performance (BSE)

Telecom	2,937	1.9	29.6
Oil & Gas	29,063	1.8	26.2
Capital Goods	69,811	1.4	25.5
FMCG	20,856	-0.3	1.9
Bankex	56,659	-0.3	4.2
Healthcare	36,498	-0.2	15.7

Nifty Gainers/Losers	CMP	% Chg
ONGC	274	5.6
TATAMOTORS	987	1.9
LT	3,599	1.6
KOTAKBANK	1,720	(1.5)
DIVISLAB	4,475	(1.3)
DRREDDY	6,039	(1.1)

FII Trading activities in Cash

	Date	Net	MTD
FII	11-Jun-24	-111	2,461
DII	11-Jun-24	3,193	5,958

Figs. in Rs Cr.

Global Indices	Current Value	% 1 D	% YTD
Dow Jones	38,747	(0.3)	2.7
NASDAQ	17,344	0.9	17.5
DAX	18,372	(0.7)	9.6
Nikkei 225	38,872	(0.7)	16.8
FTSE 100	8,148	(1.0)	5.5
Hang Seng	18,176	(1.0)	8.3
Shanghai	3,028	(0.0)	2.2

Source: Bloomberg; As on 7:30 am IST

Forex Rate			
INR/USD	83.6	-0.1	-0.4
INR/EUR	89.9	-0.2	2.3
INR/GBP	106.4	-0.4	-0.6
INR/YEN (100)	53.2	0.0	10.5

Market Commentary

- **Asian Markets** are trading with a negative bias as China's May inflation data showed a rise for the 4th straight month. Nikkei, Hang Seng, and Shanghai all are trading lower by 0.77%, 1.69%, and 0.04% respectively.
- **Indian Indices** are expected to open in red. GIFT Nifty was trading at 23291 vs. yesterday's Nifty Futures close of 23309.
- **US markets** traded mixed as the investors awaited the Federal Reserve's interest rate decision and May's consumer inflation data. Dow Jones ended lower by 120 points or 0.31% to close at 38747 whereas NASDAQ ended higher by 151 points or 0.88% to close at 17343.

What's Inside

- **Highlights of Axis Multi-Asset Strategy- June 2024**

News in Focus

- **HCL Technologies** has signed a \$278 Mn deal with Germany's largest cooperative primary bank – apoBank for 7.5 years.
- **TCS** has launched a new IoT engineering lab in Ohio for manufacturing, energy, and consumer solutions.
- **Cipla:** Patna Tax Office rules against the company on input tax credit. The company is to appeal to a higher authority on the input tax credit ruling.
- **B.L. Kashyap and Sons:** The company secured two new orders aggregating to ~Rs 1,021 Cr. These include a construction order worth Rs 924 Cr from DLF City and a civil construction order worth Rs 97 Cr from Sattva Homes. The total order book as of date stands at Rs 3,545 Cr.
- **LTIMindtree** has announced the inauguration of its regional headquarters in Saudi Arabia's capital, Riyadh, as part of the expansion in KSA and the Middle East.
- **Patanjali Foods** has clarified that the Board has evaluated the initial proposal by Patanjali Ayurved for the sale of non-food businesses on April 26. A committee comprising an independent director, CEO and CFO is in the process of evaluating the proposal.
- **Wipro** has introduced the Lab45 AI Platform, designed to increase efficiencies and transform business functions.

Optimize Your 'Risk' With Right Asset Allocation

A Vote-of-Account-Budget sets the Narrative of "Viksit Bharat": We believe that the Budget has proactively set the tone for economic development in the upcoming years. It envisions a "Viksit Bharat" by 2047, following a transformation similar to the one witnessed in the last decade. The market borrowing is projected to be ~11.75 Lc Cr for FY25 and the bond market responded positively to this budgeted figure. Our key takeaways from the Interim Budget are as follows: 1) Reasonable Fiscal Math; 2) Significant positive for infrastructure; 3) Enhanced allocation to the PM AwasYojana; 4) Rooftop solarization (SuryodayaYojna), and 5) Boost to Nano DAP and Aquaculture Production. Now the market is eyeing the upcoming Union Budget which is likely to be scheduled in the first week of Jul'24.

