Daily Morning Note

20 February 2024

Indices	Current Value	% 1 D	% YTD
Sensex	72,708	0.4	0.6
Nifty	22,122	0.4	1.8
BSE Midcap	40,046	0.3	8.7
BSE Small cap	46,011	0.8	7.8
Sectors – Performance (BSE)			
Consumer Dur	51,322	1.8	2.6
Telecom	2,434	1.5	7.5
Power	6,577	0.9	13.0
Metal	27,380	-0.9	1.4
Realty	6,928	-0.6	12.0
Capital Goods	55,650	-0.6	0.0

Nifty Gainers/Losers	CMP	% Chg
GRASIM	2,169	3.0
BAJAJFINSV	1,620	2.8
BAJAJ-AUTO	8,510	2.2
COALINDIA	461	(4.0)
LT	3,340	(1.4)
SBILIFE	1,489	(1.3)

FII Trading activities in Cash

	Date	Net	MTD
FII	19-Feb-24	-755	-501
DII	19-Feb-24	453	2,024

Figs. in Rs Cr.

Global Indices	Current Value	% 1 D	% YTD
Dow Jones	38,628	(0.4)	2.4
NASDAQ	15,776	(0.8)	6.8
DAX	17,092	(0.2)	1.9
Nikkei 225	38,449	(0.1)	15.5
FTSE 100	7,729	0.2	0.1
Hang Seng	16,122	(0.2)	(4.0)
Shanghai	2,903	(0.3)	(2.0)

Source: Bloomberg; As on 7:30 am IST

Forex Rate			
INR/USD	83.0	0.0	0.2
INR/EUR	89.4	-0.3	2.9
INR/GBP	104.7	-0.2	1.0
INR/YEN (100)	55.3	0.1	6.3

Market Commentary

- **Asian Markets** are trading mixed after China markets rise as upbeat holiday travel data lifts tourism stocks, while Hong Kong stocks fell. Nikkei is trading lower by 0.15% while Shanghai and hang seng are trading higher by 0.06% and 0.16% respectively.
- **Indian Indices** are expected to open marginally lower. GIFT Nifty was trading at 22,139 vs. Friday's Nifty Futures close of 22,171.
- **US markets** are shut for trading due to the Presidents' Day holiday.

What's Inside

- **Top Sector Ideas: Infra Road and Others Q3FY24**
- **Top Sector Ideas: Banking, Financial Services and Insurance (BFSI) Q3FY24**
- **Result Update:** CIE Automotive India Ltd (First Cut)

News in Focus

- **Balrampur Chini Mills:** The company has announced forward integration, as well as business diversification, with its upcoming PLA (polylactic acid) manufacturing venture. With an estimated investment of Rs 2,000 crore in phases over a period of around 2.5 years, the new project is aimed at fueling India's journey towards achieving net zero emissions by 2070. The new project is expected to be completed within 30 months, and this will mark the establishment of the first-ever industrial bioplastic plant in India.
- **NBCC India:** The company has received three work orders worth Rs 369 crore, including infrastructure development works at Rani Lakshmi Bai Central Agricultural University at Jhansi and renovation and furnishing projects at ICAI Bhawan, Noida.
- **Godrej Consumer Products:** The company, along with one of its wholly owned subsidiaries, has entered into an agreement to divest its entire stake in its wholly owned subsidiary, Godrej East Africa Holdings, Mauritius, for $3.5 million.
- **Piramal Enterprises:** The company said the board of directors will be meeting on February 22 to consider the issue of non-convertible debentures up to Rs 100 crore along with the green shoe option to retain oversubscriptions up to Rs 500 crore on a private placement basis.
- **Deepak Fertilisers & Petrochemicals Corporation:** The company has entered into a long-term supply agreement for liquefied natural gas (LNG) with Equinor, an international energy company headquartered in Norway. This agreement is for annual supplies of up to 0.65 million metric tons over a period of 15 years, beginning in 2026.

