

Monday
01st July, 2024

Lighting a path forward in Equities & Commodities...

SENSEX

NIFTY

GOLD

SILVER

CRUDE OIL

USD / INR



Price Forecast

| INSTRUMENT | 28th June 2024 | 1 Month | 2 Month | 3 Month | 1 year |
|--------------|----------------|---------|---------|---------|--------|
| SENSEX | 79033 | 79650 | 77100 | 76300 | 83000 |
| NIFTY | 24011 | 24300 | 23500 | 23100 | 25500 |
| USD \$ / INR | 83.37 | 83.05 | 83.25 | 83.7 | 84.5 |
| GOLD | 71585 | 72500 | 73159 | 73500 | 71500 |
| SILVER | 87151 | 90100 | 93000 | 95000 | 89000 |
| CRUDE OIL | 6804 | 6970 | 6500 | 6900 | 7500 |



Dear Valued Reader,

Honestly speaking, the June month started with most of the exit poll 2024 predicting thumping win for the BJP-led NDA, probably 350+

But the final election result showed that the Bharatiya Janata Party (BJP) fell short of securing a clear majority.

Investors were disheartened as there was a total disconnect between Exit Poll predictions and the final results.

Please note, this election was never for 272 seats.

Investors were actually hoping for Modi Tsunami to cross 400 seats which could ensure policy continuity.

That was probably the prime reason investors were saddened even after NDA getting majority.

Digging deeper, on the Election result day, Tuesday June 4th — our stock markets had witnessed an erosion of Rs. 30 lakh crore market cap,

But the positive takeaway was that Nifty bounced back after NDA leaders unanimously elected Narendra Modi as the leader of the alliance and backed his candidature for being the country's Prime Minister for a third term.

Nifty bulls were all over Dalal Street after FM Sitharaman retained her finance ministry. (Please note, when Sitharaman first took charge of the Finance Ministry on 31st May 2019 from an ailing Arun Jaitley, Sensex was around 39,700-level. The Sensex has now hit a lifetime high above 79,000-mark.

At Wall Street, for June month, the S&P gained 2.9%, the Dow was up 0.7% and the Nasdaq rallied 4.9%. For the first half of 2024, the S&P added 15.1%, the Nasdaq 20%, the Dow gained 3.7%.

This brings us to the big question — more run for the hills?

All eyes will be on the upcoming Union Budget with the tentative dates for tabling the Budget could be around July 23-24 during the Monsoon Session.

We are ready with our July-Aug-Sep 2024 forecast.

Now, before we get into detail and start a brand new-innings of trading this July 2024, let's review how the major indices listed at Dalal Street fared in June, May, and April 2024 and also their performance in the year 2024.

Happy Investing!!



Market recap:

| Instruments | Prices as on 28th June 2024 | June 2024 % Change | May 2024 % Change | April 2024 % Change | 2024 % Change |
|-------------------------|-----------------------------|--------------------|-------------------|---------------------|---------------|
| Sensex | 73961 | +6.86% | -0.70% | +1.15% | +9.24% |
| Nifty | 24011 | +6.57% | -0.33% | +1.24% | +9.16% |
| BSE Auto Index | 53026 | +8.05% | +3.84% | +3.92% | +31.37% |
| BSE Bankex Index | 59641 | +6.94% | -0.40% | +4.68% | +12.69% |
| BSE Capital Goods Index | 72324 | +3.24% | +11.16% | +3.42% | +27.13% |
| BSE Consumer Durables | 58827 | +7.12% | -0.51% | +5.59% | +16.7% |
| BSE FMCG | 20529 | +5.12% | -0.42% | +1.52% | +0.5% |
| BSE Healthcare | 36834 | +5.58% | -1.46% | +1.00% | +15.97% |
| BSE Metal | 33051 | +1.03% | +4.68% | +10.83% | +21.03% |
| BSE Mid-Cap | 46158 | +7.71% | +1.74% | +7.12% | +23.25% |
| BSE Small-Cap | 52130 | +10.30% | -0.11% | +9.61% | +21.30% |
| BSE Power | 7955 | +3.33% | +6.63% | +7.73% | +96.75% |
| BSE Realty | 7980 | +8.21% | +4.41% | +7.53% | +34.94% |
| BSE Oil/gas | 29473 | +2.91% | -1.18% | +4.84% | +25.82% |
| BSE IT | 35845 | +7.97% | -2.63% | -4.35% | +0.35% |



The Back Story: Upwards and upwards rose Nifty and Sensex — with absolutely no signs of hesitation!