High-Frequency Indicators: The country witnessed a surge in electricity demand. The energy demand soared in May'24 by 15% which was mainly due to an increase in temperatures and increased industrial activities in sectors such as steel and power. UPI transactions have shown a steady upward trend since their inception, reaching a record high in May'24, indicating a strong pace toward a digitized India. The Services PMI slightly moderated in May'24 to 60.2 after making a high in Mar'24. The services sector maintained strength due to strong domestic and international demand, leading to heightened business confidence. The services sector has consistently remained above the threshold of 50, which indicates an expansionary phase. Manufacturing PMI hit a sixteen-year high at 59.1 in Mar'24. In May'24, the index further softened to 57.5, making a three-month low; however, it still remains the third-highest reading in the past sixteen years. Forex Reserves figures surged to an all-time high in May'24, surpassing the previous high of \$645.6 Bn in Mar'24. In May'24, Forex reserves increased to \$646.7 Bn due to strategic policy. Moreover, vigilant monetary measures give the Reserve Bank more autonomy in managing currency amid geopolitical challenges and global price fluctuations.

Equities–FY25: Good Start albeit with a Volatile Path Ahead; Macro to Remain at the Centre Stage: We believe the market fundamentals will continue to be driven by "narrative" in the near term. The market will continue to find direction based on 1) "Feel good" factor on policy continuity, 2) Pre-Budget expectations, 3) Progress of Monsoon, 4) Development on the CAPEX agenda, 5) Fiscal consolidation path, and 6) Expectation of rural recovery in the second half. In light of the above developments, we believe style and sector rotation will play a critical role in the alpha generation moving ahead. Moreover, with a strong catch-up by Midcaps and Smallcaps in the last couple of months, we still believe the margin of safety (in terms of valuations for these segments at current levels) has reduced as compared to that available in Largecaps. Keeping this in view, the broader market may see some time correction in certain pockets in the near term and flows will likely shift to Largecaps. Based on this, we believe Nifty 50 could see a new high in the near term. **In our base case, we roll over the Nifty target to Mar'25 to 24,600 by valuing it at 20x on Mar'26 earnings.** Hence, we recommend investors remain invested in the market and maintain good liquidity (10%) to use any dips in a phased manner and build a position in high-quality companies (where the earnings visibility is quite high) with an investment horizon of 12-18 months.

Fixed Income: In a positive move, the RBI maintained the status quo in its Jun'24 MPC meeting and kept the policy rate unchanged at 6.5%. It has also maintained its stance on the withdrawal of accommodation while maintaining growth and inflation dynamics. The RBI governor also highlighted that the Indian economy has exhibited remarkable resilience over the past couple of months and, with the improved urban demand, the uptick is visible in most of the high-frequency indicators. On the positive side, the RBI upgraded the FY25 GDP forecast to 7.2% from an earlier projection of 7%, indicating strong prospects for the domestic economy going forward. The growth was propelled by the ongoing strengthening of manufacturing activity, positive trends in the construction sector, and a gradual recovery in the rural segment. These factors are anticipated to enhance the prospects of household consumption in the future. We expect the yield curve to flatten, with the shorter end of yields rising in FY25 relative to the higher end of yields. In addition, the upper end of yields will remain cautious due to policy normalization, rising inflationary pressures, and volatile oil prices. Keeping this in view, **we recommend a Quality approach to bonds with some non-AAA exposure based on risk appetite.**

Gold continues to be a preferred asset class in 2024: Gold emerged as one of the best-performing asset classes for 2024, with prices rising by 14% in INR terms. In the last three months, Gold prices went up by 8%/4%/2% in INR terms and 9%/3%/2% in USD terms. This strong rally pushed gold prices above \$2425/oz for the first time in recent months. The positive momentum in gold prices was driven by expectations of a rate-cut cycle, increasing geopolitical tensions, central bank purchases, and rising volatility in the equity markets. From 2024 till now, gold is outperforming the other asset classes, indicating a repetition of the outperformance seen in 2022 and 2023. Going forward, we believe Gold will continue to have an edge over other asset classes in 2024. Fundamentally, the price of Gold is inversely related to bond yields and any weakening in yields will continue to have a positive impact on the price of Gold. Given current macroeconomic developments, Gold will remain a preferred asset class and will continue to attract investment as a proven hedge against other asset classes. **Hence, we continue our NEUTRAL stance on Gold and recommend a 'Buy-on-Dips' strategy.**

