

Trading Calls

USDINR VIEW 28th June 2018

Indian currency gave highest weekly close ever due to weak macro variable factors, broad dollar strength and declining asian peers but RBI intervention aided recovery in weak Rupee. Occurance of Negative divergence along with Bearish belt hold at top on daily chart imply some blip in this momentum . It can take a dip towards 68 and 67.70 mark in coming sessions. Resistance stands at 69.30 mark. However, on crossing above 69.30 mark, it can extend up to 70 mark

TATA MOTORS Long/Buy 27th June 2018

Tatamotors sustaining on make or break level, as its near to its 52 week low, but it got as support on 200sma on monthly chart, it is still sustaining above the neck line of double top price pattern. Positive divergence in RSI in lower time frame of chart which indicate the possibility of bounce back from the neck line., more or point of poarlity near the zone of 265-267, alsos indicate optimism in coming session. STDC : Buy TATAMOTORS around 285-287 and 265-267 SL 249(closing) target 335/377

TV18 BRDCST Long/Buy 26th June 2018

Emergence of Inverted H&S pattern after a sharp decline towards 49 mark indicates up move but follow-through buying is expected to come above 59 mark. Indicator and oscillators are lending support to price action. It is also forming a flag which is a continuation pattern, showing strength in the scrip. At current juncture, Risk and reward ratio are looking favourable to take long position. STDC- BUY TV18 BRDCST @ 57-58 OR ON DIP TOWARDS 55 SL-49 (CLOSING BASIS) TGT-68, 72

POWER GRID Long/Buy 19th June 2018

Daily chart of Powergrid reveals that demand is increasing and supply is diminishing . Sripe is about to complete Ascending triangle pattern on hourly chart which is displaying trend reversal at current juncture. Moreover, Scrip took support from 78.6% retracement of the rally from 189 to 226 mark and formed Morning Star which indicate positive rhythm. Apart from this, Declining MACD Histogram signals optimism, suggest upside move in the counter in coming sessions.

ITC Long/Buy 29th May 2018

Stock bottomed out near the levels of 247-250 and formed double bottom on weekly chart. Series of long legged doji near channel support line showing upswing move towards channel resistance line from where stock can give breakout on upside . Buy ITC around 270-275 OR ON DIP TOWARDS 255-260 SL -225 (Closing Basis) Target 310/330

BHARTIARTL Long/Buy 16th May 2018

From last few months script has been trading in the channel after hitting the high of 564, it again enter in the channel and retesting its previous resistance which now become its support on weekly chart it has formed head and shoulder pattern and taken support from its neck line. STDC : Bharti airtel: Buy around 371-376 and 360-365 sl 337(closing) target 435/489

Market	Value	% Change
SGX Nifty	10691.00	-0.02%

Nifty Key Levels

Support	S1 : 10686	S2 : 10660
Resistance	R1 : 10750	R2 : 10786

Market Outlook

Nifty trading with positive bias!

Nifty found a strong support near 100 DMA and thereafter gave a sharp up move on Friday. This upward movement is likely to continue for 2-3 days as the RSI & Stochastic reached their oversold levels.1st day of July FNO series closed on positive note at higher levels. Next few couple of days Nifty should trade range bound between 10760-10600.

However, key resistances are around 10750-10786 and immediate supports are seen around 10686-10660.

Institutional Turnover

	FII	Buy(cr.)	Sell(cr.)	Net(cr.)
29-Jun-18		6,539	6,696	(157)
Jun-18		109,343	119,592	(10,249)
	DII	Buy(cr.)	Sell(cr.)	Net(cr.)
29-Jun-18		4,719	2,456	2,263
Jun-18		78,930	64,784	14,146

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	1.62	(2.93)	(6.10)	3.29
Automobiles	0.60	(3.23)	(2.27)	5.03
Auto Components	1.62	(2.93)	(6.10)	3.29
Construction & Engineering	2.53	(2.32)	(9.70)	2.91
Construction Materials	1.80	0.57	(5.18)	(8.46)
Diversified Financial Services	1.24	(3.17)	(1.49)	9.16
Electrical Equipment	2.74	(1.25)	(7.36)	(3.26)
Energy	2.77	(4.60)	(1.81)	11.76
Financials	0.68	(2.32)	(0.85)	8.56
Health Care	0.60	(2.23)	5.14	0.94
Household Durables	0.65	(3.07)	(7.39)	10.77
Household & Personal Products	1.87	1.95	3.98	33.42
Information Technology	0.73	1.75	3.61	40.73
Metals/Mining/Minerals	2.32	(1.34)	(5.33)	12.45
Telecom	1.59	1.55	(0.89)	(10.08)
Utilities	1.96	(3.04)	(7.84)	(6.21)

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

Long Position				
	DII	FII	Pro	Other
Future Index	32222	90902	16686	185579
Future Stock	30888	643686	146633	976834
Option Index Call	30906	159132	124417	378431
Option Index Put	80291	273375	150947	392958
Option Stock Call	0	9041	24302	145460
Option Stock Put	0	9408	32313	58411

