

Global cues to set the tone for mkts

In Focus

- Dovish US Fed triggers for FII buying
- US Fed hinted interest rate cuts in 2024 after tightening them for over a year
- Aggressive FII buying in banking and IT stocks

CHERUKURI KUTUMBA RAO

SPURRED by better macro-economic data, Dovish US Fed stance, continued FII buying and positive global cues; the domestic stock markets rallied for seventh successive week during the week ended December 15. BSE Sensex gained 2.37 percent and ended at 71,483 points, after hitting a record high of 71,605 points, while NSE Nifty gained 2.32 percent and closed at 21,456 points, after hitting a new milestone of 21,492.30 points. There was action in broader markets, too. Nifty Mid-cap gained 2.67 percent, while Nifty Small-cap gained 3.35 percent. All sectoral indices ended in the green with Nifty IT adding seven per cent, Nifty PSU Bank and Metal indices rising five per cent each, and Nifty Realty index gain-



MARKET Khabrein

ing nearly four per cent. FIIs have pumped more than \$2 billion into domestic equities in just five days. In the week gone by, FIIs have net bought equities worth Rs21,641 crore (\$2.6 bn), compared with the net purchases worth Rs13,847 crore done in the preceding week. Trigger for FII buying has been the Dovish US Federal Reserve as the central bank guided for interest rate cuts in 2024 after tightening them for more than a year. Aggressive FII buying has been seen in the Banking and IT stocks. Near-term direction of market will be dictated by the minutes of RBI MPC meeting, IPO market action, international crude oil prices, rupee-dollar movement, global cues like US Q3-2023 GDP numbers and Bank of Japan's policy decision. The primary market will be in

the spotlight coming week, with a flood of IPOs from 12 companies to raise more than Rs4,600 crore. Micro-finance institution Muthoot Microfin with a price band of Rs277-291 per share; the Jaipur-based jewellery retailer with a price band at Rs52-55 per share; the Mumbai-based real estate developer Suraj Estate Developers with a price band at Rs340-360 per share; the Punjab-based heavy forgings and high-precision machined components maker Happy Forgings with a price band at Rs808-850 per share; the antique bridal gold jewellery maker RBZ Jewellers with a price band for its IPO at Rs95-100 per share; Credo Brands Marketing, the Mumbai-based Mufti Jeans brand with a price band of Rs266-280 per share; the Telangana-based company manufactures

Primary market will be in spotlight coming week as 12 IPOs set to raise over Rs4,600 cr

— Warren Buffett

products for global original equipment manufacturers in the energy, aerospace and defence, and oil and gas industries Azad Engineering with a price band at Rs499-524 per equity share; the Himachal Pradesh-based pharmaceutical finished dosage formulation manufacturing company Innova Captab with the price band at Rs426-448 per share; and the Cryogenic storage tanks manufacturer Inox India with a price band at Rs 627-660 per share. In the main board segment, stationery and art products manufacturing company Doms Industries, and affordable housing finance company India Shelter Finance Corporation are set to list on the bourses on December 20, while Inox India will debut on December 21.

Quote of the week: I will tell you how to become rich. Close the doors. Be fearful when others are greedy. Be greedy when others are fearful

Be prepared to invest in a down market and to get out in a soaring market, as per the philosophy of Warren Buffett.

F&O / SECTOR WATCH

Mirroring the strong bullish sentiment in the cash market and benchmark indices scaling all-time highs; the derivatives segment witnessed buoyant trading. The IT, Metal and PSU bank sectors

exhibited notable strength, contributing significantly to the overall market gains. The highest Call Open Interest for Nifty options is concentrated at 21,500 and 21,600 strike prices whereas the highest Put Open Interest is observed at the 21,300 and 21,200 strike prices. Bank Nifty options show the highest Call Open Interest at the 49,000 and 48,200 strike prices, highlighting potential resistance levels whereas highest put open interest concentrated at the 47,500 and 48,000 strike prices. Implied Volatility (IV) for Nifty's Call options settled at 11.24 per cent, while Put options concluded

at 12.57 per cent. The India VIX, a key indicator of market volatility, concluded the week at 12.32 per cent. The Put-Call Ratio of Open Interest (PCR OI) stood at 1.47 for the week. The current market outlook is optimistic, marked by strong gains in benchmark indices. However, the cautious stance indicated by the elevated India VIX suggests the importance of prudent risk management. Some kind of consolidation and retracement can't be ruled out at current levels. In the week gone by, IT stocks saw one of the best times in several months, as the Nifty IT index surged seven per cent, clocking its

best-ever weekly gains in over three years. However, sustainability of the gains in the coming week will hinge upon the quarterly results of Accenture Plc. The US' technology major will release its results for the quarter ended in November on Tuesday. Stock futures looking good are Bandhan Bank, Infosys, IEX, Jindal Steel, Cholamandalam Finance and SBI. Stock futures looking weak are Apollo Tyres, Dabur, ICICI Prudential, PI Industries, Syngene and Maruti.

(The author is a senior market analyst and former vice-chairman, Andhra Pradesh State Planning Board)

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