

Trading Calls

**ENGINEERSIN** Long/Buy 2nd Apr 2018

After making double top on daily chart, finally it has achieved its 200% target of 148 on 23rd March 2018.  
Hence we recommend buy in the range of 160-156 for the price targets of 174.50 and 181 with 141.50 as SL.

**RELCAP** Long/Buy 2nd Apr 2018

- 1. Formation of WOLF WAVE signifying up move
  - 2. Occurance of THREE WHITE SOLDIER on daily chart has bullish connotation
  - 3. Positive divergence in RSI- Positive Implication
  - 4. Falling wedge breakout after selling climax imply trend reversal
- These technical factors suggest to Buy this scrip @ 430 SL-418 TGT-455, 465

**BHARTIARTL** Long/Buy 21th Mar 2018

After making the top of 565, stock is consolidating below 200 SMA. It has retraced almost 80% of preceding impulse. During corrective fall volume is very low . Therefore we advise traders to initiate long position in the stock near Rs 412 with a stop loss of Rs 389. The upside targets are Rs 435 and Rs 447

**PNB** Long/Buy 14th Mar 2018

After corrected more than 50% in a time span of just one and half month, Punjab National Bank has been consolidating in a narrw rage of 91-100 since last few days. Therefore we advise to initiating long position in the stock near Rs 98 with a stop loss of Rs 91. The upside targets are Rs 106 and Rs 117.

**PGHH** Long/Buy 9th Mar 2018

After making a recent high of 9900, PGHH has been consolidating near 50 DMA. The momentum indicators (RSI, Stochastic) have reached at deep oversold zone. So some pullback rally is expected in the stock from the current level

Market	Value	% Change
SGX Nifty	10210.50	-0.53%

Nifty Key Levels

Support	S1 : 10033	S2 : 9988
Resistance	R1 : 10170	R2 : 10230

Market Outlook

Nifty range bound 10033-10200!  
Harmonic pattern formed on daily chart of Nifty signifies that this pullback can extend up to 10365 levels where 61.8 Fibonacci retracement of A to D leg is seen, it needs decisive closing above 10230 levels.  
  
However recent pullback from 9950 has taken resistance from 10200 levels, this indicates about a strong resistance zone between 10180-10230. We expect Nifty to trade in a range of 10033-10200, unless it gives closing above 10200 levels.  
Key resistances are around 10170-10230 and immediate supports are seen around 10033-9988.

Institutional Turnover			
FII	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
02-Apr-18	4032	4722	(690)
Apr-18	4032	4722	(690)
DII	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
02-Apr-18	2961	2548	413
Apr-18	2961	2548	413

Sectoral Performance (%)				
	1 Day	1 Week	1Month	1 Year
Auto Components	2.4	3.8	(1.1)	20.1
Automobiles	2.1	2.2	(0.8)	16.8
Chemicals	2.2	3.6	0.2	16.4
Construction Materials	1.6	1.8	(2.8)	8.8
Construction & Engg	0.2	0.1	5.2	32.5
Div. Financial Services	0.9	2.0	12.2	58.7
Electrical Equipment	2.1	1.7	(4.2)	5.7
Energy	0.3	0.4	(6.1)	11.2
Financials	0.7	1.3	(1.4)	10.7
Health Care	2.1	1.8	(4.4)	(11.0)
Household Durables	1.6	1.9	(0.8)	17.67
Household Pers. Products	1.6	1.8	3.0	12.9
Information Technology	1.61	2.1	(1.5)	20.3
Metals/Mining/Minerals	0.8	1.1	(9.1)	9.3
Telecom	(0.0)	(4.2)	(6.4)	4.2
Utilities	1.2	0.8	(2.6)	2.7

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

Long Position				
	DII	FII	Pro	Other
Future Index	27327	31784	24848	240728
Future Stock	17201	621197	126333	944614
Option Index Call	60927	168471	123976	405639
Option Index Put	80947	304625	148459	532568
Option Stock Call	0	7005	20883	105733
Option Stock Put	0	6120	26662	46064

