

# The Daily

September 06, 2022





## DOMESTIC INDICES

	CLOSE	POINTS	% CHANGE
SENSEX	59246	443	0.75
NIFTY	17666	126	0.72
MIDCAP	25581	117	0.46
SMALL CAP	29057	256	0.89

## SECTORAL INDICES

	CLOSE	POINTS	% CHANGE
METAL	19074	381	2.04
CG	33170	352	1.07
BANKEX	45601	404	0.89
REALTY	3750	27	0.73
Finance	8508	60	0.71
TECK	13096	74	0.57
CD	42753	229	0.54
IT	28412	113	0.40
Healthcare	22793	55	0.24
AUTO	30339	52	0.17
POWER	5142	-5	-0.09
OIL & GAS	19670	-63	-0.32

## BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
TIINDIA	8.95	GLAND	-3.68
SCHAEFFLER	5.72	LALPATHLAB	-2.87
PATANJALI	4.87	ATGL	-2.76
INDHOTEL	4.57	ADANIPOWER	-2.66
IDFCFIRSTB	4.42	PAYTM	-2.60

## ADVANCE/DECLINES

	BSE	%
ADVANCES	2208	59
DECLINES	1348	36
UNCHANGED	180	5

## INSTITUTIONAL ACTIVITY

Rs Cr	02-09-2022	05-09-2022	SEPT TOTAL
FII	-9	-812	443
DII	-669	534	757

**Indian markets could open flat to mildly higher, in line with mostly higher Asian markets today. US Markets were shut on Monday.....**

European stocks slumped, the euro fell (below 99 cents for the first time in twenty years) and natural gas skyrocketed after Russia said it was cutting off gas supplies through the Nord Stream 1 pipeline indefinitely.

Members of the Organization of Petroleum Exporting Countries and Russia agreed to cut output by 100,000 barrels a day in October. Oil prices slipped early on Tuesday, paring the previous session's 3% gain, as an OPEC+ deal to cut output by 100,000 barrels per day in October was seen as a largely symbolic move to stem the market's recent slide.

The British pound slid to its lowest level against the U.S. dollar since 1985, a reflection of the U.K. economy's dire economic situation. Investors are braced for sterling to weaken even further to a nadir not seen in more than two centuries of trading across the Atlantic. The pound fell 0.3% in early Monday trading in Asia to \$1.1475.

China's announcement of a cut in the amount of foreign-exchange deposits banks must set aside as reserves. The People's Bank of China set the daily reference rate for the yuan at a stronger-than-expected level for a 10th day, the longest run since 2019. Financial institutions will need to hold 6% of their foreign-currency deposits in reserves starting from Sept. 15, the People's Bank of China said in a statement on Monday -- lower than the current level of 8%.

Stocks in Asia rose along with US equity futures on Tuesday amid a dip in the dollar, a break from the dour sentiment that's been prevailing in markets as central banks tighten monetary policy.

Nifty closed higher on Sept 05. At close, Nifty was up 0.72% or 126.4 points at 17665.8.

Nifty broke out nicely of the two day range move. Given the subdued sentiments abroad, it may find it difficult to rise sharply from hereon. Nifty could stay in the 17778-17476 band for the near term.



## GLOBAL INDICES

	CLOSE	POINTS	% CHANGE
FTSE	7287	6.24	0.09
CAC	6093	-74.29	-1.20
DAX	12761	-289.49	-2.22
NIKKEI	27629	8.89	0.03
SHANGHAI	3224	24.53	0.77
HANG SENG	19227	1.30	0.01
BOVESPA	112203	1339.00	1.21

## EXCHANGE RATES

	VALUE	% CHANGE
USD/INR	79.8	0.20
EURO/USD	0.996	0.35
USD/GBP	1.159	0.66
USD/JPY	140.5	-0.05

## COMMODITIES

	VALUE	% CHANGE
GOLD (\$ / Oz)	1731.0	0.48
SILVER (\$ / Oz)	18.2	1.88
CRUDE OIL FUTURES	88.7	2.13
BRENT OIL (\$ / Barrel)	95.1	-0.72