Strictly speaking, Nifty appeared to be the only bullish deal in the town

We say so because our markets were not reacting any headwinds in any negative manner for more than one day.

The other seven key catalysts:

- 1) India's GDP exceeded estimates, grows at 8.2% in FY24 and 7.8% in Q4.
- 2) September rate-cut odds edge up after US PCE report.
- 3) This year monsoon has advanced earlier than scheduled.
- 4) GST collection soars 10% to Rs 1.73 lakh crore in May. The total GST collections amounted to Rs 3,83,007 crore. In the fiscal year 2024-25 up to May, the total GST collections amounted to Rs 3,83,007 crore.
- 5) AI hype was enough to lift the broader markets at Wall Street.
- 6) The positive takeaway was that the sentiments were buoyed by better-than-expected March quarter earnings from India Inc and then the US technology driven stocks stance played a key positive catalyst.
- 7) Investors hopeful that inflation is cooling and Indian economy picking up pace. The RBI's MPC kept repo rate unchanged at 6.5% and most importantly, increased their FY25 GDP forecast to 7.2% from 7%.

Long story short: Nifty stood tall, and most importantly, captured the psychological 24,000 mark.



Let's now have a look at other key catalysts from last month:

- 1) InterGlobe Aviation Q4 results: IndiGo profit soared 106% to Rs 1,895 crore; sales up 25.9%. (InterGlobe Aviation said its capacity for the quarter increased 14.4% YoY to 34.8 billion. Passenger count increased 14% YoY to 26.7 million).
- 2) Hindalco Q4 Results: Profit jumped 70% YoY to Rs 1,412 crore, beating street estimates.
- 3) Coal India was an outperformer after the firm said demand will continue to be robust. Coal India Q4 net profit rose 26% to Rs 8,640.5 crore. (Coal India has set a target to produce 838 million tons (MT) of coal in the financial year 2024-25, of which 661 MT will be supplied to the power sector alone).
- 4) Larsen & Toubro was subdued after reporting a weak FY25 guidance.
- 5) Nvidia, the poster boy of artificial intelligence, crossed \$3 trillion in market value for the first time. Also, Apple Inc. returned to the \$3 trillion level.
- 6) Strong Indian economy and robust growth outlook. (India to remain fastest-growing economy, to log 6.7% GDP growth in next 3 years: World Bank)
- 7) All bullish eyes on the commencement of the Federal Reserve's easing cycle after the Swiss National Bank lowered interest rates by 25bps for a second straight meeting.
- 8) Fertilizer shares outshined on reports of proposal to remove GST on fertilizers and optimism over MSP hike.
- 9) Indian Railway stocks zoomed higher as the street convinced of strong growth visibility.
- 10) Reliance Jio announced a tariff hike ranging from 12% to 25% on its prepaid and postpaid plans — the first increase in prices in two and a half years. The new plans will come into effect from July 3.



- 11) Bharti Airtel and Vodafone Idea too will roll out revised mobile service tariffs increasing rates in the range of 10-24% from the first week of July.
- 12) **Adani Group** is looking to invest about Rs 2 lakh crore by 2030 to build 40 gigawatts of renewable energy generation capacity as it targets net zero emissions across businesses by 2050. (**Adani Green Energy** last traded at Rs. 1791 per share. The P/E ratio of Adani Green Energy Ltd is 258.84 times as on 25-Jun-2024, a 191% premium to its peers' median range of 88.82 times).
- 13) Bharat Electronics (BEL) got orders worth Rs 3,172 cr from Armoured Vehicles Nigam Limited (AVNL) for fire control systems for tanks in the Indian army.
- 14) **Adani and Hindalco have shown interest to develop two of Hindustan Copper's mines.** (Both mines with a combined capacity of 3 million metric tons are located in the eastern state of Jharkhand. One of the mines called Rakha has been closed since 20 years).
- 15) UltraTech is set to buy 23% stake in India Cements for an estimated Rs 1,885 crore. Ultratech Cement flared up 9.5% while India Cement has zoomed higher by 11%.
- 16) Cochin Shipyard got a Rs 1,100 order from a Norway-based company for the supply of dry cargo vessels.
- 17) FIIs were net buyers for the month ended at Rs. 2037.47 crores.



