

The Federal Reserve holds the interest rate steady at 5.25 to 5.50% for the 7th straight time. Fed's 'dot Plot' projects one cut this year and not three

US Consumer Price index (CPI) inflation receded faster than expected.

India's industrial output growth slowed to 5 percent in April from 5.4 percent in March.

India's retail inflation eases to 12-month low of 4.75% in May. The fall in headline rate comes despite little change in food inflation levels that remained elevated at 7.9% in May.



Daily Research Reports

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Good Morning & Welcome to Thursday's trading session at Dalal Street, dated June 13th 2024.

The Numbers are in and the verdict is out...

First, the Numbers: As widely expected, Federal Reserve holds interest rate steady at 5.25 to 5.50% for the 7th straight time.

Fed's 'dot Plot' projects one cut this year and not three indicating interest rates are likely to continue holding higher for longer.

The Fed policymakers see 2.1% GDP growth in 2024, unemployment rate at 4%; both unchanged from March.

The Verdict: Wall Street's key indices traded cautiously optimistic after Fed penciled in only one rate cut in 2024.

The positive takeaway was that Powell said Fed is prepared to respond quickly if inflation falls more quickly than expected — well, that should be too dovish to Nifty bulls too.

Bottom-Line: Nifty's bullish action shall accelerate.

Long story short: Expect fireworks only if US CPI cools.

Also, please note, the Fed is expected to maintain interest rates steady but the markets could tumble if Fed's guidance is hawkish.

Now, before we get into details, here is the preferred trade on Nifty and Bank Nifty:

Nifty (23323): Buy at CMP. Stop at 22701. Targets 23500/23751. Aggressive targets at 24000-24250 zone.

Bank Nifty (49895): Buy at CMP. Stop at 48301. Targets 50300/51133. Aggressive targets at 51500-52500 zone.

Outlook on Thursday: Nifty is likely to trade with positive bias.

The positive takeaway from yesterday's session was that Nifty printed new record high at 23441.95 mark.

US Consumer Price index (CPI) inflation receded faster than expected. The headline CPI increased by 3.3% year over year in May vs. 3.4% expected by economists.

India's industrial output growth slowed to 5 percent in April from 5.4 percent in March. The IIP growth rate in April 2023 was 4.6 percent.

INDICES

Nifty	23323	0.25%
Bank Nifty	49895	0.38%
Nifty Auto Index	25218	-0.05%
Nifty FMCG Index	57496	-0.51%
Nifty Infra Index	8936	0.89%
Nifty IT Index	34547	0.05%
Nifty Media Index	2081	1.89%
Nifty Midcap Index	15243	1.41%
Nifty Metal Index	9838	0.50%
Nifty Pharma Index	19739	0.25%
Nifty Reality Index	1095	-0.04%
Nifty Smallcap Index	17788	1.23%
Sensex	76607	0.20%
SGX Nifty	23455	0.37%

Outlook for the Day

Positive session likely

Nifty Outlook

Intraday	Positive (23050-23550)
Medium Term	Positive (21750-23500)
Long Term	Positive (20500-24500)

Key Levels to Watch

Nifty Support	23147/22657
Nifty Resistance	23551/23750

Pivot Level

Nifty	21751
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India's retail inflation eases to 12-month low of 4.75% in May. The fall in headline rate comes despite little change in food inflation levels that remained elevated at 7.9% in May.

China's annual inflation rate was at 0.3% in May 2024, holding steady for the second straight month signalling an ongoing recovery in domestic demand.

STOCKS TO WATCH:

SECTORS:

Bullish Sectors: METAL, BANK NIFTY, PHARMA, PSE, REALITY.

Bearish Sectors: FMCG

BULLISH STOCKS (Long Build-up+ Short Covering): BALKRISHNA INDUSTRIES, HAL, HDFC AMC, CANFIN HOME, BAJAJ AUTO, TATA MOTOR, NTPC, IDEA, POWERGRID, RBL BANK, RELIANCE, NMDC, SUZLON, LARSEN.

BEARISH STOCKS (Long Unwinding + Short build-up): IOC, MRF, BHEL, INDIGO, HUL.

Our **chart of the day** bullish on stocks like OFSS, BANK OF BARODA, IEX, and HDFC AMC with an interweek/intermonth perspective on any corrective declines.