## BOND YIELD

	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	7.218	-0.014

## ADR

	VALUE	% CHANGE
DR REDDY'S LAB	52.0	-2.05
HDFC BANK	62.0	0.34
ICICI BANK	21.8	-0.50
TATA MOTORS	28.6	-2.29
WIPRO	4.99	-1.77
VEDANTA LTD	16.50	0.00
INFOSYS	18.09	-1.79

### Services sector expands again in August as PMI rises to 57.2; employment surges

India's services sector expanded for the 13th month in a row in August, with activity rising faster than it did in July. The S&P Global India Services Purchasing Managers' Index (PMI) rose to 57.2 in August from a four-month low of 55.5 in July, data released on September 5 showed. A reading above 50 indicates expansion in activity while a sub-50 print signals contraction.

Improvement in demand conditions as well as a brighter outlook for the year ahead - sentiment among services firms rose to the highest in over four years - resulted in August witnessing a significant rise in employment in the services sector. In fact, according to S&P Global's survey, the rate of job creation last month was the strongest in more than 14 years. While the 'finance and Insurance' segment led the charge in August, 'transport' and 'information and communication' also saw rapid growth in sales and output.

### Reliance retail arm acquires control of Insight Cosmetics

Reliance Retail Ventures Ltd (RRVL) has bought a controlling stake in makeup and personal care brand Insight Cosmetics, marking the entry of the company into the cosmetic business. The deal was valued at \$10-15 million, as per the source.

The brand claims to have a distribution presence across 20 states and its products are sold at more than 12,000 retail and novelty stores in India.

### Mahesh V Iyer takes over as Mahanagar Gas Ltd Chairman

Mahanagar Gas Limited (MGL), has appointed Mahesh Vishwanathan Iyer as the company's new chairman. Iyer was director (Business Development) with GAIL (India) Limited till last month. Gail is the promoter of MGL. Iyer is an electrical engineer with more than 36 years of experience in execution of projects in the areas of gas pipelines, LNG terminals, city gas distribution projects, renewables etc, amounting to Rs. 40,000 crore.

### 'Speculative': Federal Bank on merger talks with Kotak

Federal Bank described as "speculative" a News report of the private sector lender holding initial merger talks with Kotak Mahindra Bank.



"We wish to clarify categorically that the news report of a merger between Federal Bank and another private bank is speculative in nature," Federal Bank said in an exchange notice. "In this regard, we would like to state that there is no information available with the Company as of today, which is required to be reported under extant SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and which may have a bearing on the stock price of the Company," it added. Kotak Bank declined to comment on the story.

Top management of both banks likely met for a potential deal, news reported earlier in the day, citing sources. The talks may or may not result in a merger. Shares of the Federal Bank witnessed a sharp surge after the news report, rising nearly 7 percent to trade at Rs 127.45 apiece.

### **Biocon likely to sell a part of stake in Syngene International: Sources**

Biocon is likely to sell partial stake in Syngene in a block deal through the open market. The deal will most likely take place at a discount of up to 5 percent.

Apart from Biocon promoters, Biocon Limited Employee Welfare Trust holds 0.29 percent stake in Syngene International, taking the total stake to about 70.29 percent.

### **Wipro and Cisco to deliver Hybrid Cloud as-a-Service**

Wipro Limited has partnered with Cisco to accelerate cloud transformation for customers. The partnership will enable Wipro customers to deploy Wipro FullStride Cloud Service to enable a fully automated hybrid-cloud stack, reducing the implementation time and enhancing the user experience. Wipro and Cisco will collaborate to bring together the edge, private, and public clouds to create an agile, programmable, and adaptable hybrid cloud solution. The full-stack IT-as-a-service platform will leverage technology from across Cisco's Full Stack Observability solution including AppDynamics, ThousandEyes, Cisco Workload Optimization Manager (CWOM), Intersight and Secure Application.

