

Trading Calls

HEROMOTOCO Long/Buy 22nd January 2019

Since 20th Dec 2018 HEROMOTOCO is falling in impulse and it has taken support at 2742 with strong buying, which is 87.50% retracement of just preceding larger impulse from 25th Oct to 20th Dec. Momentum oscillator stochastic is giving sign of strength, Hence we advise our client to buy HEROMOTOCO in the range of 2830-2800 and on decline in the range of 2730-2700 for the price target of 2990/3100 with 2525 as SL.

LUPIN Long/Buy 14th January 2019

After the correction from the high of 986, this counter appears to be stabilizing around 800 levels and positioning itself for rally. Sustainability above Double bottom breakout on weekly chart indicate strength in the prices. Positive crossover in daily MACD is showing upside momentum. The RSI is sustaining around 50 from a bottoming formation which is bullish. Once it manages to push itself above 945, the move on upside can be swift. Hence, positional traders are advised to go long with a stop 785 for the target of 920 and 970 marks.

SBIN Long/Buy 14th January 2019

The stock has given breakout from a consolidation phase at around 287-300 zone for quite some time forming cup & handle pattern where it consolidated again and currently has been trading as symmetrical triangle as a mother pattern on weekly chart which breakout is expected above 307 levels where buying momentum will pick with greater pace. Indicators and oscillators also lending support to its price action. We recommend a buy in this stock for an upside target of 330 and 345 marks keeping a stop loss of 274 marks.

HDFCLIFE Long/Buy 10th January 2019

The stock has corrected from the peak of 548 and currently it has shown signs of bottoming out around 379 levels. Formation of CUP & HANDLE on weekly chart showing positive move on up side. Long bullish candle near demand zone on weekly chart along with trendline breakout showing the possibility of bounce back further on upside. Moreover, MACD line crosses signal line in negative territory which is also indicating bullishness. With decent volume participation witnessed, we recommend a buy in this scrip around 400-404 and on dip towards 380-385 with stop loss of 364 for an upside target of 450 and 490 levels.

AXISBANK Long/Buy 8th January 2019

Scrip seems bottoming out after hitting the low of 580 and gave a sharp pullback on upside. It gave breakout from inverted Head and Shoulder pattern on upside which is showing strength. Emergence of Bullish belt hold along with Bullish engulfing suggest reversal on cards. Strong support is seen in the zone of 580-575 as it is the zone of 50% and 61.8% retracement of the upside move from the low 534 to the high of 638 levels. Accelerated volume with decent breakout is conducive for the prices. One can go long in the scrip near the levels of 625-632 and on the dip towards 605-610 with stop loss of 580 for the target of 675

Market	Value	% Change
SGX Nifty (at 8.15 am IST)	10944.50	0.11%

Nifty Key Levels

Support	S1: 10830	S2 : 10800
Resistance	R1 : 10930	R2 : 10960

Market Outlook

Nifty is consolidating in a narrow band of 10850-10950 since last five successive trading days. The immediate crucial support of the index is at 10820- 10830 which is a strong confluence zone of multiple important moving averages and the resistance zone is 11000-11070. Traders should maintain a strict stop loss of 100 DMA of the long position placed around 10820.

FII DERIVATIVES POSITION FOR 22-Jan-2019

	Net (Amt. in crs)
INDEX FUTURES	-460
INDEX OPTIONS	1,853
STOCK FUTURES	764
STOCK OPTIONS	-176

Institutional Turnover

	FII	Buy(cr.)	Sell(cr.)	Net(cr.)
22-Jan-19		5,308	5,387	-79
Jan-19		58,669	61,366	-2,697
	DII	Buy(cr.)	Sell(cr.)	Net(cr.)
22-Jan-19		3,342	3,427	-84
Jan-19		49,538	47,259	2,279