Top Sector Ideas: Infra-Road

Stock	Reco.	TP	Recommendation Rationale
PNC Infratech Ltd	BUY	Rs 510*	✓ PNCIL has an order book of Rs 17,380 Cr (as of 31st Dec'23), indicating revenue visibility for the next 2-2.5 years. The order book is well diversified between Roads and Water projects. This coupled with improved execution quality, we expect PNCIL to grow its revenue by 11% CAGR over FY23-26E. ✓ In the Interim Union Budget 2024-25, Capex has been increased by 11% for the infrastructure sector, thereby providing greater opportunities for companies like PNCIL. With a strong bid pipeline of over Rs 1.90 Lc Cr, the management expects an order inflow of Rs 8,000 Cr in FY24 and Rs 12,000 Cr in FY25. ✓ The Union Budget 2023-24 increased the Capex for the Road sector by 33% and the JJM by 27%. This has created significantly greater opportunities for companies like PNCIL. ✓ The Company, along with its wholly-owned subsidiary, PNC Infra Holdings Limited, has signed a Master Securities Purchase Agreement (SPA) with Highways Infrastructure Trust (HIT), an Infrastructure Investment Trust (InvIT), to divest 12 of the Company's road assets: 11 National Highway (NH) Hybrid Annuity mode (HAM) assets and 1 State Highway BOT Toll asset. ✓ The proposed disinvestment is aligned with the Company's strategic objective of recycling the capital invested in operating road assets to leverage the ambitious growth vision.

** Note: Target Price is based on our Q3FY24 Result Update Report*

Top Sector Ideas: Infra-Road

Stock	Reco.	TP	Recommendation Rationale
HG Infra Engineering Ltd	BUY	Rs 1,080*	✓ The company's order book stands healthy at Rs 9,623 Cr (as of 31st Dec'23), comprising 51% from the EPC road projects, 37% in HAM road projects, and the balance 12% from the Railway & Metro projects. ✓ The company also secured projects worth Rs 1,100 Cr in Q4FY24 from Railways. 73% of the total projects are from the Government of India, and the balance 27% is from the private sector, implying revenue visibility for the next 2-3 years. We expect the company to post revenue growth of 17% CAGR over FY23-FY25E. ✓ The company is expecting an order inflow of Rs 5,000-6,000 Cr in FY24 and Rs 8,000-10,000 Cr in FY25. The current bid pipeline is strong both in HAM and EPC and in other sectors where the company is looking to diversify. ✓ Going forward, the company is looking to diversify more into railways, metros, and solar projects. The management expects 20-25% of its order book to come from non-road projects in the next 2-3 years. ✓ The company completed HAM asset monetization of 3 SPVs, and the balance 1 SPV is to be completed by Mar'24, with proceeds already received. The completion of HAM asset monetization is positive for the company.

** Note: Target Price is based on our Q3FY24 Result Update Report*

Top Sector Ideas: Infra-Others

Stock	Reco.	TP	Recommendation Rationale
Ahluwalia Contracts India Ltd	BUY	Rs 1110*	✓ The company has an order book of Rs 11,247 Cr (as of 31st Dec'23). The breakup of this order book is as follows: Hospital – 24.7% (Rs 2,777 Cr), Commercial – 7.6% (Rs 857 Cr), Institutional – 23.6% (Rs 2,652 Cr), Residential – 11.8% (Rs 1,327 Cr), Infrastructure – 31.9% (Rs 3,520 Cr), and Hotel – 0.4% (Rs 41 Cr). ✓ Apart from the robust order book, the company is also L1 in two projects worth over Rs 3,200 Cr. The robust order book and L1 status give us revenue visibility for the next 3 years. Therefore, we are pencilling in revenue growth of 25% CAGR over FY23-FY26E and expect the company to post improved margins. ✓ The year-to-date (YTD) order inflow stood at Rs 5,834 Cr. The company is L1 in 2 projects worth Rs 3,230 Cr, which are expected to be awarded soon. Additionally, the management expects to win additional orders of ~Rs 200-300 Cr during the remainder of FY24. ✓ The company has also diversified and bid for projects such as airport buildings, metros, and urban infra, and it foresees more traction in commercial buildings, hotels, hospitals, and education buildings. Moreover, the company will focus on the private sector owing to the increase in private Capex, as there is less competition and more opportunities. ✓ The company exhibits a strong financial position reflected in its virtually debt-free status, robust cash/bank balance (10% of market cap), and high return ratio.