Currency: The Indian currency remained range-bound and relatively stable during Apr/May'24 vs. the volatility seen in earlier months. However, some amount of USD strengthening was on account of FED rate cuts being priced out. Stronger-than-expected Apr'24 US inflation print has ruled out the possibility of a rate cut in Jul'24. Indian currency performed well during the month vis-à-vis other emerging market currencies. This was primarily because of a higher foreign exchange reserve, improvement in the equity market, and a stable outlook. India's foreign exchange reserve is now at an all-time high level. **Key events deciding the currency market direction moving forward are: 1) Interest-rate decision in the upcoming FOMC meeting, 2) Growth in the developed world, 3) Upcoming Budget 4) Path towards fiscal prudence 5) Direction of the Oil prices; 6) Direction of the commodity process; 7) Inflation and growth dynamics, and 8) The direction of the foreign flows.**

Axis Intellect: Intraday Stocks for the week 10 Jun 2024 to 17 Jun 2024`

Name of Stock	Sector	Mcap
TATA CONSUMER PRODUCTS	Staples	Large Cap
Shyam Metals and Energy Limited	Metals & min	Small Cap
Mahindra & Mahindra Ltd.	Auto & Anc	Large Cap
Siemens Ltd.,	Industrials	Large Cap
Five-Star Business Finance Ltd.	NBFC	Small Cap
Eicher Motors Ltd.	Auto & Anc	Large Cap
Metropolis Healthcare Limited	Healthcare	Small Cap
Bharat Petroleum Corpn. Ltd.,	Oil & gas	Large Cap
GlaxoSmithkline Pharmaceuticals	Healthcare	Mid Cap
Alkem Laboratories Limited	Healthcare	Mid Cap

Investment Picks

Company	Recommendation	CMP	Target Price	% Upside
Aarti Drugs Ltd	BUY	512	570	11.3
Aarti Industries Ltd	BUY	664	770	16.0
ACC Ltd	BUY	2,543	2,900	14.0
Affle India Ltd	BUY	1,206	1,400	16.1
Aptus Value Housing Finance India Ltd	BUY	318	400	25.8
Archean Chemical Industries Ltd	BUY	611	865	41.5
Bajaj Finance Ltd	BUY	7,088	8,600	21.3
Bank of Baroda Ltd	BUY	276	340	23.0
Birla Corporation Ltd	BUY	1,530	1,800	17.7
Camlin Fine Sciences Ltd	BUY	103	120	16.4
CCL Products (India) Ltd	BUY	598	670	12.0
City Union Bank Ltd	BUY	148	170	15.2
Coal India Ltd	BUY	477	550	15.3
CreditAccess Grameen Ltd	BUY	1,508	1,900	26.0
Cyient Ltd	BUY	1,887	2,500	32.5
Embassy Office Parks REIT	BUY	354	400	12.9
Equitas Small Finance Bank Ltd	BUY	97	111	14.2
Federal Bank Ltd	BUY	165	205	24.4
Global Health Ltd	BUY	1,211	1,475	21.8
Happiest Minds Technologies Ltd	BUY	908	1,100	21.1
HDFC Bank Ltd	BUY	1,562	1,885	20.7
Hindalco Industries Ltd	BUY	676	755	11.7
ICICI Bank Ltd	BUY	1,124	1,325	17.9
IDFC First Bank Ltd	BUY	78	104	34.0
IndiaMART InterMESH Ltd	BUY	2,562	3,000	17.1
Indian Hotels Company Ltd	BUY	583	671	15.2
ITC Ltd	BUY	437	500	14.5
JK Lakshmi Cement Ltd	BUY	822	950	15.5
JTL Industries Ltd	BUY	220	260	18.0
Jyothy Labs Ltd	BUY	454	500	10.2
Karnataka Bank Ltd	BUY	219	255	16.5
KPIT Technologies Ltd	BUY	1,480	1,750	18.3
Krishna Institute of Medical Sciences Ltd	BUY	1,866	2,100	12.6
Man Infraconstruction Ltd.	BUY	200	270	34.9
Manappuram Finance Ltd	BUY	177	220	24.0
MAS Financial Services Ltd	BUY	298	380	27.5
Mold-Tek Packaging Ltd	BUY	797	928	16.4
National Aluminium Co	BUY	183	215	17.2
Nestle India Ltd	BUY	2,547	2,880	13.1
NTPC Ltd	BUY	365	420	15.2
P I Industries Ltd	BUY	3,642	4,220	15.9
Persistent Systems Ltd	BUY	3,742	4,350	16.3
Pitti Engineering Ltd	BUY	944	1,180	25.0
Relaxo Footwears Ltd	BUY	833	950	14.1
Sansera Engineering Ltd	BUY	1,080	1,270	17.6
SBI Cards & Payment Services Ltd	BUY	717	850	18.5
SBI Life Insurance Company Ltd	BUY	1,431	1,630	13.9
SIS Ltd	BUY	433	540	24.7
State Bank of India	BUY	832	1,010	21.4
Steel Authority Of India Ltd	BUY	151	195	29.6
Steel Strips Wheels Ltd	BUY	214	300	40.4
Ujjivan Small Finance Bank Ltd	BUY	50	64	27.8