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	(0.10)	(1.16)	(4.06)	(20.67)
Automobiles	(1.11)	(2.98)	(7.62)	(26.33)
Chemicals	(0.54)	(1.34)	0.03	(5.18)
Construction & Engineering	(1.06)	(2.23)	(3.81)	(19.68)
Construction Materials	0.11	(0.48)	(4.01)	(23.98)
Diversified Financial Services	(0.62)	(1.66)	(0.78)	(7.65)
Electrical Equipment	0.68	(0.36)	(0.22)	(17.13)
Energy	0.18	5.60	5.28	(2.48)
Financials	(0.36)	(0.74)	0.85	(4.56)
Health Care	1.17	(1.14)	1.82	(7.22)
Household Durables	(0.54)	(2.04)	(1.39)	(21.73)
Household & Personal Products	0.11	(1.20)	(1.90)	16.49
Information Technology	(0.01)	1.93	3.70	12.96
Metals/Mining/Minerals	(1.93)	(3.66)	(7.90)	(26.75)
Telecom	(1.08)	(6.79)	(0.01)	(36.72)
Utilities	(0.54)	(1.51)	(2.22)	(16.30)

Participant wise Open Interest In Equities Derivative (no. of contracts)

	Long Position			
	DII	FII	Pro	Other
Future Index	52809	223581	28645	174235
Future Stock	22510	868894	169068	887313
Option Index Call	24444	229343	158493	525814
Option Index Put	91460	416444	172769	600541
Option Stock Call	0	48015	58508	375624
Option Stock Put	0	51882	71077	148230

	Short Position			
	DII	FII	Pro	Other
Future Index	30738	260615	34940	152977
Future Stock	990572	552795	126383	278035
Option Index Call	0	75941	256886	605267
Option Index Put	0	181725	275545	823944
Option Stock Call	0	47479	162631	272037
Option Stock Put	0	43652	66970	160567

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
530813	KRBL	25.4
532531	STAR	16.6
532541	NIITTECH	14.6
500126	MERCK	14.5
500209	INFY	11.6
506197	BLISSGVS	10.0
500325	RELIANCE	9.5
500123	DRBECK	9.5
506820	ASTRAZEN	8.9
524804	AUOPHARMA	8.5

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
512529	SEQUENT	22.7
532498	SHRIRAMCIT	11.0
506690	UNICHEMLAB	10.0
533552	RUPA	8.8
531795	ATULAUTO	8.7
500266	MAHSCOOTER	8.2
532772	DCBbank	7.4
533150	GODREJPROP	6.8
500135	ESSELPACK	6.7
532706	INOXLEISUR	6.7

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
531737	GREENCREST	(34.08)
532915	RELIGARE	(24.03)
532121	DENABANK	(22.78)
500645	DEEPAKFERT	(22.76)
532922	EDELWEISS	(18.52)
511072	DHFL	(13.98)
532811	AHLUCONT	(13.29)
500405	SUPPETRO	(13.27)
533519	L&TFH	(12.89)
538562	SKIPPER	(12.60)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
532144	WELCORP	(23.44)
511218	SRTRANSFIN	(13.53)
500288	MOREPENLAB	(12.45)
500620	GESHIP	(12.06)
502865	FORBESGOK	(11.51)
509820	PAPERPROD	(10.45)
500510	LT	(10.24)
532953	VGUARD	(9.86)
500031	BAJAJELEC	(9.44)
500440	HINDALCO	(9.17)

* ES- Earning Score is average of EM (Earning Momentum defined as relative performance in terms of operating profit growth) and EQ (Earning Quality defined as relative balance sheet strength in terms of debt and working capital)

* PS- Price Score is of a company is relative price performance in multiple time-frame

Analysis shown here is only for companies with market cap more than Rs 1,000 Cr.