### **HAL-L&T wins Rs 860 crore contract to build 5 PSLV rockets**

The Hindustan Aeronautics Limited-L&T consortium has won an Rs 860 crore deal from NewSpace India Limited to build five rockets, marking the industry's foray into end-to-end production of polar satellite launch vehicles (PSLVs).

After the techno commercial evaluation of three bids, the HAL-L&T consortium emerged as the technically qualified and the L1 bidder to undertake end-to-end production of PSLV. As per the contract, the consortium would manufacture five PSLV rockets -- the versatile workhorse launch vehicle of India.

"We have now signed a service level agreement with the industry for production," an official of NSIL, a central public sector enterprise under the Department of Space (DoS) and the commercial arm of the Indian Space Research Organisation (ISRO) told PTI.

"May be in less than two years, we (the 52:48 HAL-L&T consortium) will be able to deliver the first rocket from the industry consortium, fully built by the industry, with appropriate hand-holding from ISRO," the official added.

### **Dixon Tech to manufacture TV sets on Android and Google TV platforms**

Electronic goods manufacturer Dixon Technologies said it has entered into an agreement with global tech giant Google and got sub-licensing rights for making LED TV sets on Android and Google TV platforms. Android and Google TV are two operating systems developed by Google to power various smart TV models. This will help Dixon to provide cost-effective smart TV and further strengthen its market leadership in the LED TV category, Dixon Technologies said in a statement.

### **Narayana Hrudayalaya to acquire Bengaluru orthopaedic hospital for Rs 200 crore**

Narayana Hrudayalaya Ltd said that it has signed an agreement with Shiva and Shiva Orthopaedic Hospital Private Ltd to acquire its orthopaedic and trauma hospital situated at Narayana Health City campus for Rs 200 crore. Part of the Sparsh Group of hospitals, which has a presence across Karnataka, the concerned unit, with around 100 operational beds, has a decade-long operational track record offering orthopaedic services. The unit has generated operating revenues of over Rs 49 crore in FY22 and over Rs 18 crore for the four months period ending July 31, 2022. The acquisition is expected to be completed on or before December 2022.



## **NTPC acquires 600 MW Jhabua power plant for Rs 925 crore**

NTPC announced the acquisition of 600 MW Jhabua Power Plant for Rs 925 crore, which is its first such deal through insolvency proceedings. NTPC Ltd. has successfully acquired Jhabua Power Limited (JPL) through Corporate Insolvency Resolution Process initiated by National Company Law Tribunal, Kolkata, (NCLT).

This is the first acquisition of a power asset by NTPC through NCLT route, a step forward in accomplishing NTPC's long-term capacity targets, it stated.

JPL is having an operational thermal power capacity of 600 MW located in Seoni, Madhya Pradesh. After the acquisition of JPL, NTPC has become a 70 GW-plus company with total installed capacity of 70,064 MW.