** Note: Target Price is based on our Q3FY24 Result Update Report*

Top Sector Ideas: Tier I Banks

Stock	Reco.	TP	Recommendation Rationale
ICICI Bank Ltd.	BUY	Rs 1,250*	✓ **Consistent Outperformer**: The bank reported yet another strong quarter, demonstrating strong credit growth, healthy margins (despite ~10bps QoQ moderation), and robust asset quality, thereby keeping credit costs largely steady (barring impact of provisions made towards AIF pursuant to RBI circular). ***ICICI Bank remains our most preferred pick amongst the banks.*** ✓ **2%+ RoA delivery**: A slowdown in the better-yielding segments and an increase in the cost of funds would weigh on the bank's margins; however, focus on lending to the better-rated customers with a favorable risk-reward ratio would impact credit costs positively. The management expects to maintain credit costs at 50bps of loans and 10bps of PPOP for the coming few quarters. ICICIB does not plan to aggressively add branches and employees and hence Opex growth would be largely in line with business growth. Thus, we expect Opex ratios to remain stable at 40-41% over the medium term. Collectively, these factors should enable ICICIB to deliver an RoA of 2.2-2.3% over FY24-26E. ✓ **We continue to value ICICIB** on the back of (1) Strong retail-focused liability franchise, (2) Buoyant growth prospects, (3) Stable asset quality coupled with healthy provision coverage, (4) Adequate capitalization, and (5) Potential to deliver robust return metrics.

** Note: Target Price is based on our Q3FY24 Result Update Report*

Top Sector Ideas: Tier I Banks

Stock	Reco.	TP	Recommendation Rationale
State Bank of India	BUY	Rs 800*	✓ **Credit growth to remain healthy**: The management remains confident to grow by 14-15% with opportunities under Aatma Nirbhar Bharat scheme, renewable energy loans, etc. In the agri portfolio, the bank's key focus area will be to finance all players in the entire Agri value chain and have launched two new products i.e., Agri enterprise loans and Kisan Samradhi which will acquire high-value farmers. ✓ **1% RoA delivery to continue**: The management highlighted that going forward, margin decline is expected to be arrested at current levels as the majority of the deposits have been re-priced. Aided by healthy growth, margins are expected to remain stable. This, coupled with improving fee income profile and credit cost being under control, we expect SBI to continue delivering healthy RoA/RoE of 1%+/16%+ over the medium term. ✓ **Amongst PSU banks,** SBI remains the best play of the resilient Indian economy due to attributes like (1) A healthy PCR, (2) Adequate capitalization, (3) A strong liability franchise, and (4) An improved asset quality outlook.

** Note: Target Price is based on our Q3FY24 Result Update Report*

Top Sector Ideas: Tier I Banks

Stock	Reco.	TP	Recommendation Rationale
Bank of Baroda	BUY	Rs 300*	✓ **Credit growth momentum to continue**: The management maintained its earlier guidance of credit growth at 14-16% for FY24. In the International book, although RoA is higher, margins are lower. Thus, the management indicated to grow the international book in line with the overall growth of the domestic book. ✓ **Margins to remain stable at 3.15% for FY24**: In Q3FY24, NIM improved marginally by 3bps QoQ to 3.1%. To reduce dependence on bulk deposits, the management opted to de-grow them. Thus, the reduction in bulk deposits was margin accretive and aided QoQ margin improvement. The management maintained its earlier guidance for NIM to report at 3.15% for FY24. ✓ **Healthy improvement in asset quality** – The restructured book currently stands at Rs 9,900 Cr and the management highlighted that it is expected to reduce by 15-20% every quarter. With strong improvement in asset quality in Q3FY24, credit cost reduced to 0.39% for Q3FY24. SMA1 and SMA2 accounts at 0.24% indicate less incremental stress formation. The management maintained its stance to keep slippages within the 1-1.2% range. Thus, we expect credit cost to remain below 1% over FY24-26E.