STDC / R25 Open Calls for 23-Jan-2019 (8)

STDC (8)

No	Date	Type	Buy/Sell	Stock	Entry1	Entry2	SL	Tgt 1	Tgt 2
1	22-Jan-19	STDC	BUY	HEROMOTOCO	2815	2715	2525	2990	3100
2	14-Jan-19	STDC	BUY	LUPIN	832.5	818.5	785	920	970
3	14-Jan-19	STDC	BUY	SBIN	300	288.5	274	330	345
4	10-Jan-19	STDC	BUY	HDFCLIFE	402	382.5	364	450	470
5	08-Jan-19	STDC	BUY	AXISBANK	628.5	607.5	580	675	690
6	04-Jan-19	STDC	BUY	QUESS	720	682.5	628	804	880
7	02-Jan-19	STDC	BUY	TCS	1922	1870	1783	2010	2060
8	27-Dec-18	STDC	BUY	MCDOWELL-N	627	592.5	565	715	640

VIEW

Indices made a smart come back on the back of positive global and domestic cues. Beating earning estimates of Reliance & HUL accompanied lower Inflation data of CPI and WPI created optimism among market participants. Despite these optimism, benchmark indices in no mood to entertain BULLS or BEARS and still awaiting for the clear direction in the market. However, market will take cues from the earning season and news flow on union budget at domestic front along with progress of Sino- US trade war, China's Q-4 GDP growth and US existing home sales data at global front. We expect market undertone will remain bullish and every decline gives opportunity to accumulate long position in the market.

NIFTY-

- a) From last five weeks, it has been consolidating in a range of 450 points. This type of consolidation can be used for buying on dips and sell on rallies, until it breaks from price range.
- b) Emergence of Hammer on weekly chart indicate bullishness
- c) On daily chart, it took the form of Ascending triangle implies strength
- d) Sustainability above 100 DMA also giving cues of upside as this level has been acting as resistance from last few weeks.
- e) Oscillators suggest bullishness- MACD & ROC continues in buy mode, Stochastic oscillator %k is trading above % d, hence in buy mode. ADX suggest sideways consolidation with no clear trend. OBV continues to make higher top higher bottom. Thus majority of oscillators are suggesting upside momentum.
- f) A breakout is expected above 10950-10985 zone from where it can extend up to 11100 which is 61.8% retracement of the down leg from all its high to the lows of oct.
- g) Strong support is seen at the levels of 10690 followed by 10600 levels.

CHART ANALYSIS



	NIFTY LEVEL	JUSTIFICATION
Resistance 2	10985	Peak of Diamond Pattern
Resistance 1	10930	Peak sideways range
Close	10906	
Support 1	10690	Current week low
Support 2	10600	Low of previous swing

VIEW

Banknifty gave a range bound and choppy movement throughout last week and after opening with a red session, the index moved in the range of 27182 and 27612. At the end of the week Banknifty closed at 27456.70. It had a garinal gain of 0.01% over its previous week's close.

OBSERVATIONS:

- 1) Bank Nifty is moving in a rising channel since last October 2018.
- 2) Bank Nifty is currently trading above 50, 100 & 200 DMAs
- 3) A 'Hanging man' pattern was formed on daily candlestick chart.

According to the above observations it can be concluded that the short term trend of Bank Nifty is looking positive. However, a formation of a hanging man pattern on daily chart is giving indication of some correction from the current level. As the index is trading in a rising channe , it would be prudent strategy to initiate fresh long position near the lower band of the chanel. Therefore we recommend initiating fresh long position in Banknifty in 26700-26900 zone.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	27880
Resistance 1	27755
Close	27457
Support 1	26907
Support 2	26596

VIEW

Previous week, INR has depreciated on signs of weakening in global as well as domestic economies. Rupee was inefficient to capitalize gain even after in the hike of indian bond yield which usually exist between currency and bond due to intra market relationship. Sustainability of crude oil prices on higher side which again a concern for our domestic currency and weigh higher than other factors affecting it. Meanwhile, on the cross currency front, it was a mixed week where Euro & yen depreciated on weak economic numbers while sterling became stronger on short covering on the back of cessation on Brexit. In coming week, lack of domestic trigger could keep the currency in a range but escalation in crude oil prices could impact our currency negatively.