Short Position				
	DII	FII	Pro	Other
Future Index	27359	136139	31719	130172
Future Stock	912841	489023	73782	322395
Option Index Call	0	78968	186539	427379
Option Index Put	0	85774	171564	640233
Option Stock Call	0	11225	58077	109501
Option Stock Put	0	5812	21931	72389

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
500126	MERCK	18.2
500660	GLAXO	16.7
500087	CIPLA	15.9
500257	LUPIN	15.7
532827	PAGEIND	13.9
524715	SUNPHARMA	12.4
501455	GREAVESCOT	12.3
532926	JYOTHYLAB	10.9
500034	BAJFINANCE	10.6
500164	GODREJIND	10.6

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
500092	CRISIL	7.6
500302	PEL	5.1
523367	DCMSHRIRAM	4.8
508869	APOLLOHOSP	4.1
532889	KPRMILL	2.8
532538	ULTRACEMCO	2.4
532268	ACCELYA	-0.4
500425	AMBUJACEM	-0.5
532835	ICRA	-1.2
534816	INFRATEL	-1.3

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
500219	JISLJALEQS	(27.21)
511389	VIDEOIND	(23.67)
500645	DEEPAKFERT	(23.41)
500185	HCC	(21.92)
533096	ADANIPOWER	(21.41)
530943	SABTN	(20.08)
509496	ITDCM	(19.03)
531737	GREENCREST	(18.75)
500106	IFCI	(18.13)
500104	HINDPETRO	(17.90)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
530813	KRBL	(34.69)
500378	JINDALSAW	(24.60)
522205	PRAJIND	(17.51)
500116	IDBI	(15.99)
532221	SONATSOFTW	(15.71)
533148	JSWENERGY	(14.35)
532374	STRTECH	(14.34)
532144	WELCORP	(14.19)
519600	CCL	(13.16)
533552	RUPA	(11.89)

* 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.

Nifty Weekly

2-Jul-18

Spiralling crude oil prices, rupee depreciation, rising interest rates and trade war tensions among nations have resulted in market volatility. Recent changes in mutual fund categorization norms may also have led to some shake-up in small and mid-cap stocks. Indices remained volatile throughout the week as they struggled to hold above our demand zone on lack of conviction and follow up buying support. However, they tried their best to absorb selling pressure on Friday which augur well for the market but intermediate bouts of volatility and choppiness can not ruled out. With no directional bias on either side and with all likelihood of a **rangebound trade** is expected in coming week.

NIFTY-

- Although Nifty breached our mentioned support of 10700 level but it found support near 100 DMA and gave weekly closing above 10700 level.
- Emergence of **Morning Star** on daily chart signalling strength to persist
- Upcoming hurdle is seen at **10786** levels and crossing above which it will face next resistance at 10850 and 10930 levels.
- Failure to cross above 10786 level, it will see decline towards 10610 and **10530** levels (**100 DMA**)

BANKNIFTY-

Demand zone stands at 26000 levels followed by 25650 where as **Supply zone** stands at 26490 followed by 26715 levels.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	NIFTY LEVEL	JUSTIFICATION
Resistance 2	10850	Congestion zone
Resistance 1	10786	Peak of Bearish Belt Hold
Close	10714	
Support 1	10610	Low of Bullish Belt Hold
Support 2	10530	100 DMA

Technical Chart



Indian currency gave highest weekly close ever due to weak macro variable factors, broad dollar strength and declining asian peers but RBI intervention aided recovery in weak Rupee. Occurrence of Negative divergence along with Bearish belt hold at top on daily chart imply some blip in this momentum. It can take a dip towards 68 and 67.70 mark in coming sessions. Resistance stands at 69.30 mark. However, on crossing above 69.30 mark, it can extend up to 70 mark

Spread View: Sell Zinc Buy Lead

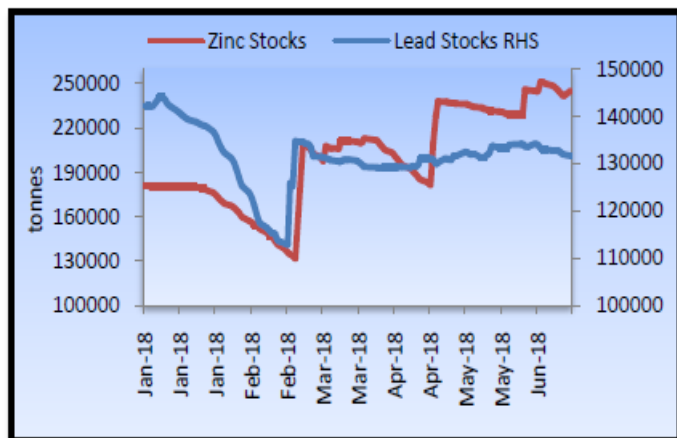


Lead Zinc ratio had turnaround drastically on expectation of huge deficit in Zinc reversing from 20 in the year 2013 to -20 during the end of 2014. However, lead is also a by-product in zinc mines. Similarly, the situation seems to have turned around. As the supply crunch situation in China is increasing, we believe Lead prices to remain fundamentally stronger than Zinc prices.