The 1 stock to buy right now: BUY HDFC AMC (CMP 4567): Buy at CMP. Stop at 3787. Targets 4140/4203. Aggressive targets at 4351. (Interweek Strategy). Rationale: Momentum Play.

FII/DII & OPTIONS DATA:

The Put-Call Open Interest Ratio was at 1.11 for Nifty.

In yesterday's trade, both FIIs and DIIs were buyers to the tune of Rupees 427 crores and 234 crores respectively.

The Nifty options data suggests Nifty is likely to be in a trading range of 22000-24000 zone. Maximum Call OI is at 24000 followed by 24500 strike prices. So, the 24000 mark is now Nifty's crucial resistance zone.

Maximum Put open interest stands at 23000 levels followed by 22000 levels. So, the 22000 mark is now Nifty's biggest support zone for the day on closing basis.

Technical Strategy

GMR INFRA	90
Action	BUY
Target	101
Support	72/55
Resistance	101/121
Holding Period	9-12 Months.

Airport Infrastructure: An industry on the cusp of a boom

The good news is that India's aviation sector is gearing up for a promising ascent as the number of domestic passengers in India is expected to surge to 300 million annually by 2030 from 153 million in 2023. Also, the number of airports, and waterports will increase to over 200 from the existing 149 in the country.

Meanwhile, the domestic air passenger traffic witnessed 15% growth CAGR while that of international 6.1% in the last decade. In the last 15 years, domestic cargo witnessed a growth of 60 per cent international at 53%.

Long story short: There is a significant untapped market for aviation in India. India's aviation penetration would be at 10 to 15 per cent and still be a potential market.

GMR Airports Infrastructure Ltd. (CMP 89.70): Market Cap (Rs 52,332 Cr.)

Be a part of the future in flight.

Incorporated in 1998, GMR Airports Infrastructure is a leading infrastructure developer in the airport sector – primarily engaged in development, operation and maintenance of airports along with offering integrated security solutions. GMR Airports stands as Asia's largest private airport operator and ranks among the world's largest, managing over 100 million passengers annually.

The airport portfolio comprises the iconic Delhi International Airport (the largest and fastest growing airport in India), Hyderabad International Airport in India, New Goa Manohar International Airport and the architecturally renowned Mactan Cebu International Airport in Cebu, Philippines (in partnership with Megawide).

It is also currently developing Bhogapuram airport in India and Crete airport in Greece. Both airports are poised to transform the economy and landscape of the surrounding areas when ready.

GMR Infra benefits as there sizeable unlocking opportunity from the strong air traffic growth outlook, travel retail opportunity and upward thrust in aerospace tariffs.

GMR Airports Infrastructure Consolidated quarterly numbers:

Net Sales at Rs 2,446.78 crore in March 2024 up 29.14% from Rs. 1,894.62 crore in March 2023.

Quarterly Net Loss at Rs. 120.97 crore in March 2024 up 72.6% from Rs. 441.47 crore in March 2023.

EBITDA stands at Rs. 940.35 crore in March 2024 up 156.75% from Rs. 366.25 crore in March 2023.

Establishing long positions at CMP and on any corrective declines between 70-75 zone should be the preferred trading strategy, targeting 101/107 zone and then aggressive targets seen at 121-125 zone. Stop below 59. Holding Period: 9-12 Months.

Call writing was seen at 24000 and then at 24500 strike price, while there was meaningful Put writing at 23000 and then at 22300 strike prices.

Stocks banned in F&O segment: BALRAMPUR CHINNI, GMR INFRA, HIND COPPER, INDIA CEMENT, SAIL

WHAT TECHNICAL TELLS US ON NIFTY

Daily chart of Nifty:



Nifty: In yesterday's trading session, momentum bullish action was the preferred theme as Nifty ended higher in an bullish consolidation session. The positive takeaway was that the benchmark scaled fresh all-time-high at 23441.95 mark.

Nifty's all-time-high now at 23441.95 mark.

In the process, Nifty formed a small bullish spinning top candle and that suggests that the structure still appears quite bullish on the daily charts.

The technical landscape suggests Nifty's major support at 23177/22971 mark. Interweek support seen at 22500 mark.

