

The Daily

September 08, 2022





DOMESTIC INDICES

	CLOSE	POINTS	% CHANGE
SENSEX	59029	-168	-0.28
NIFTY	17624	-31	-0.18
MIDCAP	25820	118	0.46
SMALL CAP	29299	212	0.73

SECTORAL INDICES

	CLOSE	POINTS	% CHANGE
Healthcare	23064	158	0.69
CD	43149	251	0.59
IT	28404	75	0.26
TECK	13129	28	0.22
CG	33224	46	0.14
REALTY	3774	5	0.14
METAL	19266	26	0.13
OIL & GAS	19954	18	0.09
Finance	8458	-26	-0.31
BANKEX	45181	-233	-0.51
POWER	5191	-48	-0.91
AUTO	29970	-339	-1.12

BSE 200 GAINERS/LOSERS

GAINERS	%	LOSERS	%
CONCOR	8.58	DMART	-2.69
SHREECEM	8.33	TATAMOTORS	-2.61
IDEA	6.89	BAJAJ-AUTO*	-2.12
LALPATHLAB	6.66	FEDERALBNK	-1.98
ZEEL	4.91	INDIGO	-1.87

ADVANCE/DECLINES

	BSE	%
ADVANCES	2133	60
DECLINES	1322	37
UNCHANGED	125	3

INSTITUTIONAL ACTIVITY

Rs Cr	06-09-2022	07-09-2022	SEPT TOTAL
FII	1145	758	2346
DII	633	-139	1251

Indian markets could open higher, in line with mostly higher Asian markets today and positive US markets on Wednesday.....

U.S. stocks finished sharply higher on Wednesday, with all three benchmarks posting their best day of gains in about a month, as investors assessed remarks by Federal Reserve Vice Chair Lael Brainard and other Fed officials, while digesting the central bank's latest compilation of economic anecdotes. Brainard, the No. 2 official at the central bank, said on Wednesday that the Fed will need to raise the policy rate further and keep rates at high levels for some time to "provide confidence that inflation is moving down to target." U.S. stock indexes climbed the most in roughly a month as bond yields eased, with investors shrugging off hawkish remarks made by Federal Reserve officials on Wednesday.

The Fed's Beige Book survey showed the U.S. grew slightly through the end of August, but the outlook for the economy over the next year "remained generally weak" because of rising interest rates and nagging labor and supply shortages. It also indicated that price pressures are expected to persist at least through the end of the year.

Yields pulled back Wednesday, with the 10-year US rate down 8.6 basis points to 3.264%. The 2-year Treasury yield slipped to 3.45%, below its multi year high and below its highest level of Tuesday at about 3.52%. The U.S. dollar hit a new 20-year high on Wednesday just shy of the 111 level.

The U.S. trade deficit fell 12.6% in July to a nine-month low of \$70.6 billion, adding to mounting evidence confirming the U.S. did not fall into a recession in the first half of 2022.

The Bank of Canada lifted its overnight target rate by three-quarter percentage points to 3.25%, following a surprise increase of a full percentage point in July. The European Central Bank could lift rates as much as 75 basis points on Thursday.

Asian markets rebounded Thursday from the lowest level since 2020 but the move trailed a Wall Street rally as the dollar renewed its climb and crude oil edged higher.

Nifty closed lower for the second consecutive session on Sept 07, though up from intraday lows. At close, Nifty was down 0.18% or 31.2 points at 17624.4.



GLOBAL INDICES			
	CLOSE	POINTS	% CHANGE
DOW JONES	31581	435.98	1.40
S & P 500	3980	71.68	1.83
NASDAQ	11792	246.99	2.14
FTSE	7238	-62.61	-0.86
CAC	6106	1.31	0.02
DAX	12916	44.53	0.35
NIKKEI	27965	534.20	1.95
SHANGHAI	3243	-2.95	-0.09
HANG SENG	18927	-117.30	-0.62
BOVESPA	109764	-2440.00	-2.17

EXCHANGE RATES		
	VALUE	% CHANGE
USD/INR	79.7	0.20
EURO/USD	0.998	-0.14
USD/GBP	1.150	-0.21
USD/JPY	144.2	0.34

COMMODITIES		
	VALUE	% CHANGE
GOLD (\$ / Oz)	1725.7	-0.12
SILVER (\$ / Oz)	18.3	0.48
CRUDE OIL FUTURES	82.9	1.16
BRENT OIL (\$ / Barrel)	88.9	1.03