Lead prices are expected to remain strong on concerns over potential shortage of Lead mine supply. Environmental inspections at secondary

lead smelters in China have reduced lead scrap supply in recent months which contributes nearly 60 percent to the lead primary supply. "Tighter lead market, expectation of new zinc mine supply, rising LME Zinc stocks and on low cancelled warrants zinc ratio makes us to come to a conclusion to actively short zinc and buy lead." Therefore, we expect the ratio Sell Zinc and Buy Lead to become narrow towards -35 to -30. At present the ratio is trading at -45 as on 19th June 2018.

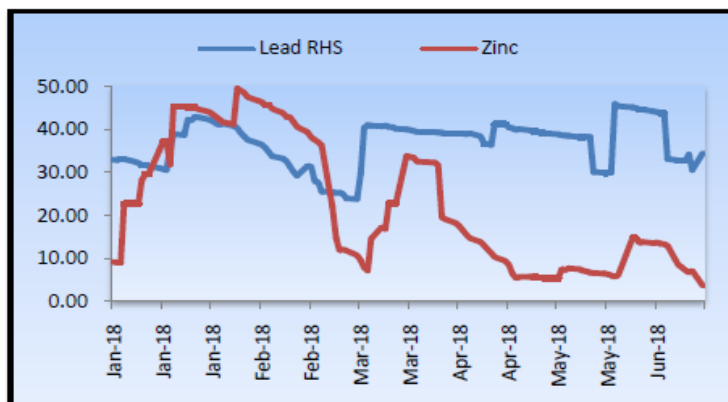
Inventory Scenario



Source: Bloomberg, Narnolia Research

LME Zinc stocks have stalled the falling trend and its slowing rising while LME Lead has maintained its falling trend for the past six months. Similarly Shanghai stocks of both the metal indicates us that the Zinc stocks have started to rise while Lead stocks are still in the downtrend.

Cancelled Warrants (% of LME stocks)



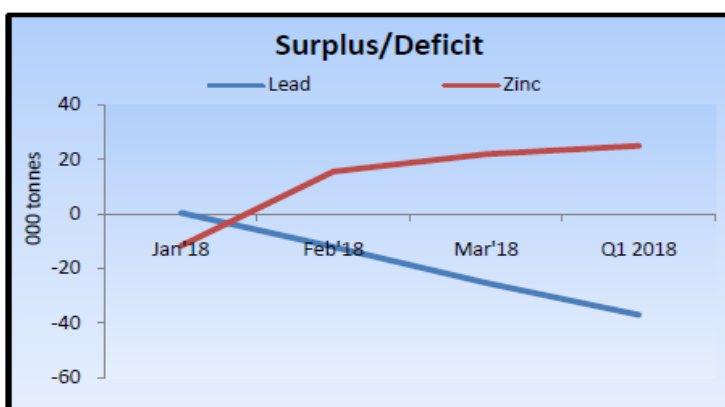
Source: Bloomberg, Narnolia Research

COMMODITY

Cancelled Warrants to LME stocks indicates the amount of inventory actually marked for delivery on daily basis. If the ratio is high, it is a bullish signal and vice versa.

Looking at the chart, we can conclude the Lead Cancelled warrant ratio is higher than the Zinc which means Lead prices are expected to remain stronger than the zinc prices.

Global Demand-Supply



According to the data released by the ILZSG, the global market for refined zinc metal was in surplus by 25000 tonnes over the first quarter of 2018 with total reported inventories rising by 118000 tonnes over the same period, While world refined lead metal demand exceeded supply by 37000 tonnes during the first quarter of 2018 and total reported stock levels decreased by 26000 tonnes.

Various Possible Outcome of Spread Call:

1. Both Lead and zinc prices rise, but lead outperform
2. Both Lead and zinc prices fall, but zinc to fall more
3. Lead price to rise, zinc price fall
4. Lead prices unchanged, while zinc prices fall
5. Lead rise, while zinc prices unchanged

Conclusion:

"Tighter lead market, expectation of new zinc mine supply, rising LME Zinc stocks and on low cancelled warrants zinc ratio makes us to come to a conclusion to actively short zinc and buy lead." Therefore, we expect the ratio Sell Zinc and Buy Lead to become narrow towards -35 to -30. At present the ratio is trading at -45 as on 19th June 2018.

"As per our Spread View on Sell Zinc Buy Lead released on 20th June 2018 on TQU, Target has been achieved as the Spread ratio (Sell Zinc and Buy Lead) have narrowed towards -35 on MCX dated 25th June 2018 capturing the 22% of profit gain."

Outlook Given on 20th June 2018:

"Tighter lead market, expectation of new zinc mine supply, rising LME Zinc stocks and on low cancelled warrants zinc ratio makes us to come to a conclusion to actively short zinc and buy lead." Therefore, we expect the ratio Sell Zinc and Buy Lead to become narrow towards -35 to -30. At present the ratio is trading at -45 as on 19th June 2018.