Nifty's hurdles seen at 23550/24000 mark.

Nifty's 200 DMA at 21206 mark.

Daily chart of Bank Nifty:



Bank Nifty: In Wednesday's trading session, Bank Nifty witnessed massive bullish consolidation and the positive takeaway was that the benchmark ended a tad above the dotted lines.

Bank Nifty's all-time-high continues to be at 51133.20 mark.

Bank Nifty was mostly seen mirroring Nifty's range bound bullish consolidation action. Bank Nifty ended with 0.38% gains as against Nifty's 0.25% gains.

Interestingly, in Wednesday's trade, Nifty PSU Bank index ended 1.16% higher while Nifty Private Bank index ended 0.39% higher.

Intraday support for Bank Nifty now seen at 49451/48500 mark and then at 47900 mark on closing basis.

In today's trade, Bank Nifty is likely face resistance only at 50500/51133 mark. Bank Nifty's 200-DMA is placed at 46336 mark.

ECONOMIC CUES:

The US CPI report was cooler than expected. The headline Consumer Price Index increased by 3.3% year over year in May vs. 3.4% expected by economists, according to FactSet.

Amidst this weaker-than-expected CPI report, the Fed is likely to start cutting interest rates as soon as September.

India's retail inflation eases to 12-month low of 4.75% in May. The fall in headline rate comes despite little change in food inflation levels that remained elevated at 7.9% in May.

India's industrial output growth slowed to 5 percent in April from 5.4 percent in March. The IIP growth rate in April 2023 was 4.6 percent.

GLOBAL STOCK MARKETS:

In Wednesday's trade at Wall Street, US stocks were trading with caution after the Federal Reserve kept rates steady and its "dot plot" pointed to one cut this year.

Apple Inc passed Microsoft as the most valuable company by market capitalization. And Nvidia stock was gaining after Oracle referenced strong demand for its chips in its earnings report.

RECAP OF PREVIOUS DAY'S TRADING SESSION:

Ahead of US CPI data and the Fed policy announcements, Nifty scales another new record all-time high at 23441.95. India VIX drops 2.64% to 14.46.

Nifty PSU Bank index key star outperformer, up 1.15%. Nifty Mid, Smallcaps too shine 1.3% each.

NIFTY (+58, 23323)

Sensex (+150, 76607)

Bank Nifty (+189, 49895)

Helping sentiments are fact that the World Bank sees India's GDP growth at 6.7% in FY26 and 6.8% in FY27.

The global agency said that India will remain the fastest-growing of the world's largest economies, although its pace of expansion is expected to moderate.

Dalal Street now braces for important data from the US, to get more clues about the U.S. economic outlook.

Well, US CPI inflation data will be released at 6 PM IST while the Federal Reserve will announce its interest-rate decision at around 2:00 EST along with its Summary of Economic Projections, or dot plot, which includes central bankers' expectations for where the Federal Funds rate will be over the next few years.

Long story short: Expect fireworks only if US CPI cools.

Also, please note, the Fed is expected to maintain interest rates steady but the markets could tumble if Fed's guidance is hawkish.

BUZZING STOCKS FOR THE DAY:

Top Index Gainers:

COALINDIA (+2.78%)

POWERGRID (+2.43%)

EICHERMOT (+1.81%)

SBILIFE (+1.74%)

TECHM (+1.65%)

Top Index Losers:

M&M (-1.37%)

BRITANNIA (-1.26%)

HUL (-0.97%)

TATACONSUM (-0.91%)

TITAN (-0.75%)

Adv-Dec 32—18

INDIA VIX 14.38 (-2.64%)

NIFTY PCR (13th June) 0.90

NIFTY PCR (27th June) 1.14

Nifty MidCap 50 (+1.41%, 15243)

NiftySmallC (+1.23%, 17788)

BANK Nifty (+0.38%, 49895)

Nifty IT (+0.05%, 34547)

USD/INR (-0.04%, 83.59)

HDFC AMC: Swing traders get ready, Your favorite stock (HDFC AMC) is aiming a major higher high/low play.