TECHNICAL FACTORS-

- a) Downward sloping trend line may act as barrier in its upside move.
- b) Failure to cross and sustain above 71.36-71.42 levels, can see a dip towards 70 and 69.76 marks on downside.
- c) However, trendline breakout above 71.72 level can push higher till 71.90 and 72.60 levels.
- d) Indicators are looking mix- RSI facing resistance near 50 and MACD & signal trades in positive territory indicate positive bias.

CHART



STDC : Long / BUY

22-Jan-19

BSE Code	500182
NSE Symbol	HEROMOTOCO
52wk Range H/L	3862/2648.70
Mkt Capital (Rs Cr)	56,520.00
Av.Cash Volume(,000)	36738
Open Interest	

Buy Price	2830-2800/2730-2700
Stop Loss	2525
Target Price1	2990
Target Price2	3100
Upside in Tgt1	8%
Upside in Tgt2	12%

Technical Chart



STDC- BUY HEROMOTOCO @ 2830-2800 AND ON DIP TOWARDS 2730-2700 SL- 2525 (CLOSING BASIS) TGT-2990, 3100

Since 20th Dec 2018 HEROMOTOCO is falling in impulse and it has taken support at 2742 with strong buying, which is 87.50% retracement of just preceding larger impulse from 25th Oct to 20th Dec. Momentum oscillator stochastic is giving sign of strength, Hence we advise our client to buy HEROMOTOCO in the range of 2830-2800 and on decline in the range of 2730-2700 for the price target of 2990/3100 with 2525 as SL.

STDC : Long / BUY

14-Jan-19

BSE Code	500257
NSE Symbol	LUPIN
52wk Range H/L	986/723
Mkt Capital (Rs Cr)	37773
Av.Cash Volume(,000)	3.64
Open Interest	NA

Buy Price	830-835 & 815-820
Stop Loss	785
Target Price1	920
Target Price2	970
Upside in Tgt1	11%-18%
Upside in Tgt2	22%-30%

Technical Chart



STDC- BUY LUPIN @ 830-835 AND ON DIP TOWARDS 815-820 SL- 785 (CLOSING BASIS) TGT-920, 970

After the correction from the high of 986, this counter appears to be stabilizing around 800 levels and positioning itself for rally. Sustainability above Double bottom breakout on weekly chart indicate strength in the prices. Positive crossover in daily MACD is showing upside momentum . The RSI is sustaining around 50 from a bottoming formation which is bullish. Once it manages to push itself above 945, the move on upside can be swift. Hence, positional traders are advised to go long with a stop 785 for the target of 920 and 970 marks

STDC : Long / BUY

14-Jan-19

BSE Code	500112
NSE Symbol	SBIN
52wk Range H/L	334.8/232
Mkt Capital (Rs Cr)	268183
Av.Cash Volume(,000)	47.43
Open Interest	NA

Buy Price	299-301 & 287-290
Stop Loss	274
Target Price1	330
Target Price2	345
Upside in Tgt1	11%-18%
Upside in Tgt2	22%-30%

Technical Chart



STDC- BUY SBIN @ 299-301 AND ON DIP TOWARDS 287-290 SL- 274 (CLOSING BASIS) TGT- 330, 345

The stock has given breakout from a consolidation phase at around 287-300 zone for quite some time forming cup & handle pattern where it consolidated again and currently has been trading as symmetrical triangle as a mother pattern on weekly chart which breakout is expected above 307 levels where buying momentum will pick with greater pace. Indicators and oscillators also lending support to its price action. We recommend a buy in this stock for an upside target of 330 and 345 marks keeping a stop loss of 274 marks

STDC : Long / BUY

10-Jan-19

BSE Code	540777
NSE Symbol	HDFCLIFE
52wk Range H/L	354/547
Mkt Capital (Rs Cr)	82021.66
Av.Cash Volume(,000)	6.16
Open Interest	NA

Buy Price	400-404 & 380-385
Stop Loss	364
Target Price1	450
Target Price2	490
Upside in Tgt1	11%-18%
Upside in Tgt2	22%-30%