Among the various possible outcomes mentioned in our Spread Call View (Sell Zinc and Buy Lead) our 4th possibility played the role as "Lead prices remained unchanged, while zinc prices fell"

Gold Silver Ratio

Ratio simply provides insight into how the price of silver is behaving relative to the price of gold. The gold to silver ratio is the amount of silver it takes to purchase one ounce of gold. Gold-to-silver ratio is one of many indicators used to determine the right (and wrong) time to buy or sell one of the particular precious metal.

Formula

Gold Silver Ratio = Price of Gold per ounce/
Price of Silver per ounce

For example = Price of Comex gold is equal to \$1298 per ounce. The price of Silver is \$16.65. This information gives us the ratio value:
 $1298/16.65 = 77.95$

The ratio can rise either because the price of gold increased or the price of silver decreased. Similarly, the ratio can fall either because the price of gold decreased or the price of silver increased.

This ratio can be used as one of the factors to identify which commodity is likely to increase more as compared to the other. This means that when the ratio is high, investors tend to favor silver. When the ratio is low, investors tend to favor gold. However, it is difficult to identify the high and lows of the ratio.

COMMODITY

Fundamental Qualities of Precious Metals

Gold is also seen as a form of currency and safe haven in times of political uncertainty and silver is increasingly used as an industrial metal. With the strong economic growth, industrial demand for Silver is set to rise as more than 50 percent of supply is used for industrial application like electronics, solar panels, battery sector etc.



Currently, Gold/Silver ratio is trading 78, which is near record levels and the price of Silver is trading at \$16.35 oz. The ratio is trading much above the average of 65. Higher ratio suggests the price of Silver is much cheaper than the Gold. It directs us that the Silver prices are expected to rally more than the gold prices or gold prices are expected to fall more than the silver. But, given the advantage of silver being an industrial metal and the stretched gold-to-silver ratio, we wouldn't be surprised to see silver prices continue to outperform gold.

NICKEL UPDATE

21-May-18

Nickel is the best performing metal on LME this year, gaining nearly 16 percent so far this year. Nickel prices are strengthening after making a low last year is driven by solid global demand. Also, increasing demand for electric vehicles is supporting the nickel prices.

	2016	2017	2018*	Jan-Mar18
Global Nickel Output	1989	2076	2227	530.6
Global Nickel Demand	2033	2192	2344	569.8
Surplus/Deficit RHS	-44	-116	-117	-39.1

Source: INSG, Narnolia Research

Figures in 000 tonnes

Global Nickel Deficit rose to 15,700 in March 2018, higher than the revised deficit of 6,000 tonnes in the previous month. During the period of Jan-Mar 2018, deficit widened to 39,100 tonnes from 27,100 tonnes in the same period of 2017. Global nickel is expected to remain in a deficit of 117,000 tonnes during the year 2018.

SUPPLY

Philippines is shuttering mines and slashing production from 347,000 million tonnes in 2016 to 230,000 million tonnes in 2017. The output of Indonesia is recovering after the export ban. Indonesia is overtaking Philippines and increasing its nickel ore exports to China.

NPI

Nickel pig iron (NPI) production in China in the first four months of 2018 reached 150,000 mt in nickel content, registering a 15.6% year-on-year increase due to the increased availability of Indonesian ore. NPI production in Indonesia has continued to increase due to the ramp up of new projects. Higher NPI production, however, can increase the global nickel supply and reduce the imports of refined nickel.

Demand Shift from Steel to Lithium-Ion Batteries

Nickel-containing batteries also had a positive effect on nickel usage, and this trend is expected to continue. Lithium-Ion Batteries is comprised of cobalt, lithium and nickel. Currently, a very small proportion of nickel is used for the production of batteries which improves the energy density of batteries and extends driving range. Lithium Ion batteries are used in Electric Vehicles China, again, is becoming the largest producer and consumer of electric vehicles.

Demand for nickel from the battery industry alone would reach 570,000 tonnes by 2025 which is more than 10 times the current demand of 33,000 tonnes.

Although stainless steel production will remain the largest end user for nickel, its share in global nickel demand will decrease to from 70% to 60% as the evolution of electric vehicles will accelerate nickel demand for batteries.

Stainless Steel Production

According to the International Stainless Steel Forum (ISSF), world stainless steel melting production reached 48.1 million tonnes in 2017, representing a 5.8% growth year-on-year, but production is expected to grow at a slower rate in 2018. In 2017, Indonesia started producing stainless steel and will continue to ramp up production.

New Energy Vehicle Sales in China

Mass production and sales of electric vehicles will transform the nickel market. Electric Vehicles is on track to become the dominant form of transportation in future. China's total new vehicles sales in 2017 stood at 7,77,000 units. This year, sales are rising at a pace of more than 120% every month as compared to same period last year. Electric Vehicle sales in China currently stand at 222,668 units during the Jan-Apr period this year. The government expects annual NEV output to hit 2 million in 2020, and NEV sales to make up 20 percent of the overall auto market by 2025.