** Note: Target Price is based on our Q3FY24 Result Update Report*

Top Sector Ideas: Tier II Banks and SFBs

Stock	Reco.	TP	Recommendation Rationale
Federal Bank Ltd.	BUY	Rs 180*	✓ **Deposit Accretion Faces Competition; Credit Growth Buoyant:** The management has continued to guide for 18-20% credit growth in FY24E. While there has been discussion around the RBI possibly asking banks to maintain a C/D Ratio at around 75%, the management highlighted that the regulator would be comfortable with FB maintaining a C/D Ratio at around 80% vs. around 83% currently. Focus will now shift to selective growth, wherein the bank will pursue growth in newer higher-yielding businesses in a risk-calibrated manner. ✓ **Aspiring to Deliver RoA of 1.5%:** Despite the increase in the share of new higher-yielding products, the increase in CoF continues to eat into the bank's margins. Going forward, margin pressures are likely to persist in the near term, while yield improvement would be gradual. Delayed NIM recovery, improving core fee income, improving efficiency, and steady credit quality will drive RoA improvement for the bank. FB is eyeing to achieve a RoA of 1.5% over the next 18-24 months. Cost ratios are expected to remain elevated to account for the pension provision in Q4FY24 and early FY25. We expect FB's RoA to remain stable at around 1.3-1.4% over FY24-26E. ✓ The continued rise in CoF is delaying FB's margin recovery. In the absence of NIM recovery, improving fee income and benign credit costs will support RoA delivery of around 1.4% for the bank. We expect FB to maintain its RoA/RoE at around 1.3-1.4%/14-15% over FY24-26E. The bank is working closely with the recruitment agency to identify the successor for the current CEO Mr. Shyam Srinivasan who is slated to retire in Sep'24.

** Note: Target Price is based on our Q3FY24 Result Update Report*

Top Sector Ideas: Tier II Banks and SFBs

Stock	Reco.	TP	Recommendation Rationale
Equitas Small Finance Bank	BUY	Rs 122*	✓ **Aiming for C/D Ratio improvement to 85% by FY25E –** The management has indicated that the demand visibility across products remains healthy, and EQSFB aspires to grow the portfolio at around 25-28% over FY25E. This growth will be further supported by the introduction of credit cards in H1FY25E. The strong deposit growth visible has been an outcome of (a) competitive pricing, (b) product proposition, and (c) relationship management. Going ahead, the bank will continue to focus on CASA and Retail TDs to build the deposit franchise. The management has guided to bring down the C/D ratio to 90%/85% by FY24/25E. ✓ **NIMs to bottom out in next couple of quarters** – Increasing CoF along with a large part of the portfolio (~85%) being fixed rate has weighed on margins. Hereon, focus will remain on pursuing growth in the high-yield segments. The management believes that CoF are likely to inch up for another couple of quarters as deposit re-pricing continues. Despite a gradual increase in CoF and improvement in CD Ratio, the impact on NIMs is expected to be moderate. ✓ **Targeting long-term RoA of 2.25% –** Along with margin headwinds, continued investment in tech and new businesses will keep Opex ratios elevated, weighing on operational profitability. C-I Ratio is likely to remain at current levels in FY25E. While the credit cycle was benign so far, credit costs are expected to begin to normalize and remain steady at 1.2-1.25% on a steady-state basis. In view of this, we expect RoA to remain steady at 2% over FY24-26E, with Opex being a key lever for improvement to 2.25% over the medium-long term.

** Note: Target Price is based on our Q3FY24 Result Update Report*

Top Sector Ideas: NBFCs

Stock	Reco.	TP	Recommendation Rationale
CreditAccess Grameen Ltd.	BUY	Rs 1,970*	✓ **Robust GLP Growth**: CAGrameen has spent the last year building capacities and running a pilot for the non-MFI retail finance book. It eyes to scale up the business in FY24. Currently, the focus remains on ramping up the individual loans with a ticket size not exceeding Rs 2 Lc. Similarly, the LAP loans are progressing well. CAGrameen will run a pilot on 2-Wheeler and Home loans which are still in the nascent stage. The non-MFI portfolio currently forms around 1.5% of the portfolio and the company expects to clock an AUM of Rs 6,000-7,000 Cr and improve its share to 12-15% over the next 5 years. ✓ **NIMs to remain strong, though slight moderation is possible in H2FY24:** ~90% of the portfolio has already been repriced, and hence, improvement in lending yields would be limited. Thus, a higher requirement of external borrowings to support superior growth is likely to keep CoF elevated in H2FY24. The management expects the CoF to peak out at 9.8-9.9%. While margins are expected to remain healthy, they are likely to moderate in H2FY24, and the management has guided for NIMs to settle at 12.7-12.8% in FY24 vs. 11.6% in FY23. We expect CAGrameen to report strong NIMs of 12.9-13% over FY24-25E. ✓ **Among microfinanciers,** we prefer CAGrameen despite its premium valuations. We believe the company is well-positioned to deliver superior performance over the medium to long term. This is supported by (a) Strong rural presence and focus, (b) Customer-centric approach, (c) Robust technology infrastructure, (d) Strong Risk Management Framework, and (e) Adequate capitalization.