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
BALRAMPUR CHINNI	420	405	387	433	457	Positive	Buy between 410-413 zone. Stop at 385. Targets 433/441. Aggressive targets at 457. (Interweek Strategy). Rationale: Breakout Play.
COAL INDIA	489	467	449	503	535	Positive	Buy at CMP. Stop at 463. Targets 503/517. Aggressive targets at 535. (Interweek Strategy). Rationale: Momentum Play.
HDFC AMC	4004	3817	3701	4140	4351	Positive	Buy at CMP. Stop at 3787. Targets 4140/4203. Aggressive targets at 4351. (Interweek Strategy). Rationale: Momentum Play.
IEX	174	161	151	181	199	Positive	Buy between 163-167 zone. Stop at 157. Targets 181/187. Aggressive targets at 199. (Intermonth Strategy). Rationale: Breakout Play.
LARSEN	3630	3489	3351	3671	3951	Positive	Buy at CMP. Stop at 3345. Targets 3671/3789. Aggressive targets at 3401. (Interweek Strategy). Rationale: Rebound Play.

Derivatives Strategies

Future Call: BUY BANKBARODA JUNE FUTURES at CMP 283.65. Targets at 288 and then at 292. Stop at 279. Holding Period: Intraday. Analyst's Remark: Momentum Play. (BANKBARODA JUNE Futures CMP 283.65)

Option Call: BUY NIFTY 20th JUNE CE Strike Price 23500 at CMP 113.35. Maximum Loss: 2833.75. Profit: Unlimited. Stop: Exit Call Option if NIFTY moves below 23225. (NIFTY JUNE Futures CMP 23360)

Market Summary:

- Nifty June Futures ended Wednesday's session at a premium of +36 vs premium of +48.
- The 27th June expiry Put-Call Open Interest Ratio was at 1.12 for Nifty.
- The 27th June expiry Put-Call Volume Ratio was at 1.21 for the Nifty.
- For Nifty, Maximum Call Open Interest (OI) stands at 25000 Strike Price, followed by 24000 Strike Price for 27th June Series. Long Buildup was seen at strike prices 23300-23900.
- Maximum Put Open Interest (OI) was seen at strike price 20000 followed by 21000 strike prices for 27th June series. Short Buildup was seen at strike prices 23100-23700.
- For Bank Nifty, Maximum Call Open Interest (OI) stands at 47000 Strike Price and Maximum Put Open Interest stands at 47000 Strike Price.
- As per Wednesday's provisional data available on the NSE, FIIs bought shares worth Rs. 426.63 crores in the Indian Equity Market. DIIs too, bought shares worth Rs. 233.75 crores.
- Long Buildup: BANKBARODA, IEX, PNB, TATAMOTORS.
- Short Buildup: UNITDSPR, INDIGO, HUL, BRITANNIA.
- Short Covering: PETRONET, CIPLA, IRCTC, BAJFINANCE.
- Long Unwinding: M&M, GRANULES, OBEROIRLTY.
- Stocks banned in F&O Segment:** BALRAMCHIN, GMRINFRA, HINDCOPPER, INDIACEM, SAIL.
- New in Ban: NIL.
- Out of Ban: ZEEL.

Changes in Open Interest (OI) in yesterday's trade.

Nifty Spot	23323.55 (+0.25%)
Bank Nifty Spot	49895.10 (+0.38%)
VIX	14.38 (-2.64%)
Premium	+36 vs +48
Nifty Future OI	1.23 crores (+0.78%)
Bank Nifty Future OI	23.59 lakhs (-5.32%)

Cash Volumes (INR in Cr.)	Yesterday	Day Before Yesterday
BSE Cash Vol. (Rs. in Cr)	8195.68	12353.77
NSE Cash Vol. (Rs. in Cr)	1,20,081.57	1,24,793.35
NSE Derivative Vol. (Rs. in Cr)	72,32,386	50,70,621

Derivatives Vol. (INR in Cr.)	No of contracts	Turnover (Rs. In cr.)
Index Future Volumes	1,18,040	7,860
Stock Future Volumes	6,45,008	51,012
Index Option Volumes	9,92,41,685	70,80,208
Stock Option Volumes	11,20,173	93,305
Total	10,11,24,906	72,32,386

Major Changes in Nifty Options (OI)