NICKEL UPDATE

Stock Scenario

LME Nickel Stocks have fallen by 15 percent since the start of the year standing at 308,478 tonnes. Nickel stocks registered with the Shanghai Futures Exchange (ShFE), meanwhile, stands at just 33,000 tonnes, down from a 2016 peak of above 100,000 tonnes.

Cancelled Stocks, metal being taken off warrant in anticipation of physical load-out, has also been elevated. The ratio of cancelled to total LME tonnage has risen above 30 percent.

Outlook

Global nickel prices are majorly driven by higher demand from the battery sector and not due to higher demand from Stainless steel sector. We expect Nickel prices to remain firm in the coming quarter as well as strong electric vehicle sales and production is keeping nickel prices positive. We expect MCX Nickel prices to test 1150 and 1250 levels on the upside.

TECHNICAL OUTLOOK ON MCX NICKEL



In line with expectation, Nickel prices surged higher and met our first and second target of 980 and 1080 levels. Momentum is expected to continue in coming sessions as no reversal is seen on chart as of now. RSI has been trading near its falling trend line and breakout above this RSI trend line can trigger further upside momentum. Prices can extend up to 1155 (78.6% retracement of the fall from 1328 to 547) and 1250 levels where next resistance is seen. Now support is shifted higher at 900 level followed by 835 level and as long as it sustains above the same, upside view will remain intact.

BSE Code	500570
BSE Symbol	TATAMOTORS
52wk Range H/L	468.35/270
Mkt Capital (Rs Cr)	50,087.42
Av.Cash Volume(,000)	1,90,77,416
Open Interest	NA

Buy Price	286
Stop Loss	249
Target Price1	335
Target Price2	377
Upside in Tgt1	17%
Upside in Tgt2	32%

Technical Chart

TATAMOTORS [N3456] 284.50, 315.55, 270.00, 270.95, 251790832 -4.09%
 Price Avg3(E,8,E,13,E,21) Avg(E,200)



STDC : Buy TATAMOTORS around 285-287 and 265-267 SL 249(closing) target 335/377

Tatamotors sustaining on make or break level, as its near to it s 52 week low, but it got as support on 200sma on monthly chart, it is still sustaining above the neck line of double top price pattern. Positive divergence in RSI in lower time frame of chart which indicate the possibility of bounce back from the neck line., more or point of poarlity near the zone of 265-267, alos indicate optimism in coming session.

VIEW

26-Jun-18

BSE Code	532800	Buy Price	57
BSE Symbol	TV18BRDCST	Stop Loss	49
52wk Range H/L	70/34	Target Price1	68
Mkt Capital (Rs Cr)	2.06	Target Price2	72
Av.Cash Volume(,000)	6,72,201	Upside in Tgt1	19%
Open Interest	NA	Upside in Tgt2	26%

Technical Chart



STDC- BUY TV18BRDCST AT 57-58 OR DIP TOWARDS 55, SL – 49 (CLOSING BASIS),

Emergence of Inverted H&S pattern after a sharp decline towards 49 mark indicates up move but follow-through buying is expected to come above 59 mark. Indicator and oscillators are lending support to price action. It is also forming a flag which is a continuation pattern, showing strength in the scrip. At current juncture, Risk and reward ratio are looking favourable to take long position.

02/07/2018

Narnolia Securities Ltd | Retail Technical Research

VIEW

19-Jun-18

BSE Code	532898
BSE Symbol	POWERGRID
52wk Range H/L	226/189
Mkt Capital (Rs Cr)	1,03,768.58
Av.Cash Volume(,000)	6,72,201
Open Interest	NA

Buy Price	192
Stop Loss	173
Target Price1	225
Target Price2	235
Upside in Tgt1	17%
Upside in Tgt2	22%

Technical Chart



STDC- BUY POWERGRID AT 199-195 OR DIP TOWARDS 188, SL – 173 (CLOSING

Daily chart of Powergrid reveals that demand is increasing and supply is diminishing. Srip is about to complete **Ascending triangle pattern on hourly chart** which is displaying trend reversal at current juncture. Moreover, Scrip took support from **78.6%** retracement of the rally from 189 to 226 mark and formed **Morning Star** which indicate positive rhythm. Apart from this, **Declining MACD Histogram** signals optimism, suggest upside move in the counter in

02/07/2018

Narnolia Securities Ltd | Retail Technical Research

LTDC

29-May-18

BSE Code	500875
BSE Symbol	TATAMOTORS
52wk Range H/L	353/250
Mkt Capital (Rs Cr)	235,094.00
Av.Cash Volume(,000)	8829841
Open Interest	NA

Buy Price	273
Stop Loss	225
Target Price1	310
Target Price2	330
Upside in Tgt1	14%
Upside in Tgt2	21%

Technical Chart



LTDC : Buy ITC around 270-275 OR ON DIP TOWARDS 255-260 SL -225 (Closing Basis) Target 310/330

Stock bottomed out near the levels of 247-250 and formed double bottom on weekly chart. Series of long legged doji near channel support line showing upswing move towards channel resistance line from where stock can give breakout on upside. Script has respected the up trendline and prices has started running in the channel. Declining MACD histogram and sustainability of RSI above 50 adds the conviction of going long for the target of 310 and 330 with SL of 225 mark.