** Note: Target Price is based on our Q3FY24 Result Update Report*

Top Sector Ideas: NBFCs

Stock	Reco.	TP	Recommendation Rationale
Manappuram Finance Ltd.	BUY	Rs 230*	✓ **AUM Growth to remain healthy:** The management highlighted that seasonal impact kept the gold loan book flat; however, it expects strong growth in Q4FY24, with gold loan growth expected to be maintained at 8-10% for FY24. Quick TAT (turnaround time), wherein only 15-20 minutes is taken for online gold loans for new customers and even less for existing customers, remains a key competitive edge for the company. New customer acquisition remains at steady levels of 5,000/day. Furthermore, the management indicated that the share of the non-gold loan book will continue to rise beyond 50% on a consolidated basis. ✓ **Margin likely to remain stable:** The ~20bps increase in the cost of funds in Q3FY24 is owing to the increase in risk weights by RBI. The management indicated to expect a further increase of 15-20 bps in the cost of funds in Q4FY24. However, the increase in borrowing costs will be passed on to the customers to maintain the margin, thereby keeping the NII (Net Interest Income) growth healthy. Also, rising gold loan yields are expected to partially offset the increase in the cost of funds. ✓ We believe current valuations are attractive given healthy growth opportunities and healthy return ratios with RoA/RoE expected at 4.7%+/18%+ over FY24-26E.

** Note: Target Price is based on our Q3FY24 Result Update Report*

CIE AUTOMOTIVE Q4CY23 FIRST CUT:

CIEAUTO Q4CY23 consolidated Revenue/EBITDA/PAT was 4.8%/11.6%/8.9% below our estimates and 5.2%/10.9%/14.8% below consensus estimates. The company reported revenue of ~Rs 2,240 Cr in Q4CY23 (flat YoY but down 1.7% QoQ). It missed our estimates due to weaker-than-expected revenue led by flat evolution due to slowdown in the EU market and drop in the US off highway market; and in India on account of slowdown in the MHCV/Tractor segments and underperformance compared to <6ton(PV+LCV) production volumes on a YoY/QoQ basis. Consolidated EBITDA stood at Rs 327 Cr (up ~12% YoY but down 5.2% QoQ), missing our estimates largely due to higher other expenses as a percentage to sales. The company's Reported PAT stood at ~Rs 177 Cr, (up ~12.8% YoY but down ~5.2% QoQ) and missed our estimates largely following weaker topline and higher effective tax rates.