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

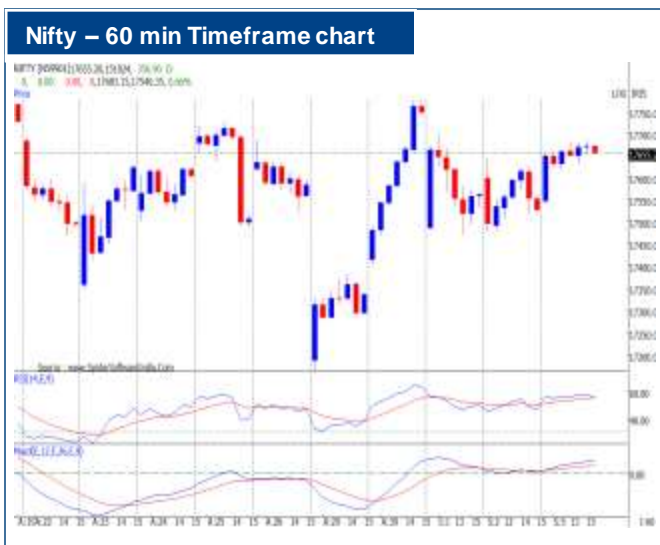
- The seasonally adjusted S&P Global India Services PMI Business Activity Index rose from July's four-month low of 55.5 to 57.2 in August, highlighting a rebound in growth. The upturn was attributed to stronger gains in new business, ongoing improvements in demand, job creation and overtime work.
- The au Jibun Bank Japan Services PMI was revised higher to 49.5 in August of 2022, compared with a preliminary reading of 49.2, and after a final 50.3 a month earlier. The latest print signalled the first contraction in services activity since March.
- The Caixin China General Services PMI fell to 55.0 in August from July's 15-month high of 55.5 amid the recent wave of COVID-19 and the impact of adverse weather. Still, the latest print was the third straight month of growth in services activity.
- The S&P Global/CIPS UK Services PMI was revised sharply lower to 50.9 in August of 2022 from a preliminary estimate of 52.5, the softest expansion in services activity in 18 months as inflationary pressures and the cost-of-living squeeze resulted in heightened economic uncertainty and reduced client confidence.
- The S&P Global Services PMI for the Eurozone was revised lower to 49.8 in August of 2022 from a preliminary of 50.2, pointing to the first, albeit marginal decline in services activity since March last year.
- Retail sales in the Euro Area increased 0.3% month-over-month in July of 2022, rebounding from a downwardly revised 1% drop in June and slightly less than forecasts of a 0.4% rise. Year-on-year, retail sales fell 0.9%, following a 3.2% drop in June.
- The S&P Global Germany Services PMI was revised lower to 47.7 in August of 2022 from a preliminary of 48.2, pointing to the second consecutive month of contraction in services activity and the sharpest since February of 2021.





Index	CMP	View	R1	R2	S1	S2
<b>Nifty Sep Fut</b>	<b>17710</b>	Neutral	17778	17846	17590	17471
<b>Bank Nifty Sep Fut</b>	<b>39920</b>	Bullish	40127	40334	39585	39250

**Nifty – 60 min Timeframe chart**



**Nifty – Daily Timeframe chart**



## Daily Technical View on Nifty

- ❑ Nifty has been consolidating in the range of 17400-17600 for last few sessions.
- ❑ Nifty made a short term top at 17778 on 30<sup>th</sup> August 2022 and that becomes the near term resistance for Nifty.
- ❑ For confirmation of medium term uptrend resuming, Nifty has to surpass the 17800 resistance. On the down side 17400 and 17150 are crucial supports to watch out for.
- ❑ Indian markets have been resilient so far against the global market uncertainty.
- ❑ Nifty has outperformed in most of the developed and emerging markets in last one month. Icing on the cake is that Small cap Index has started participating after nice run up of largecaps from the bottom of June 2022 bottoms.
- ❑ Breadth of the market has been improving day by day. Number of stocks their 200 DMA and number of stocks making new 52 week highs for NSE500 Index have been improving on consistent basis. Advance decline ratio has also been great in last few trading sessions. Strong breadth indicates healthy bull market.
- ❑ Nifty Smallcap Index reclaimed its level above 200 days EMA after long time and Index has also broken out from the downward sloping trend line on the weekly charts.
- ❑ Nifty is expected to resume its uptrend, if it is able surpass the hurdle of 17800.