VIEW

16-May-18

BSE Code	532454	Buy Price	371
BSE Symbol	BHARTIARTL	Stop Loss	337
52wk Range H/L	565/361	Target Price1	435
Mkt Capital (Rs Cr)	49,514.00	Target Price2	489
Av.Cash Volume(,000)	22,979.56	Upside in Tgt1	17%
Open Interest	NA	Upside in Tgt2	32%

Technical Chart



STDC : Bharti airtel: Buy around 371-376 and 360-365 sl 337(closing) target 435/489.

From last few months script has been trading in the channel after hitting the high of 564, it again enter in the channel and retesting its previous resistance which now become its support , on weekly chart it has formed head and shoulder pattern and taken support from it neck line, which coincide with 200 week simple moving averages, and it has positive divergence in Money Flow index which also imply positive move on upside.

02/07/2018

Narnolia Securities Ltd Retail Technical Research

VIEW

15-May-18

BSE Code	532522
NSE Symbol	PETRONET
52wk Range H/L	275.65
Mkt Capital (Rs Cr)	198.2
Av.Cash Volume(,000)	1690759
Open Interest	NA

Buy Price	205
Stop Loss	173
Target Price1	238
Target Price2	270
Upside in Tgt1	16%
Upside in Tgt2	32%

Technical Chart



BUY PETRONET @ 205-210 SL-173 TGT-238, 270

After hitting high of 275 , scrip has seen correction till 61.8% Fibonacci retracement of the up move from 163 to 275 level which indicate halt in this fall.

Point of

Polarity due to falling red trendline suggest a support for the scrip

Demand zone is created due to its previous resistance which becomes its support at current juncture

PETRONET LNG LIMITED

Industry Oil And Gas
Bloomberg PLNG IN
BSE Code 532522
NSE Code PETRONET

Wednesday, May 16, 2018

RATING	BUY
CMP	208
Price Target	286
Previous Target	286
Potential Upside	38%

Stock Info

52wk Range H/L	275/198
Mkt Capital (Rs Cr)	31,395
Free float (%)	50%
Avg. Vol 1M (000)	2621
No. of Shares (Crore)	150
Promoters Pledged %	1%

Volume growth remain key trigger

Key Highlights

- ☒ Petcoke (alternate fuel) prices has surged by 16% in Q4 FY18, and Petronet is likely to be benefited from this hike. Hence we factor 21% volume growth YoY in Q4.
- ☒ BPCL Kochi refinery has now stabilized, Capacity utilization at Kochi terminal range between 15%-20% for the last 3 quarters and offtake by BPCL refinery will gradually go up. Further the management has guided for sequential improvement in utilization. and current volume offtake trend will continue in accordance with the BPCL off taking volumes.
- ☒ Ministry has allowed use of LNG gas in heavy transport vehicles. Company plans a pilot project of LNG trucking in 2018 which will open new doors of LNG demand in the domestic market.
- ☒ Company has taken 5% hike in realization in Jan 2018. Company will slowly pass on the incremental cost of imported LNG on its cutomers.
- ☒ Dahej capacity expansion to 17.5MMT is on track and is expected to come on stream in the month of June-July 2018.

4Q FY18 Result:

Petronet LNG is expected to perform well in the upcoming quarter on the back of incremental volume at both Dahej and Kochi terminal. Dahej terminal is likely to be benefited from higher offtake by the power and fertilizer plants led by the sharp upsurge in the prices of the alternate fuel in Q4 FY18. Further, BPCL's Kochi refinery expansion is now stabilized and likely to take higher volume offtake from Petronet Kochi terminal. We expect that volume growth to remain in the range of 15-17%(due to lower base) in FY18 and 11% in FY19.

View and Valuation

Considering healthy volume growth at both terminal while maintaining the margins at its current level. We remain optimistic on this stock and expect revenue and PAT grow at 12% and 16% CAGR respectively over FY18-20.

We value PETRONET at 16x FY20e EPS and arrive at a target price of Rs.286 and recommend BUY.