Investment Picks

Company	Recommendation	CMP	Target Price	% Upside
Varun Beverages Ltd	BUY	1,546	1,750	13.2
Welspun Living Ltd	BUY	139	210	50.7
Westlife Foodworld Ltd	BUY	818	980	19.8

Index	CMP	% Chng	S2	S1	P	R1	R2
Nifty	23,264.85	0.02%	23105	23185	23285	23365	23470
Sensex	76,456.59	-0.04%	75975	76215	76540	76780	77100
Bank Nifty	49,705.75	-0.15%	49295	49500	49735	49940	50175



Nifty opened on a flat note and remained in a small range throughout the day. Nifty closed at 23265 on 11th June, marking a gain of 6 points.

On the daily chart, the index has formed a "Doji" candlestick formation, indicating indecisiveness among market participants regarding the direction. The index is moving in a higher top and higher bottom formation on the daily chart, indicating a sustained uptrend. The chart pattern suggests that if Nifty crosses and sustains above the 23350 level, it would witness buying, which would lead the index towards the 23400-23500 levels. Important support for the day is around 23200. However, if the index sustains below 23200, then it may witness profit booking, which would take the index towards the 23100-23000 levels. Nifty is trading above the 20, 50, 100, and 200-day SMAs, indicating a positive bias in the medium term. Nifty continues to remain in an uptrend for the medium term, making buying on dips our preferred strategy.

The daily strength indicator RSI continues to remain flat and is above its reference line, indicating the absence of momentum on either side.

The trend-deciding level for the day is 23285. If Nifty trades above this level, we may witness a further rally up to the 23365-23470-23550 levels. However, if Nifty trades below 23285 levels, we may see some profit booking initiating in the market, which may correct Nifty up to the 23185-23105-23000 levels.

Trading Insights

Insight from trading volumes

Script	CMP	Total Volume (x1000)	Monthly Avg Volume(x1000)	% Change
ONGC	274	49,686	21,709	128.9%
GAIL	213	60,121	39,392	52.6%
ULTRACEMCO	10,934	661	438	50.8%
BPCL	607	14,036	10,776	30.2%
HDFCLIFE	572	6,552	5,299	23.6%
BRITANNIA	5,518	483	410	18.0%
HEROMOTOCO	5,787	1,105	941	17.4%