## OPEN SHORT TERM TRADING CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET	UPSIDE %	VALID TILL
1	5-SEP-22	BUY	NIFTY SEP FUT	17699.8-17635	17,704.00	17,599.0	17,840.0	0.8	8-SEP-22
2	5-SEP-22	BUY	NIFTY 15TH SEP 17700 CALL OPTION	193.75	210.0	147.0	275.0	31.0	12-SEP-22
3	1-SEP-22	BUY	TATA CONSUMER SEP FUT	802-825.40	842.2	788.0	880.0	4.5	15-SEP-22
4	2-SEP-22	SELL	ONGCSEP FUT	132.9-135	134.3	137.0	126.0	6.2	9-SEP-22
5	22-AUG-22	BUY	BAJAJ ELECTRIC	1195-1231.60	1,224.3	1,170.0	1,335.0	9.0	12-SEP-22
6	30-AUG-22	BUY	DHAMPUR SUGAR	226-232.55	235.1	223.4	250.0	6.3	13-SEP-22
7	2-SEP-22	BUY	ZUARI AGRO	191.25-188	188.8	184.5	206.0	9.1	16-SEP-22
8	2-SEP-22	BUY	UTI AMC	815-839	840.0	800.0	905.0	7.7	16-SEP-22
9	2-SEP-22	BUY	PURVANKARA LTD	107.2-103.5	109.1	102.0	116.5	6.8	16-SEP-22
10	2-SEP-22	BUY	CSB BANK	217.50-210	222.3	206.5	235.0	5.7	16-SEP-22
11	5-SEP-22	BUY	STAR HEALTH	759.45-737	758.1	722.0	813.0	7.2	19-SEP-22
12	5-SEP-22	BUY	ENGINEERSINDIA	68.5-70.5	71.9	67.0	76.0	5.7	19-SEP-22
13	5-SEP-22	BUY	TV18 BROADCAST	43.95-42.80	44.7	42.0	46.7	4.6	19-SEP-22
14	5-SEP-22	BUY	HUHTAMAKI	208.7-205	209.9	202.5	225.0	7.2	19-SEP-22

## OPEN CASH POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	18-AUG-22	BUY	ICICI PRU	595.8	585.1	545.0	647.0	697.0	19	18-NOV-22
2	1-SEP-22	BUY	TATA COFFEE	237.4	243.1	218.0	260.0	280.0	15	1-DEC-22
3	2-SEP-22	BUY	ASTER DM	229.2	241.0	210.0	248.0	260.0	8	2-DEC-22
4	5-SEP-22	BUY	BF INVEST	304.6	316.9	278.5	330.0	367.0	16	5-DEC-22

## OPEN E-MARGIN POSITIONAL CALLS

NO.	RECO DT.	RECO	COMPANY NAME	ENTRY	CMP	SL	TARGET 1	TARGET 2	UPSIDE %	VALID TILL
1	1-AUG-22	BUY	HEG LTD*	1180.8	1232.4	1180.8	1302.0	1431.0	16	1-NOV-22
2	3-AUG-22	BUY	INFOSYS	1559.4	1461.3	1440.0	1679.0	1800.0	23	3-NOV-22
3	8-AUG-22	BUY	NIPPON LIFE ASSET MANAGEMENT	304.3	294.9	282.0	326.5	355.0	20	8-NOV-22
4	25-AUG-22	BUY	CLEAN SCIENCE	1762.8	1790.3	1625.0	1945.0	2140.0	20	25-NOV-22
5	25-AUG-22	BUY	CROMPTON	410.0	392.7	381.0	446.0	483.0	23	25-NOV-22
6	30-AUG-22	BUY	KANSAI NEROLAC	493.2	497.1	453.0	538.0	570.0	15	30-NOV-22
7	30-AUG-22	BUY	ENDURANCE	1472.2	1529.6	1360.0	1595.0	1750.0	14	30-NOV-22
8	2-SEP-22	BUY	NOCIL	279.0	285.7	249.0	310.0	350.0	23	2-DEC-22
9	5-SEP-22	BUY	HG INFRA	609.3	623.9	560.0	670.0	730.0	17	5-DEC-22

\*= 1st Target Achieved

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