Key Risks to our rating and target

- ♦ Weakness of rupee against dollar will make import of LNG costlier for the company
- ♦ Decline in the prices of the alternate fuel
- ♦ Any delay in supply of Gorgon Volume will lead to lower capacity utilization

KEY FINANCIAL/VALUATIONS	FY16	FY17	FY18	FY19E	FY20E
Net Sales	27133	24616	29892	32625	34568
EBITDA	1586	2592	3258	3565	3777
EBIT	1265	2223	2835	3139	3348
PAT	913	1706	2110	2423	2693
EPS (Rs)	6	11	14	16	18
EPS growth (%)	1%	87%	24%	15%	11%
ROE (%)	14%	21%	22%	21%	20%
ROCE (%)	14%	23%	27%	25%	23%
BV	44	54	65	77	91
P/B (X)	3	4	4	3	2
P/E (x)	21	18	17	13	12

Research Analyst

ADITYA GUPTA

aditya.gupta@narnolia.com

The views expressed above accurately reflect the personal views of the authors about the subject companies and its(their) securities. The authors have not and will not receive any compensation for providing a specific recommendation or view. Microsec Capital Ltd and other Narnolia group companies does and seeks to do business with companies covered in its research reports. As a result investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

BSE Code	500304
BSE Symbol	NIITLTD
52wk Range H/L	125/82.30
Mkt Capital (Rs Cr)	1,705.15
Av.Cash Volume(,000)	851.24
Open Interest	NA

Buy Price	108
Stop Loss	83.9
Target Price1	127
Target Price2	149
Upside in Tgt1	18%
Upside in Tgt2	38%

Technical Chart


STDC - NIIT LTD - BUY around 108-109 and 100-102, SL – 83.90, T1- 127,149

This stock is in uptrend, Formation of hammer imply up move, Golden crossover can give a positive trigger in coming session, currently it trading above golden cross over, it can take support of 102 level and extend upto 130 and above.

02/07/2018

Narnolia Securities Ltd | Retail Technical Research

BSE Code	INE238A01034
BSE Symbol	AXISBANK
52wk Range H/L	627.50/447.80
Mkt Capital (Rs Cr)	1,40,614.79
Av.Cash Volume(,000)	62574.37
Open Interest	NA

Buy Price	540
Stop Loss	472
Target Price1	585
Target Price2	630
Upside in Tgt1	8%
Upside in Tgt2	17%

Technical Chart



STDC : Buy AXIS BANK baround 540-545 and 520-525 sl 472 target 585/630

Axis bank trading above 200 wsma and given breakout of Triangle pattern, All Oscillator are in uptrend. it has stock resistance zone at 630 level.

R-25

7-May-18

VIEW

After hitting a low of 860, scrip showed sharp momentum on upside till 1221 level due to positive divergence along with Hammer at lower levels.

On a weekly chart, Infy formed Pole and Flag pattern which comes in continue bullish formation.

In addition, pair has been consolidating above double bottom breakout on weekly chart, which suggest bullishness in the prices near term

Moreover, price is sustaining above all higher moving averages also supportive for the prices

Stock has formed a strong base around 1055-1090 zone and has reversed after the formation of Bullish belt hold which is a positive sign

ADX is also looking supportive as it has been sustaining near 40 levels indicating strong trend

Although

RSI also highlighting further gains in the coming session

On contrary, MACD negative crossover can force to take a dip towards 1090-1100 levels from where buyer can get opportunity to buy this scrip again.

R25 CALL: BUY INFY @ 1135-1155 and 1090-1100 SL -1055 (CLOSING BASIS) TGT-1350, 1450

CHART ANALYSIS



RATING	BUY
CMP	1173
Price Target	1350
Previous Target	1233
Potential Upside	15%

Stock Info

52wk Range H/L	1220/862
Mkt Capital (Rs Cr)	256176
Free float (%)	87%
Avg. Vol 1M (,000)	377
No. of Shares (Crore)	229
Promoters Pledged %	0%

Key Highlights

- Infosys shared the four pillars of its strategic plan for strong FY19 & FY20 performance [1] scaling agile digital, [2] energizing the core, [3] reskilling people and [4] expanding localization of talent.
- Infosys 's strategy has been progresssing well with 11.1% contribution from new service s(Cloud Ecosystem, Big data and Analytics , API and Micro service , Data and Mainframe modernization , Cyber)
- With continued investments in sales & marketing plan for Branding, Injecting digital specialists into accounts, Scaling large accounts, Shaping large deals, Acquiring new accounts and Enabling sales via continuous anytime-anywhere learning will improve the performance going forward.

4QFY18 Result: Strong performance in Revenue and Magin

Revenue for the quarter were Rs 18083 crore vs Rs 17794 crore with a sequential growth of 1.6% QOQ and 5.8% YOY. Revenue from Digital offerings was at \$ 2.79 billion (25.5% of total revenue) for FY18 which grew at 3.6% sequentially in 4QFY18. Operating margin for the quarter was at 24.7% which was impacted by higher variable pay and declined utilization, but the impact was more than offset by benefit from currency, onsite reduction and expenses reduction. PAT declined 28% QOQ led by impairment loss in respect of panaya. The board of directors recommended a final dividend of Rs 20 .50 per share amounting to Rs 5349 crores including DDT. Management expected to achieve 6% to 8% in constant currency terms excluding the revenue from current acquisition. Also, BFS is expected to be better for FY19 . The traction in faster-growing segments such as E&U, Communications and Insurance remains intact.

View and Valuation

The recent quarterly result, strong growth in New service(now contributes 11.1% of total revenue) and focus on digital business has showed positive performance for FY18. With the new management strategy for Scaling the Agile digital business, energizing the client's core technology landscape via AI and automation , Re -skilling other employees , and expanding the localization in markets as US , Europe and Australia has filled us with confidence for growth in FY19.