Axis Intellect: Intraweek Stocks for the week 19 Feb 2024 to 26 Feb 2024`

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

AXIS SECURITIES

Investment Picks

Company	Recommendation	CMP	Target Price	% Upside
Affle India Ltd	BUY	1,160	1,350	16.4
APL Apollo Tubes Ltd	BUY	1,431	1,850	29.3
Aptus Value Housing Finance India Ltd	BUY	346	425	23.0
Archean Chemical Industries Ltd	BUY	718	885	23.3
AU Small Finance Bank Ltd	BUY	598	780	30.4
Aurobindo Pharma Ltd	BUY	1,041	1,160	11.5
Bajaj Finance Ltd	BUY	6,715	8,810	31.2
Bandhan Bank Ltd	BUY	204	240	17.8
Bank of Baroda Ltd	BUY	271	300	10.8
Bharti Airtel Ltd	BUY	1,142	1,400	22.6
Britannia Industries Ltd	BUY	4,924	5,800	17.8
Can Fin Homes Ltd	BUY	801	885	10.5
CCL Products (India) Ltd	BUY	641	720	12.3
Cholamandalam Investment & Finance Company Ltd	BUY	1,132	1,375	21.4
CIE Automotive India Ltd	BUY	484	585	20.8
City Union Bank Ltd	BUY	138	160	16.1
CreditAccess Grameen Ltd	BUY	1,531	1,970	28.7
Cyient Ltd	BUY	2,071	3,000	44.9
Dabur India Ltd	BUY	548	635	15.9
Dalmia Bharat Ltd	BUY	2,101	2,470	17.5
Equitas Small Finance Bank Ltd	BUY	107	122	14.5
Ethos Ltd	BUY	2,414	3,100	28.4
Federal Bank Ltd	BUY	163	180	10.4
H. G. Infra Engineering Ltd	BUY	941	1,080	14.8
Happiest Minds Technologies Ltd	BUY	837	1,100	31.4
HDFC Bank Ltd	BUY	1,417	1,975	39.4
Hero MotoCorp Ltd	BUY	4,854	5,550	14.4
Hindalco Industries Ltd	BUY	513	660	28.8
Hindustan Unilever Ltd	BUY	2,388	2,850	19.4
ICICI Bank Ltd	BUY	1,044	1,250	19.8
IDFC First Bank Ltd	BUY	82	100	21.7
ITC Ltd	BUY	409	500	22.2
JTL Industries Ltd	BUY	258	300	16.2
Jyothy Labs Ltd	BUY	475	565	19.0
KNR Constructions	BUY	276	310	12.5
Kotak Mahindra Bank Ltd	BUY	1,732	2,140	23.6
Lupin Ltd	BUY	1,588	1,770	11.5
Manappuram Finance Ltd	BUY	183	230	25.5
MAS Financial Services Ltd	BUY	1,019	1,195	17.3
Mold-Tek Packaging Ltd	BUY	897	1,030	14.9
Navin Fluorine International Ltd	BUY	3,174	3,880	22.2
Nestle India Ltd	BUY	2,514	2,800	11.4
Nippon Life India Asset Management Ltd	BUY	510	585	14.7
P I Industries Ltd	BUY	3,664	4,200	14.6
Pitti Engineering Ltd	BUY	639	915	43.3
PNC Infratech Ltd	BUY	412	510	23.8
Praj Industries Ltd	BUY	513	635	23.8
PSP Projects Ltd	BUY	710	815	14.7
Relaxo Footwears Ltd	BUY	838	950	13.4
Sansera Engineering Ltd	BUY	1,051	1,220	16.1
Shree Cement Ltd	BUY	26,826	31,470	17.3
SIS Ltd	BUY	445	540	21.3

Investment Picks

Company	Recommendation	CMP	Target Price	% Upside
Star Cement Ltd	BUY	210	245	16.6
Steel Strips Wheels Ltd	BUY	252	325	28.9
TVS Motor Company Ltd	BUY	2,119	2,350	10.9
Ujjivan Small Finance Bank Ltd	BUY	55	64	15.7
UltraTech Cement Ltd	BUY	9,900	11,110	12.2
UNO Minda Industries Ltd	BUY	646	750	16.1
V Mart Retail Ltd	BUY	2,029	2,450	20.7
Welspun Living Ltd	BUY	153	210	37.2
Westlife Foodworld Ltd	BUY	817	930	13.9

Index	CMP	% Chng	S2	S1	P	R1	R2
Nifty	22,122.25	0.37%	21945	22035	22110	22200	22275
Sensex	72,708.16	0.39%	72060	72385	72635	72955	73205
Bank Nifty	46,535.50	0.32%	46125	46330	46525	46730	46925

Nifty opened on a positive note but exhibited extreme volatility throughout the session. Nifty closed at 22122 on 19th February, marking a gain of 82 points.

On the daily chart, the index has formed a small bullish candle with shadows on either side, representing extreme volatility and indecisiveness among participants regarding the direction. Over the past 10-15 sessions, the index has been consolidating within a broad trading range (22127-21500), indicating a sideways trend. The chart pattern suggests that if Nifty crosses and sustains above the 22200 level, it would witness buying which would lead the index towards 22300-22400 levels. Important support for the day is around 22050. However, if the index sustains below 22050, then it may witness profit booking which would take the index towards 22000-21900 levels. Nifty is trading above the 20, 50, 100, and 200-day SMAs, indicating a positive bias in the short to medium term. Nifty continues to remain in an uptrend for the short term, making buying on dips our preferred strategy.

The daily strength indicator RSI is moving upwards and is above its reference line, indicating a positive bias.

The trend-deciding level for the day is 22110. If NIFTY trades above this level, we may witness a further rally up to 22200-22275-22365 levels. However, if NIFTY trades below 22110 levels, we may see some profit booking initiating in the market, which may correct NIFTY up to 22035-21945-21870 levels.