Technical Chart



STDC- BUY HDFC LIFE @ 400-404 AND ON DIP TOWARDS 380-385 SL- 364 (CLOSING BASIS) TGT- 450, 490

The stock has corrected from the peak of 548 and currently it has shown signs of bottoming out around 379 levels. Formation of CUP & HANDLE on weekly chart showing positive move on up side. Long bullish candle near demand zone on weekly chart along with trendline breakout showing the possibility of bounce back further on upside. Moreover, MACD line crosses signal line in negative territory which is also indicating bullishness. With decent volume participation witnessed, we recommend a buy in this scrip around 400-404 and on dip towards 380-385 with stop loss of 364 for an upside target of 450 and 490 levels.

STDC : Long / BUY

8-Jan-19

BSE Code	500112
NSE Symbol	AXISBANK
52wk Range H/L	677/447
Mkt Capital (Rs Cr)	106335
Av.Cash Volume(,000)	18777302
Open Interest	NA

Buy Price	625-632 & 605-610
Stop Loss	580
Target Price1	675
Target Price2	690
Upside in Tgt1	11%-18%
Upside in Tgt2	22%-30%

Technical Chart



STDC- BUY AXIS BANK @ 625-632 AND ON DIP TOWARDS 605-610 SL- 580 (CLOSING BASIS) TGT- 675, 690

Scrip seems bottoming out after hitting the low of 580 and gave a sharp pullback on upside. It gave breakout from inverted Head and Shoulder pattern on upside which is showing strength. Emergence of Bullish belt hold along with Bullish engulfing suggest reversal on cards. Strong support is seen in the zone of 580-575 as it is the zone of 50% and 61.8% retracement of the upside move from the low 534 to the high of 638 levels. Accelerated volume with decent breakout is conducive for the prices. One can go long in the scrip near the levels of 625-632 and on the dip towards 605-610 with stop loss of 580 for the target of 675 and 690 levels.

STDC : Long / BUY

4-Jan-19

BSE Code	539978
NSE Symbol	QUESS
52wk Range H/L	1303.15/579.10
Mkt Capital (Rs Cr)	10,664.00
Av.Cash Volume(,000)	96
Open Interest	NA

Buy Price	710-730 & 675-690
Stop Loss	628
Target Price1	804
Target Price2	880
Upside in Tgt1	11%-18%
Upside in Tgt2	22%-30%

Technical Chart



STDC BUY QUESS @ 710-730 & 675-690 SL-628 (CLOSING BASIS) TGT-804,880

Quess Corp Ltd. Has given a bullish breakout above its immediate crucial resistance of 50 DMA (710) and thereafter it is maintaining above this level since last couple of trading days. In the weekly chart the stock has made a 'Bullish- Engulfing' pattern after long downtrend. Therefore some sharp pullback rally is expected in the stock from the current level.

LME Aluminium prices have fallen towards two year low at \$1920 per tonne after the supply tightness eased in the raw material sector and after United States decided to delay the sanctions on Russia, one of the world's largest producer of the metal. Prices have moved below its cost of production in China pressurizing the margins of the producers.

Globally, aluminium production has remained flat as the major producers like China is unable to increase the output as the current prices are unprofitable. While, US on the other side is starting to start its smelters but the outages at Canada, Brazil have offset the rise in production. China contributes almost 56% to the global production. And saying if China slows down its production rate, the world would be in huge shortfall in the coming year.

China Supply Concerns:

China's aluminium production has been falling since last three months despite of no winter output curtailments in place. China's capacity growth rate is slowing as old capacity is been shut down by the local government following strict targets set by China and the rate of new smelter capacity is falling. Although, the key ingredient, bauxite is restricted to produce during winter period on China's environmental crackdown.

Aluminum Corp of China Ltd also known as Chalco, China's largest producer, is cutting output on some of its aluminum production lines in northern China. The company is set to reduce some 470,000 tonnes of production, nearly 12% of company's output. Two smelters in Qinghai province of China of 270,000 tonnes capacity have gone off line in the last couple of weeks. These cuts have been inculcated as prices are trading below cost of production driven by reducing demand and ample of supply, forcing smelters to either partially or fully shut down its production.