BOND YIELD		
	VALUE	ABS CHANGE
IND10 YEAR BOND YIELD	7.185	+0.006

ADR		
	VALUE	% CHANGE
DR REDDY'S LAB	53.4	1.81
HDFC BANK	63.3	2.13
ICICI BANK	22.4	1.08
TATA MOTORS	28.4	0.35
WIPRO	5.10	3.03
VEDANTA LTD	16.50	0.00
INFOSYS	18.43	2.50

Nifty formed a lower top lower bottom candle on Sept 07 compared to the previous session but closed only nominally lower. Nifty is looking for direction over the past few days and has outperformed the other countries by recovering from lows – whether intra day or otherwise. Nifty could face resistance at 17,777 while 17468 could provide support in the near term.

Cabinet clears rail land lease policy

Container Corporation of India (Concor) soared 13% after the cabinet cleared the railway land license policy under the PM Gati Shakti program.

Under the new policy, the timeframe of leasing railway land has been increased to 35 years from the earlier period of five years. The cabinet has also lowered the land license fee for the Railways from 6% to 1.5% for new entrants. The existing players will have the option to switch to a new policy through a bidding process. 300 new cargo terminals are envisaged under the new railway policy.

Union Minister Anurag Thakur said that the amended policy will enable easier use of railway land and also attract more investors. The minister also said that the policy will be notified within 90 days.

The new land lease policy will facilitate privatisation of Concor in which the central government held 54.80 percent stake as at the end of June quarter. The policy will attract private investors towards buying stake in the railways' arm during the divestment process.

NCLT asks ZEE to conduct shareholder meet on proposed merger

National Company Law Tribunal (NCLT) has allowed Zee Entertainment Enterprises (ZEE) to conduct a shareholder meeting next month for its proposed merger with broadcaster Sony.

Coal India's production up by 44.6 MTs in five months

Coal India's (CIL) production in the current fiscal as of 4 September rose by 44.6 million tons, a record high. This eclipses the previous best of 44.5 million tonne (MT) registered in FY16, which though was for the entire year. CIL's progressive production touched 259.6 MTs as on 4 September compared with 215 MTs same date last year.



Telecom industry set to cross the Rs 10 lakh crores landmark

The telecom industry is set to cross the Rs 10 lakh crores landmark in 2023 and by 2025 is expected to cross Rs 13 lakh crores with 5G services expected to go live by the end of 2022 and scaling to several cities and towns of the country in 2023 and beyond, as per a report by tech consultancy Techarc. The report anticipates that the telecom industry is expected to add Rs 1 lakh crore every three years compared to previous trend of adding the same in a four-year period. Further, the sector is expected to grow at a CAGR of 9.4% between 2020-2025, while the smartphone industry will lead the growth at a CAGR of 15.9% during the period.

Salasar Techno Engineering board approves raising Rs 82 crore from 4 FPIs

Salasar Techno Engineering has approved a proposal to raise around Rs 82 crore through issuance of equity shares to qualified institutional buyers. The fund raising committee approved the issuance and allotment of 3cr equity shares to qualified institutional buyers in present tranche at the issue price of Rs 27.30 per equity share, aggregating to Rs 81,90,00,000.

Spirit AeroSystems enters into Five-year Collaboration with Infosys

Infosys announced a five-year agreement with Spirit AeroSystems, Inc., one of the world's largest manufacturers of aerostructures for commercial airplanes, defense platforms, and business/regional jets. Infosys will collaborate with Spirit AeroSystems to provide aerostructure and systems engineering services for product development of commercial, business jet and emerging aircraft programs, and Maintenance, Repair and Overhaul (MRO) services.

Gangwal family to sell up to 2.8% stake in IndiGo via block deals: as per news report

Rakesh Gangwal, co-founder of IndiGo, and his family are looking to sell a 2.8 percent stake in InterGlobe Aviation, the holding company which runs IndiGo airlines, through a block deal. As part of the block deal, as many as 10.8 million shares belonging to the Gangwal family have been listed for sale for Rs 1,996 crore.