Trading Insights

Insight from trading volumes

Script	CMP	Total Volume (x1000)	Monthly Avg Volume(x1000)	% Change
BAJAJ-AUTO	8,510	1,082	478	126.4%
GRASIM	2,169	1,197	854	40.2%
WIPRO	536	10,348	8,934	15.8%
KOTAKBANK	1,731	4,541	4,677	-2.9%
MARUTI	11,483	589	611	-3.6%
COALINDIA	461	20,435	21,359	-4.3%
ITC	409	18,103	20,622	-12.2%

Insight from delivery

Script	CMP	Total Delivery Volume(x1000)	Monthly Avg Delivery Volume(x1000)	%Change
BAJAJ-AUTO	8,510	409	199	105.2%
ITC	409	25,249	13,558	86.2%
WIPRO	536	6,038	3,414	76.8%
HINDALCO	512	7,724	4,554	69.6%
DIVISLAB	3,723	449	280	60.7%
HEROMOTOCO	4,853	435	285	52.9%
HINDUNILVR	2,387	1,923	1,351	42.4%

*CMP-Closing Market Price

Daily Support/ Resistance of Nifty Companies

Company	CMP	Pivot Point	R1	R2	S1	S2
NIFTY 50	22,122	22,110	22,199	22,276	22,033	21,944
ADANIPORTS	1,307	1,312	1,322	1,337	1,297	1,287
ASIANPAINT	2,998	3,001	3,015	3,033	2,984	2,970
AXISBANK	1,063	1,065	1,070	1,076	1,058	1,054
BAJAJ-AUTO	8,510	8,507	8,653	8,796	8,364	8,218
BAJAJFINSV	1,620	1,606	1,640	1,659	1,586	1,552
BAJFINANCE	6,713	6,715	6,805	6,897	6,623	6,533
BHARTIARTL	1,142	1,135	1,152	1,162	1,125	1,109
BPCL	653	657	663	673	647	641
BRITANNIA	4,925	4,920	4,954	4,982	4,891	4,858
CIPLA	1,470	1,461	1,483	1,496	1,448	1,426
COALINDIA	461	468	481	500	448	436
DIVISLAB	3,723	3,734	3,753	3,782	3,705	3,687
DRREDDY	6,417	6,395	6,476	6,534	6,337	6,256
EICHERMOT	3,903	3,917	3,940	3,977	3,880	3,857
GAIL	184	185	187	190	181	179
GRASIM	2,169	2,154	2,205	2,241	2,117	2,066
HCLTECH	1,675	1,673	1,686	1,696	1,662	1,649
HDFCBANK	1,417	1,421	1,427	1,437	1,411	1,405
HDFCLIFE	585	588	592	598	582	578
HEROMOTOCO	4,853	4,880	4,916	4,980	4,816	4,780
HINDALCO	512	515	518	523	509	507
HINDUNILVR	2,387	2,385	2,397	2,406	2,376	2,364
ICICIBANK	1,044	1,038	1,052	1,061	1,029	1,015
INDUSINDBK	1,484	1,488	1,499	1,514	1,473	1,462
INFY	1,700	1,699	1,712	1,724	1,687	1,675
IOC	189	189	191	193	186	184
ITC	409	409	413	417	405	401
JSWSTEEL	820	821	827	834	814	807
KOTAKBANK	1,731	1,735	1,744	1,757	1,722	1,712
LT	3,340	3,362	3,388	3,436	3,314	3,287
LTIM	5,514	5,537	5,566	5,617	5,486	5,457
M&M	1,849	1,842	1,863	1,878	1,827	1,805
MARUTI	11,483	11,476	11,620	11,756	11,340	11,196
NESTLEIND	2,513	2,507	2,532	2,551	2,488	2,463
NTPC	339	339	341	344	337	335
ONGC	275	275	278	282	272	269
POWERGRID	276	276	279	281	274	271
RELIANCE	2,948	2,938	2,969	2,990	2,917	2,886
SBILIFE	1,489	1,499	1,512	1,535	1,476	1,463
SBIN	759	758	766	773	751	743
SHREECEM	26,815	26,656	27,054	27,292	26,418	26,020
SUNPHARMA	1,530	1,523	1,539	1,549	1,514	1,498
TATAMOTORS	933	936	942	951	927	922
TATASTEEL	142	142	143	144	141	140
TCS	4,104	4,096	4,136	4,169	4,063	4,022
TECHM	1,310	1,305	1,323	1,336	1,292	1,275
TITAN	3,695	3,684	3,721	3,747	3,658	3,621
ULTRACEMCO	9,902	9,913	9,942	9,982	9,874	9,845
UPL	498	496	501	505	493	488
WIPRO	536	538	544	553	529	523

Source: Axis Direct.

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