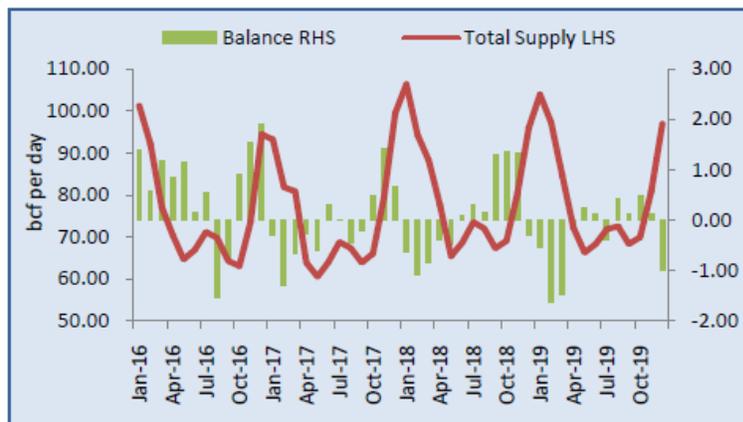
US Sanctions Tensions

US sanctions on Russia will continue add upside volatility in global aluminium prices. The U.S. Treasury Department last month postponed a Dec. 12 deadline for Deripaska to reduce his holdings in the companies, giving the Russian tycoon until Jan. 7.

Outlook

Overall, aluminium prices have declined drastically fell by almost 20% since April 2018 on extension of US sanction on Rusal and easeness in raw material supply. But we believe still some tightness in alumina market persists, as the Alunorte refinery is partially shut. Furthermore, Chinese production is expected to come down on smelters shutdown due to lower prices. However, demand weakness due to trade duties can provide some selling pressure. but prices will remain supported at lower levels. We expect MCX Aluminium prices will take support of 127-125 levels and move higher towards Rs 150-155 per kg in the short term.

Demand Supply Scenario:



Source: Narnolia Research, U.S. EIA

US Natural gas market normally shifts into deficit during the November to February period i.e. winter season in US. During this high period of demand, natural gas should be well-supplied or else supply tightness worry will emerge and prices will start to rally higher.

US Dry gas production

US Dry natural gas production is rising this year and is estimated to be at 82.2 bcf per day in August, up by 0.7 bcf/day in July, almost 7.4 bcf per day higher than last year. In 2018, US Dry gas production has increased by almost 10% on an average as compared to last year. Furthermore, EIA expects the dry natural gas production to keep rising on an average of 84.7 bcf per day in the coming year. Due to significant natural gas production increase in 2018, NYMEX natural gas prices have been unable to breach \$3 per MMBtu for the most of the summer.

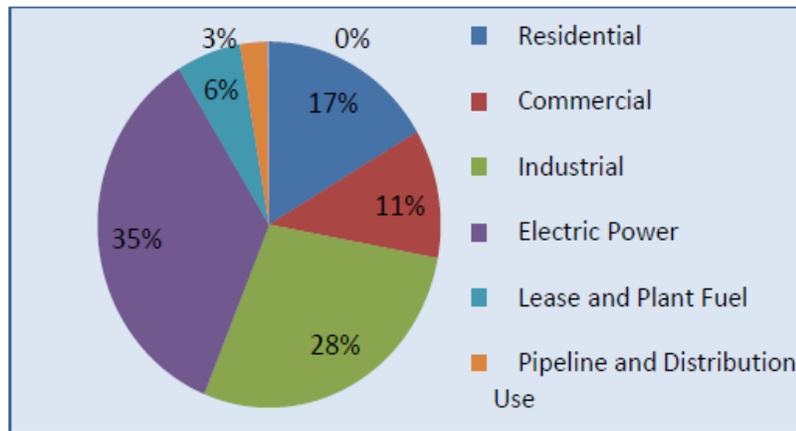
US Gas consumption

US Natural gas consumption has increased by 7% this year standing at 79.86 bcf per day. This increase in consumption is due to higher demand from the residential and industrial sector along with higher exports as compared to last year levels. Higher consumption of natural gas has been one of the reason for the lowest storage injection this October since the year 2005.