Calls	in lakhs (% Change)
23200	0.32 (-35%)
23300	0.56 (+14%)
23400	0.39 (+26%)
Puts	
23100	0.27 (+69%)
23200	0.43 (-14%)
23300	0.62 (+15%)

Stock	CMP	Support	Resistance	21 DMA	200 DMA	Intraday	Short Term	Long Term
ALUMINIUM 1	236	229	243	241	211	UP	DOWN	UP
COPPER 1	867	850	884	889	755	DOWN	DOWN	DOWN
CRUDEOIL 1	6571	6440	6702	6475	6635	UP	UP	DOWN
GOLD 1	71905	70467	73343	72438	64098	DOWN	DOWN	UP
LEAD 1	188	182	194	192	185	DOWN	DOWN	DOWN
NATURALGAS 1	253	246	261	217	205	UP	UP	UP
SILVER 1	90400	88592	92208	91016	75615	UP	UP	UP
STEELREBAR 1	573	561	584	31593		DOWN	DOWN	DOWN
ZINC 1	260	252	268	267	230	DOWN	DOWN	DOWN
CASTOR 1	5690	5576	5804	5673	5910	DOWN	UP	DOWN
DHANIYA 1	7310	7164	7456	7422	7418	UP	DOWN	UP
GUARGUM5 1	10409	10201	10617	10637	11129	DOWN	DOWN	UP
GUARSEED10 1	5350	5243	5457	5450	5558	DOWN	DOWN	DOWN
JEERAUNJHA 1	28700	28126	29274	28612	38059	UP	UP	UP
MENTHAOIL 1	921	903	940	929	926	DOWN	UP	DOWN
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

Copper prices back in positive momentum

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
MCX GOLD	71905	69201	67771	72651	74001	Neutral	Some rebound play seen. Intraday Strategy: Buy only above 72651. Targets 73751/75001 with stop at 71251.
MCX SILVER	90400	88901	87201	91851	93451	Neutral	Silver slightly outperforms Gold. Intraday strategy: Buy at CMP. Targets 91851/93451 with stop at 88901.
MCX CRUDE OIL	6571	6375	6101	6651	6801	Positive	Crude Oil continues to scale higher. Intraday strategy: Buy at CMP. Targets at 6651/6801. Stop at 6361.
MCX COPPER	867.45	842	812	888	911	Positive	Copper prices returns in positive terrain. Intraday strategy: Buy at CMP. Targets at 888/911. Stop at 841.
MCX NATURAL GAS	253.4	227	198	272	301	Positive	Natural Gas back in positive action. Intraday strategy: Buy at CMP. Targets 272/301 mark. Strict stop at 222.
USD-INR	83.60	83.39	82.78	84.00	84.45	Positive	USD/INR rebounds hard. Interweek Strategy: Buy at CMP. targeting 84/84.45 mark. Strict Stop at 83.27.

Dow Jones appears buy on dips

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD (USD)	2336	2302	2266	2345	2377	Neutral	Gold prices steady after correction. Interweek Strategy: Sell at CMP. Targets 2281/2257 mark with stop at 2348.
SILVER (USD)	29.65	28.81	28.35	30.22	30.65	Neutral	Silver prices rebound amidst oversold conditions. Interweek Strategy: Sell at CMP. Targets 28.81/28.35 mark with stop at 29.71.
WTI CRUDE OIL (USD)	78.29	75	71	79	84.00	Positive	Crude Oil prices rebound amidst oversold conditions. Interweek strategy: Buy at CMP. Targets 79/84 with stop at 72.45.
EUR/USD	1.0806	1.0721	1.0331	1.1157	1.1451	Negative	EUR/USD weakens amidst strength in US Dollar Index. Interweek Strategy: Sell at CMP. Targets 1.0721/1.0331 with stop at 1.1157.
US Dollar Index	104.32	103.65	101.00	107.00	109.00	Positive	US Dollar Index rebounds. Interweek Strategy: Buy at CMP. Targets 107/109 with stop at 103.65.
DOW JONES	38666	38251	37751	39001	39451	Positive	Dow rebounds. Interweek strategy: Establish buy positions at CMP. Targets 39001 and then at 39451 with stop at 38251.



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Disclosure of interest statement – • Analyst interest of the stock / Instrument(s): - No. • Firm interest of the stock / Instrument (s): - No.