Lupin and DKSH signed an Exclusive Licensing and Supply Agreement to market five Biosimilar Candidates in the Philippines

Lupin and DKSH announced that they have signed an exclusive license and supply agreement to commercialize five of Alvotech's proposed biosimilars in the Philippines. The biosimilars planned under this agreement include biosimilar Prolia (denosumab 60mg/ml), Xgeva (denosumab 70 mg/ml), Simponi (golimumab), and Eylea (aflibercept) as well as two undisclosed proposed biosimilars for immunology and oncology. According to the agreement, Lupin's subsidiary in Philippines, Multicare Pharmaceuticals, will file for marketing approval and be responsible for distribution and commercialization of the biosimilars once approved.

These reference products are used to treat disorders relating to bone disease, oncology, immunology and ophthalmology. This agreement enhances Multicare's oncology, rheumatology, gastroenterology and ophthalmology, portfolio, which currently consists of three biosimilar candidates and over 50 generic medicines.

Board approved enhancing the production capacity of Vacuum Interrupters & Vacuum Circuit Breakers by setting up a manufacturing unit in Kolkata

Schneider Electric Infrastructure has received approval from its Board of Directors for enhancing the production capacity of vacuum interrupters and vacuum circuit breakers by setting up a manufacturing unit in Kolkata. Existing capacity utilization stands at ~90%. Company plans to invest Rs 138cr over the next 3 years. It is to meet domestic demand as well as increase export to Schneider Electric global entities to accelerate Make in India for Global, aligned with Atmanirbhar Bharat initiative of the Government of India.

Dr. Reddy's Laboratories announces launch of Lenalidomide Capsules in the US

Dr. Reddy's Laboratories announced the launch of Lenalidomide Capsules, a therapeutic equivalent generic version of REVLMID Capsules approved by US FDA in the US market. With this volume-limited launch, Dr. Reddy's is eligible for first-to-market, 180 days of generic drug exclusivity for Lenalidomide Capsules in 2.5 mg and 20 mg strengths.

Earlier, Celgene agreed to provide Dr. Reddy's with a license to sell volume-limited amounts of generic lenalidomide capsules in the US in settlement of all outstanding claims of its litigation. The agreed-upon percentages remain confidential. As part of the settlement, Dr. Reddy's is also licensed to sell generic lenalidomide capsules in the US without volume limitation beginning on January 31, 2026.



Zydus announces positive Phase 2 Proof-of-Concept of NLRP3 inhibitor, ZYL1 in patients with CAPS

Zydus Lifesciences Ltd. (formerly known as Cadila Healthcare Ltd.) announced that it has achieved a positive Proof-of-Concept in its Phase 2 clinical study of ZYL1, in patients with CAPS. Cryopyrin Associated Periodic Syndrome (CAPS) is a rare, life-long, auto-inflammatory condition, caused by NLRP3 activating mutations and is classified as an orphan disease.

The chronic inflammation due to IL-1beta release in CAPS patients leads to urticaria-like rash, fever, arthralgia, and increased risk of amyloidosis. CAPS patients also experience multiple neurological complications like sensorineural hearing loss, migraine, headache, aseptic meningitis and myalgia. Bone deformities and neurological impairments have been reported in Neonatal Onset Multisystem Inflammatory Disease (NOMID), the most severe form of CAPS.

Important news/developments to influence markets

- China's trade surplus unexpectedly dropped to a three-month low of USD 79.39 billion in August 2022 from USD 59.13 billion in the same month a year earlier. Shipments increased 7.1% yoy, while imports were up 0.3%, the slowest growth in inbound shipments since a stagnation in April.
- Foreign exchange reserves in China declined by \$49.2 billion to \$3.055 trillion in August of 2022, the lowest since October of 2018. It was the second consecutive month of decreases mainly due to general dollar strength on expectations the Federal Reserve will continue aggressive policy tightening and global recession fears.
- Industrial production in Germany fell 0.3% month-over-month in July of 2022, following an upwardly revised 0.8% rise in June. Year-on-year, industrial production went down 1.1%.
- The Euro Area economy expanded 0.8% on quarter in the second quarter of 2022, higher than a 0.6% rise in the second estimate, and the strongest growth rate in three quarters. Compared to the same quarter last year, the Eurozone GDP grew 4.1%, also higher than 3.9% in the previous estimate.
- The trade deficit in the US narrowed by \$10.2 billion to a 9-month low of \$70.7 billion in July 2022. Total exports were up 0.2% to a new all-time high of \$259.3 billion. Meanwhile, imports went down by 2.9% to \$329.9 billion