There are two demand driving season for natural gas – Winter and Summer. During winter, demand is measured by number of heating degree days and during summer, natural gas demand is measured by the number of cooling degree days.

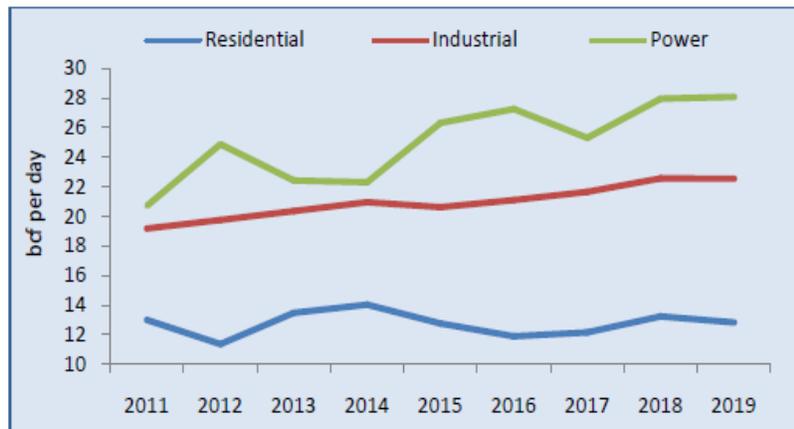
Cooling degree days (CDD) reflects the amount of energy required to cool a residence, industrial or a business. In 2018, CDD stood 18% higher than the previous year and averaged 25% above normal on hottest summer leading to strong air conditioning demand in the summer season. Warmer than normal temperatures extended into the month of September and provided further firmness to the natural gas prices.

Sector wise: Natural Gas Consumption Demand



Source: Narnolia Research, Bloomberg

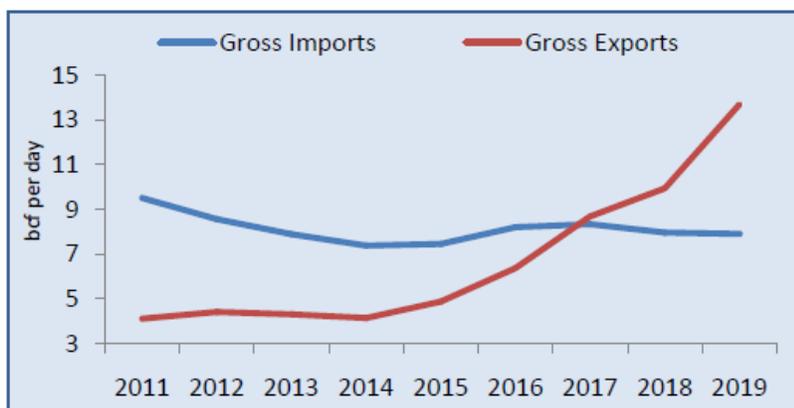
From the above figure, we can conclude that the major consuming sectors of natural gas are Electric Power, Industrial and Residential sector. With Electric power being the major consumer of natural gas comprising 35% of the total natural gas consumption followed by Industrial and Residential sector.



Source: Narnolia Research, Bloomberg

As you can see in the above figure, natural gas demand from largest contributing sector – power and industrial has been rising since the year 2011. Electric Power demand has risen from 20.7 bcf per day in 2011 to 28.07 bcf per day in 2018. Industrial demand of natural gas has increased on a slower rate as compared to electric power however, overall demand from this sector has shown a rising trend.