Insight from delivery

Script	CMP	Total Delivery Volume(x1000)	Monthly Avg Delivery Volume(x1000)	%Change
SBILIFE	1,428	1,379	876	57.3%
TITAN	3,411	1,083	777	39.5%
ULTRACEMCO	10,934	316	239	32.0%
TATASTEEL	181	31,575	25,103	25.8%
AXISBANK	1,195	6,573	5,268	24.8%
HEROMOTOCO	5,787	532	452	17.8%
UPL	554	2,443	2,193	11.4%

*CMP-Closing Market Price

Daily Support/ Resistance of Nifty Companies

Company	CMP	Pivot Point	R1	R2	S1	S2
NIFTY 50	23,265	23,287	23,367	23,470	23,185	23,104
ADANI PORTS	1,403	1,402	1,420	1,437	1,385	1,367
ASIANPAINT	2,902	2,906	2,917	2,932	2,891	2,880
AXISBANK	1,195	1,198	1,206	1,217	1,187	1,179
BAJAJ-AUTO	9,813	9,804	9,908	10,004	9,709	9,604
BAJAJFINSV	1,568	1,568	1,578	1,587	1,558	1,548
BAJFINANCE	7,138	7,119	7,188	7,237	7,070	7,001
BHARTIARTL	1,427	1,425	1,437	1,447	1,415	1,403
BPCL	607	604	615	624	596	585
BRITANNIA	5,518	5,536	5,589	5,660	5,465	5,412
CIPLA	1,530	1,536	1,544	1,558	1,522	1,513
COALINDIA	476	478	482	487	473	470
DIVISLAB	4,475	4,507	4,553	4,631	4,430	4,384
DRREDDY	6,039	6,056	6,085	6,130	6,010	5,981
EICHERMOT	4,759	4,772	4,799	4,839	4,731	4,704
GAIL	213	211	216	219	208	203
GRASIM	2,457	2,455	2,484	2,511	2,428	2,399
HCLTECH	1,429	1,427	1,439	1,450	1,417	1,405
HDFCBANK	1,565	1,563	1,573	1,582	1,554	1,544
HDFCLIFE	572	572	577	582	566	561
HEROMOTOCO	5,787	5,779	5,854	5,921	5,712	5,638
HINDALCO	673	675	679	685	670	666
HINDUNILVR	2,556	2,562	2,572	2,587	2,546	2,536
ICICIBANK	1,118	1,119	1,128	1,137	1,110	1,101
INDUSINDBK	1,481	1,483	1,491	1,501	1,473	1,465
INFY	1,496	1,499	1,504	1,511	1,491	1,486
IOC	168	167	170	172	165	162
ITC	433	434	436	440	431	429
JSWSTEEL	910	912	918	926	904	897
KOTAKBANK	1,720	1,728	1,739	1,758	1,709	1,698
LT	3,599	3,596	3,641	3,684	3,554	3,509
LTIM	4,904	4,913	4,937	4,970	4,880	4,857
M&M	2,836	2,833	2,857	2,879	2,812	2,788
MARUTI	12,864	12,819	12,984	13,104	12,699	12,535
NESTLEIND	2,542	2,550	2,567	2,591	2,526	2,509
NTPC	367	368	371	375	364	361
ONGC	274	271	277	281	268	262
POWERGRID	317	317	319	322	315	313
RELIANCE	2,913	2,924	2,939	2,965	2,898	2,884
SBILIFE	1,428	1,430	1,438	1,448	1,420	1,412
SBIN	836	835	840	845	830	824
SHREECEM	27,064	27,074	27,332	27,599	26,806	26,549
SUNPHARMA	1,500	1,507	1,517	1,535	1,490	1,480
TATAMOTORS	987	982	998	1,008	972	956
TATASTEEL	181	182	183	185	180	179
TCS	3,852	3,858	3,874	3,897	3,835	3,819
TECHM	1,349	1,350	1,359	1,369	1,340	1,331
TITAN	3,411	3,417	3,432	3,454	3,395	3,380
ULTRACEMCO	10,934	10,916	11,006	11,079	10,844	10,754
UPL	554	552	560	566	546	537
WIPRO	476	477	479	481	474	472

Source: Axis Direct.

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