Gainers over 1-Month

| Stocks | LTP (28th June 2024) | Change % | 52 Week H/L |
|-----------------|-------------------------|----------|------------------|
| SHRIRAM FINANCE | 2930.00 | 137.51% | 1509/1002 |
| ULTRACEMCO | 11667.9 | 14.11% | 11874.95/7987.65 |
| WIPRO | 514.85 | 13.79% | 545.9/375.05 |
| M&M | 2866.65 | 12.46% | 3013.5/1390.15 |
| GRASIM | 2670.45 | 11.70% | 2678.95/1723.9 |

Stocks at 52 Week High

| Stocks | LTP (28th June 2024) | 52 Week High |
|------------|-------------------------|-----------------|
| BHARTIARTL | 1449.00 | 1536.25 |
| CANFINHOME | 915.00 | 927.45 |
| DIVISLABS | 4599.00 | 4648.45 |
| GRASIM | 2668.0 | 2678.95 |
| IDEA | 17.9 | 19.18 |
| - | - | - |

Losers over 1-Month

| Stocks | LTP (28th June 2024) | Change % | 52 Week H/L |
|-----------|-------------------------|----------|------------------|
| BPCL | 303.95 | -7.34% | 343.98/165.73 |
| MARUTI | 12033.85 | -6.76% | 13073.95/9254.15 |
| COALINDIA | 473.15 | -4.31% | 527.4/224.15 |
| ADANI ENT | 3177.15 | -3.40% | 3743.9/2142 |
| L&T | 3548.45 | -2.84% | 3919.9/2390.05 |

Stocks at 52 Week Low

| Stocks | LTP (28th June 2024) | 52 Week Low |
|----------|-------------------------|----------------|
| SOBHA-RE | 325 | 271.25 |
| - | - | - |
| - | - | - |
| - | - | - |

FII / DII - monthly break up and compared to May 2024.

| FII (June) Rs. In Cr. | FII (May) Rs. In Cr. | DII (June) Rs. in Cr. | DII (May) Rs. In Cr. |
|--------------------------|-------------------------|--------------------------|-------------------------|
| +2037.47 | -42214.28 | 28633.15 | 55733.04 |



Looking Ahead: There is more room for upside...

Sensex: 79,033.

Nifty: 24,011.

Honestly speaking, the fireworks at Dalal Street shall continue. The last bear has also stepped out.

Digging deeper, with the Fed and other central banks across the globe trying to rein on inflation desperately, it makes sense to continue with bullish bets as we suspect, the benchmarks will have their sweet way of moving higher.

The headline US PCE and core PCE were up 2.6% on an annual basis, slower than what was seen in April and in line with economists' expectations.

Well, the said data should help the Federal Reserve to cut rates at least twice this year, perhaps starting in September.

Our **call of the month** says the benchmark Nifty to simply rocket above its all-time high at 24174 very soon, and reach the magnificent levels of 24,500 and then 25000 by year end with economy-linked sectors in focus. The Autos, banking and along with infrastructure could lead the charge.

That said, all bullish eyes will be on the upcoming Union Budget with the tentative dates for tabling the Budget could be around July 23-24 during the Monsoon Session.

Now, whenever the indices are buoyant and scaling higher high/low, usually there are two groups of investors!

The first: Why am i not fully invested?

The other: Should we be selling in the milestone?

Daily chart of Nifty:



The conventional wisdom suggests not selling stocks just because Nifty 24000+ indicates overbought conditions or you consider the markets got a bit expensive.

If your original investment thesis — buy long & hold still applies, then that’s in line with our chart of the month which says there are still plenty of bargains and breakout on the upside patterns that still appear screaming buys — including some of the stocks in the "Nifty 50."

Having said that, there will be definitely frequent shocks and volatility. The battle will be between overbought technical conditions, fundamentals and sentiments.

The biggest positive catalyst continues to be the hopes of a dovish US Federal Reserve which could pivot its policy stance, signalling the conclusion of its most aggressive rate-hike program.