Index	CMP	View	R1	R2	S1	S2
Nifty Sep Fut	17655	Buy Above 17845	17716	17875	17557	17398
Bank Nifty Sep Fut	39600	Buy Above 40175	39762	40135	39388	39015

Nifty – 60 min Timeframe chart



Nifty – Daily Timeframe chart



Daily Technical View on Nifty

- ❑ Nifty has been consolidating in the range of 17450-17780 for last few sessions.
- ❑ Nifty made a short term top at 17778 on 30th 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	1-SEP-22	BUY	TATA CONSUMER SEP FUT	802-825.40	826.00	788.0	880.0	6.5	15-SEP-22
2	6-SEP-22	SELL	MOTHERSON SUMI SEP FUT	123-126	123.7	128.0	116.0	6.2	13-SEP-22
3	6-SEP-22	BUY	BALRAMPUR CHINI SEP FUT	375.7-364	378.9	354.0	402.0	6.1	13-SEP-22
4	6-SEP-22	BUY	TATA POWER SEP FUT	243-247.75	249.0	238.0	261.0	4.8	13-SEP-22
5	7-SEP-22	SELL	BHARAT FORGE SEP FUT	753.30-772.50	764.8	783.5	709.8	7.2	14-SEP-22
6	22-AUG-22	BUY	BAJAJ ELECTRIC	1195-1231.60	1,226.9	1,170.0	1,335.0	8.8	15-SEP-22
7	2-SEP-22	BUY	ZUARI AGRO	191.25-188	191.9	184.5	206.0	7.4	16-SEP-22
8	2-SEP-22	BUY	UTI AMC	815-839	837.2	800.0	905.0	8.1	16-SEP-22
9	2-SEP-22	BUY	CSB BANK	217.50-210	221.2	206.5	235.0	6.2	16-SEP-22
10	5-SEP-22	BUY	ENGINEERSINDIA	68.5-70.5	71.0	67.0	76.0	7.1	19-SEP-22
11	5-SEP-22	BUY	TV18 BROADCAST	43.95-42.80	44.3	42.0	46.7	5.4	19-SEP-22
12	5-SEP-22	BUY	HUHTAMAKI	208.7-205	211.2	202.5	225.0	6.5	19-SEP-22
13	6-SEP-22	BUY	MFL	1457.55-1430	1,467.5	1,414.0	1,550.0	5.6	20-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	594.1	545.0	647.0	697.0	17	18-NOV-22
2	1-SEP-22	BUY	TATA COFFEE	237.4	242.7	218.0	260.0	280.0	15	1-DEC-22
3	5-SEP-22	BUY	BF INVEST	304.6	312.5	278.5	330.0	367.0	17	5-DEC-22

*= 1st Target Achieved



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	1196.5	1180.8	1302.0	1431.0	20	1-NOV-22
2	8-AUG-22	BUY	NIPPON LIFE ASSET MANAGEMENT	304.3	297.7	282.0	326.5	355.0	19	8-NOV-22
3	25-AUG-22	BUY	CLEAN SCIENCE	1762.8	1838.4	1625.0	1945.0	2140.0	16	25-NOV-22
4	25-AUG-22	BUY	CROMPTON	410.0	416.7	381.0	446.0	483.0	16	25-NOV-22
5	30-AUG-22	BUY	KANSAI NEROLAC	493.2	499.9	453.0	538.0	570.0	14	30-NOV-22
6	30-AUG-22	BUY	ENDURANCE	1472.2	1496.4	1360.0	1595.0	1750.0	17	30-NOV-22
7	2-SEP-22	BUY	NOCIL	279.0	288.7	249.0	310.0	350.0	21	2-DEC-22
8	5-SEP-22	BUY	HG INFRA	609.3	628.0	560.0	670.0	730.0	16	5-DEC-22
9	6-SEP-22	BUY	CREDIT ACCESS GRAMIN	1067.0	1038.9	982.0	1177.0	1240.0	19	6-DEC-22
10	6-SEP-22	BUY	CENTRAL BANK	20.0	20.4	18.0	22.5	25.0	23	6-DEC-22

*= 1st Target Achieved



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