US Attention towards Exports

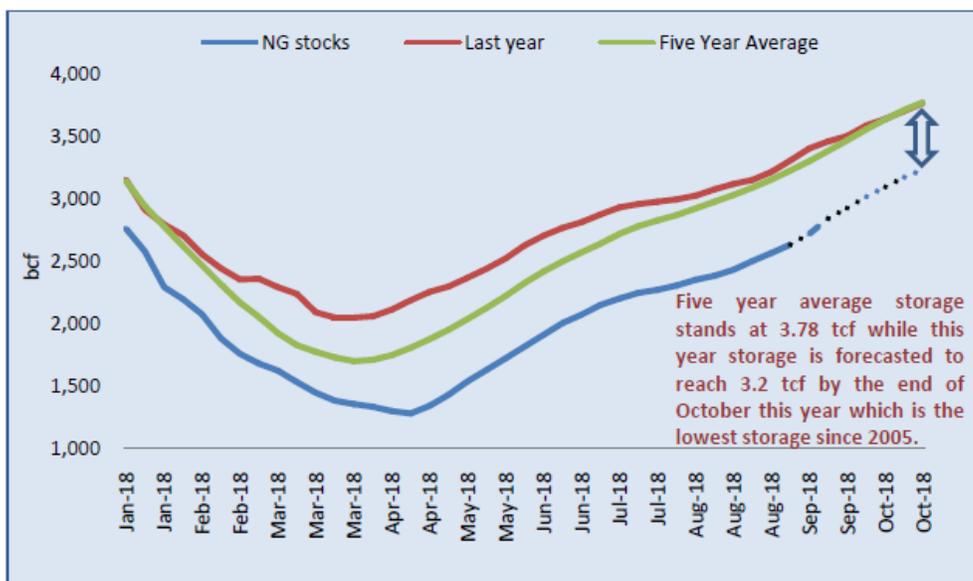


Source: Narnolia Research, EIA Short-Term Energy Outlook

United States had been a net importer while a time ago but after the shale gas revolution in the US, the nation has shifted from net importer to evolving natural gas exporter.

US exports have risen tremendously from 5 bcf per day in 2014 to almost 9 bcf per day in 2018, an increment of 80%. Furthermore, there are expectations of US exports to reach 13 bcf per day in 2019. US Exports accounts for 12% of the total natural gas consumption. US LNG exports have started to rise from last year after the US removed ban on US gas exports. As of now, only few US companies have been allowed to export natural gas to other countries. Moreover, more permission will be granted to other companies to exports this year. We expect US LNG exports to rise by threefold by 2020.

Storage Levels



Source: Narnolia Research, Bloomberg

As per our calculation, we expect U.S. natural gas inventories will total 3.2 trillion cubic feet (Tcf) at the end of October 2018 which will be way below the five year average of 3.781 tcf. At present, natural gas inventories are at 2.722 tcf, natural gas inventories are 586 bcf or 20% below than the last year level and 672 bcf or 17.5% below the five-year average.

The inventory level is at the lowest level for that time of year since 2005 on high air conditioning demand this summer causing power generators to burn more gas than usual and leaving less gas available to go into storage. U.S. gas inventories will start the winter heating season at the lowest level since 2005, leaving the market vulnerable to winter price spikes.

Winter season forecast – Natural gas prices are unlikely to give a steep fall ahead of winter season forecast. If the weather forecast shows a cold winter ahead, prices would immediately get the support on future rise in demand for natural gas.

Outlook

After taking all the factors into consideration, we expect Natural Gas prices are likely to remain strong this winter season. With low stockpiles heading into the winter demand season, robust domestic consumption and higher natural gas exports from US are propping up prices, which are expected to average \$3.10/MMBtu this year and \$3.25/MMBtu in 2019. The only factor keeping the prices closer towards \$3/MMBtu is the record high production of natural gas in the United States. However, tightness in inventory during the winter season will overshadow the worries of record high production which will drive prices higher. **We expect MCX Natural gas prices to test 245-250 levels** in the coming six months time frame. **Therefore, any downside until the end of October towards Rs 205-210 in MCX should be used as the buying opportunity.**

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