Short Position				
	DII	FII	Pro	Other
Future Index	15131	140254	18277	151025
Future Stock	877732	442689	72880	316044
Option Index Call	0	94593	183093	481326
Option Index Put	0	103887	178018	784694
Option Stock Call	0	7694	39158	86769
Option Stock Put	0	4993	16070	57783

## High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
526947	LAOPALA	82.0
532798	NETWORK18	22.8
532129	HEXAWARE	19.7
533155	JUBLFOOD	17.5
500413	THOMASCOOK	16.8
511431	VAKRANSOFT	16.4
500114	TITAN	15.1
532830	ASTRAL	13.7
523398	HITACHIOM	13.7
532926	JYOTHYLAB	13.1

## High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
500253	LICHSGFIN	4.9
532805	REDINGTON	2.9
500233	KAJARIACER	2.8
500355	RALLIS	1.9
531548	SOMANYCERA	1.8
532296	GLENMARK	1.8
534139	SCHNEIDER	1.5
533088	MHRIL	1.3
533248	GPPL	1.1
523642	PIIND	0.4

## Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
500185	HCC	(32.51)
530813	KRBL	(25.16)
533096	ADANIPOWER	(25.11)
530943	SABTN	(23.49)
511389	VIDEOIND	(21.89)
532505	UCOBANK	(18.44)
532525	MAHABANK	(18.40)
532370	RAMCOSYS	(16.18)
500645	DEEPAKFERT	(15.33)
532749	ALLCARGO	(14.96)

## Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
532712	RCOM	(24.20)
512599	ADANIENT	(21.62)
532144	WELCORP	(20.87)
532843	FORTIS	(20.36)
532174	ICICIBANK	(19.91)
532939	RPOWER	(17.96)
500295	VEDL	(17.53)
532779	TORNTPOWER	(15.84)
500470	TATASTEEL	(14.95)
538835	INTELLECT	(13.49)

\* 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

In line with our analysis, Market rebounded nicely despite a panic selloff in the preceding week. Indices made a smart come back this week owing to the massive short covering but at current juncture, it will be premature to point out that the intermediate trend has changed. For carrying this pullback further higher, Indices have to **sustain above 200 DMA**. Until this happen, another correction on lower side can not ruled out.

**Harmonic pattern** formed on daily chart of Nifty signifies that this pullback can extend up to 10365 levels where 61.8 Fibonacci retracement of A to D leg is seen. For gaining further momentum, it has to give **decisive close above 10365 levels** from where it can inch forward towards 10480 levels. Failure to sustain above 10270 levels, it can drag down till 10030, 9950 and 9900 levels where key supports are located.

- Technical parameters **favouring Bulls-**
- a) Occurrence of **TWEEZER BOTTOM CANDLESICK PATTERN** on weekly chart positive for the market
  - b) **RSI curled up from the bullish support zone**
  - c) Occurrence **of AB=CD Harmonic pattern** on daily chart
  - d) **Internal trendline** coincides around **9950 mark**

**BANK NIFTY-** It is looking strong as it formed Bullishbelt hold candlesticks pattern on weekly chart. As long as it holds above 23660 , it is positive and bounce back toward 24590 and 25010 is on cards. On the flip side, a decisive break below 23660 will result in further weakness till 22900 levels.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	NIFTY LEVEL	JUSTIFICATION
Resistance 2	10365	61.8% retracement of A to D leg
Resistance 1	10230	High of Previous week Candle
Close	10121	
Support 1	10030	Change in Polarity
Support 2	9950	Low of current week candle

LEAD OUTLOOK

Global Lead Demand Supply

000 tonnes	2014	2015	2016	2017	2018
Mine Production	4930	4775	4702	4749	5110
Metal Production	10948	10843	11161	11320	11770
Metal Usage	10938	10866	11129	11485	11820
Supply deficit	10	-23	32	-165	-50

Source: ILZSG, Narnolia Research

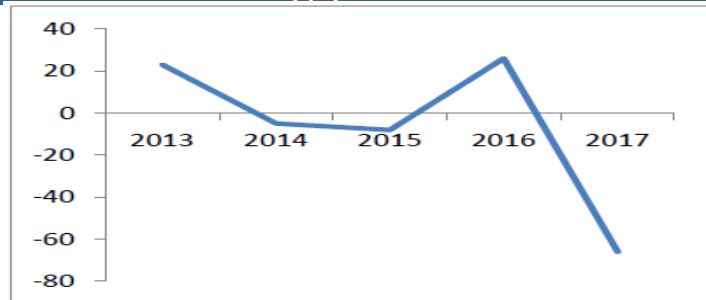
Global lead market balance has shifted drastically from surplus to deficit in the last one year period on reducing mine output and higher demand from China. A deficit of 165,000 tonne was recorded in 2017 and in 2018, a deficit of 50,000 tonne is being forecasted.