Thus we recommend BUY on the stock with the target price at Rs 1350(15x FY20EPS)

Research Analyst

NIHARIKA OJHA
niharika@narnolia.com

KEY FINANCIAL/VALUATIONS	FY15	FY16	FY17	FY18	FY19E
Net Sales	53319	62441	68485	70522	75729
EBITDA	14871	17120	18605	19010	19874
EBIT	17284	18982	19981	20341	20447
PAT	12372	13678	14353	16028	15069
EPS (Rs)	108	60	63	74	69
EPS growth (%)	-42%	-45%	5%	17%	-6%
ROE (%)	26	24	22	24	22
ROCE (%)	29	28	26	25	26
BV	444	253	302	298	337
P/B (X)	5	5	3	4	3
P/E (x)	20	20	16	16	17

The views expressed above accurately reflect the personal views of the authors about the subject companies and its(their) securities. The authors have not and will not receive any compensation for providing a specific recommendation or view. Narnolia Securities does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

BSE Code	513599
NSE Symbol	HINDCOPPER
52wk Range H/L	110/56
Mkt Capital (Rs Cr)	1771.98
Av.Cash Volume(,000)	3590.42
Open Interest	NA

Buy Price	77
Stop Loss	61.9
Target Price1	98
Target Price2	115
Upside in Tgt1	27%
Upside in Tgt2	49%

Technical Chart



STDC - BUY HINDCOPPER AT 77-79 and 70-72, SL 61.90, TARGET 98,115

Lower band of andrew pitch fork showing support of inatial level from where bounce back can be expect to its Center band, RSI is trading above 50 showing up move in coming session and price can extend upto 99 levels, view may remain intact till it sustain above the level of 67

02/07/2018

Narnolia Securities Ltd | Retail Technical Research

DISCLAIMER

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations). Narnolia Financial Advisors Ltd. (Formerly Microsec Capital Ltd) (MCL) is a SEBI Registered Research Analyst having registration no. INH300002407. MCL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services, Merchant Banking, Portfolio Management & distribution of various financial products. MCL is a subsidiary company of G Raj & Company Consultants Ltd. (GRaj). MCL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE), Bombay Stock Exchange Limited (BSE) and Metropolitan Stock Exchange Of India Ltd. (MSEI) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) & National Securities Depository Limited (NSDL) and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products. MCL is also SEBI registered Category 1 Merchant Banker & Portfolio Manager. Details of associate entities of MCL is available on the website at www.narnolia.com

No penalties have been levied on MCL by any Regulatory/Statutory authority. MCL, its associates, Research Analyst or their relative may have any financial interest in the subject company. MCL and/or its associates and/or Research Analyst may have beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report. MCL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MCL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the last 12 month period. MCL and/or its associates may have received any compensation from the subject company in the past 12 months. In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, MCL or any of its associates may have: a) managed or co-managed public offering of securities from subject company of this research report, b) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report, c) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report. d) Subject Company may have been a client of MCL or its associates during twelve months preceding the date of distribution of the research report. MCL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report. MCL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MCL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Terms & Conditions: This report has been prepared by MCL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MCL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MCL will not treat recipients as customers by virtue of their receiving this report.

Analyst Certification The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement Companies where there is interest

Analyst's ownership of the stocks mentioned NIL

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com.

Research Analyst's views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MCL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MCL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MCL & its group companies to registration or licensing requirements within such jurisdictions.

Disclaimer: The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MCL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MCL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sell in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits or lost opportunities that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MCL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MCL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MCL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Correspondence Office Address: Arch Waterfront, 5th Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; www.narnolia.com. Registered Office Address: Shivam Chambers, 1st Floor, 53, Syed Amir Ali Avenue, Kolkata 700 091. Compliance Officer: Manish Kr Agarwal, Email Id: mkagarwal@narnolia.com, Contact No.:033-4054 1766.

Registration details Company & Group entities: MCL: SEBI Registration: INZ000166737 (BSE/NSE/MSE); CDSL: IN-DP-424-2007; NSDL: IN-DP-NSDL-245-2005; Research Analyst: INH300002407, Merchant Banking: (Registration No.: INM000010791), PMS: (Registration No.: INP000002304), AMFI: ARN 3087

SEBI Registration: BSE Broker INZ260010731; NSDL DP: IN-DP-NSDL-371-2014 G. Raj & Company Consultants Ltd (G RAJ), MCX/NCDEX Commodities Broker: INZ000051636 Microsec Commerze Limited, PMS: INP000005109Narnolia Velox Advisory Ltd., Investment Adviser: INA300005439 Eastwind Capital Advisors Pvt Ltd. (EASTWIND),IRDA License No.134 (Microsec Insurance Brokers Limited), AMFI: ARN 20558, PFRDA NPS POP: 35012016 Narnolia Securities Ltd. (NSL), RBI Registered NBFC:B.05.02568 Narnolia Capital Advisors Pvt. Ltd.