Technically, the ice likely to crack on this bull market only any move below Nifty 23100 mark with aggressive downside targets at 21501 mark. Alternatively, if Nifty holds above 22300 mark then Nifty is poised to move above its biggest hurdles at 24174 and then at 24500 and finally psychological 25000+

| | | |
|----------------------------------|---------------------|--|
| Preferred Trade on Nifty: | CMP 24011 | <p>Technically speaking, from a chartist standpoint, still extremely overbought technical conditions prevail. The near term price action for Nifty is suggesting that we are likely to see an 23000- 25000 range in near term with positive bias. Please note, Nifty’s 200DMA at 21440 mark.</p> <p>Buying at CMP should be the preferred strategy. Targets at 24501/24700 mark and then at 25000-25500 zone with strict stop at 22571.</p> |
|----------------------------------|---------------------|--|

| Bullish looking stocks | Bearish looking stocks |
|--|---|
| <p>ADANI PORT, COAL INDIA, NTPC, INDIAN HOTELS, CANARA BANK, SBI, TRENT, TATA POWER, INDIGO, BEL, CONCOR, PI INDUSTRIES, BHARTI AIRTEL, M&M, POWERGRID, BAJAJ AUTO, BANK OF BARODA, SUZLON, MGL, IGL, ONGC.</p> | <p>PAGE INDUSTRIES, PVR INOX</p> |



The single-most conviction idea for July 2024.

COAL INDIA Limited (CMP 473): Market Cap (Rs 291589 Cr.)

Daily chart of COAL INDIA



Incorporated in 1975, **COAL INDIA Limited (CIL)** is the largest coal producer in the world and accounts for ~80% of the domestic coal production and 75% of total coal based generation.

CIL contributes to 55% of total power generation and meets 40 % of the primary commercial energy requirements of the country. Plays a key role in "Make in India" and making India incorporate globally competitive. During 2023-24, the state-owned mining behemoth contributed Rs 60,140 crore to the government exchequer, both central and states where it operates.

CIL was conferred the Maharatna status by the government of India (GOI) on Apr'11, which gave the company operational and financial autonomy. CIL has strategic importance in meeting India's energy requirement as ~51% (as of May'22) of the country's power generation capacity is derived from coal-based thermal power plants.

CIL is committed to playing a major role in achieving the Nation's energy security. Based on the demand projection in 'Vision 2024' for the coal sector in the country and subsequent demand projection on CIL, a roadmap has been prepared wherein CIL has envisioned 1 Billion Tonne (Bt) production in the year 2024-25 to meet the coal demand of the country.

CIL produced 241.75 million tonnes (MT) of coal in the fourth quarter of 2023-24, registering a growth of 7.8% over 224.16 MT produced during the same quarter in the previous fiscal.

The company's coal supplies increased to 201.6 MT in the fourth quarter of FY24, up 8% compared to 186.9 MTs of corresponding quarter in FY23. This gave the heft to the company's profitability.

CIL's consolidated income in the January-March period however declined to Rs 39,654.50 crore from Rs 40,371.51 crore a year ago.



Coal India missed analyst expectations regarding its topline but surpassed expectations in terms of its bottom line in the January-March quarter.

CIL, the Maharatna firm posted 25.8% growth in profit after tax (PAT) on a consolidated basis to Rs 8,640 crore in the fourth quarter of FY24. The company's PAT for the entire 2023-24 touched Rs 37,369 crore, logging a 17.8% year-on-year growth.

The key positive catalyst in favor of CIL is its robust business profile with stable and healthy operating margins. Also, higher international coal prices shall lead to higher e-auction coal prices.

Technically, brace yourselves for an impulse uptrend seen forming on the daily time scale, with positive SAR series, with recent sequence of higher high/low intact on the daily, weekly and monthly time frames.

Add to that a bullish divergence and a rising stochastic signal (on weekly charts) with recent increase in volumes signaling a larger rebound. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 403-405 zone. Any corrective declines to 402-405 zone will be an opportunity to initiate aggressive long positions.

Simply buy at CMP, and on dips between 440-450 zone, targeting 495 mark and then at 527-550 zone. Stop below 409. Holding Period: 6-9 Months.

Aggressive 18-year targets seen at psychological 600 mark.





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