Mine development

Mine production from the world’s largest producers has been falling since the last five years. Production from Australia, China and the US has decreased by 107%, 14% and 8.5% respectively from 2013 to 2017. Last year, the US reduced its output by 10% and Australia reduced its output by 22% while the only increment was seen from India (+19%). World refined lead metal production rose by a modest 0.7% in 2017.

Global lead usage has increased by 2.3% in 2017. China, US, Europe and Korea are driving the demand for lead higher.

Global Lead Demand Supply



China plays an important role in determining the demand supply outlook. China contributed around 40% to the world’s lead demand in 2017. Currently, China’s lead market has turned into deficit (in 2017).

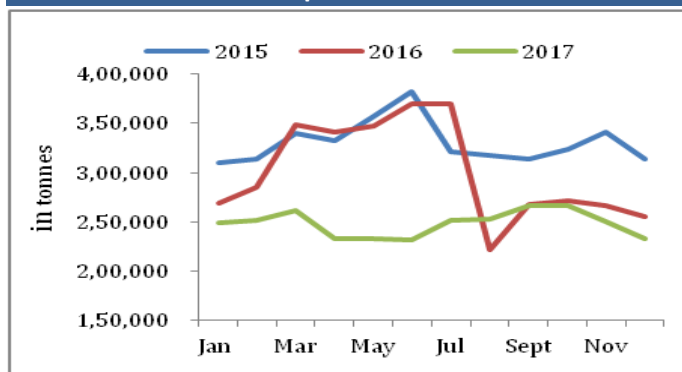
China Lead import and export



Source: Narnolia Research

As you can see in the above chart, China’s refined imports has risen remarkably in 2017, totalling 78,149 tonnes and in the same year, the country’s exports showed a slowdown. Normally, China imports close to 1,000 tonnes every year. However, 2017 has been an exception. Strong battery demand and higher vehicle sales are keeping lead prices strong.

China’s Refined Lead output



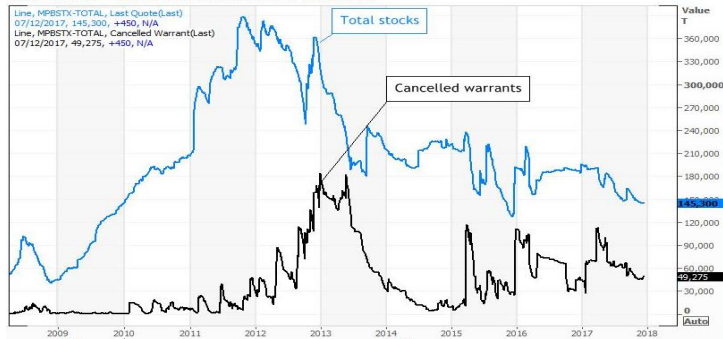
Source: Narnolia Research

As you can see in the above figure, China’s refined lead production has reduced by almost 10% in the year 2017. Production in China has remained low throughout the year. Decrease in refined production is due to tighter lead concentrate market. Lead concentrate imports have fallen by 10% last year. Major mine depletion has led to lower availability of lead concentrate, leading to fall in refined lead production.

## LEAD OUTLOOK

### LME Stocks

LME stocks -- total versus cancelled warrants



LME lead inventories have decreased by almost 30% in 2017 and currently stand at 132,000 tonnes (in March 2018). Shanghai stocks have also declined in 2017.

### Outlook

Global lead demand supply scenario looks strong for the year 2018. Outlook for lead remains strong due to mine supply depletion from the major producing countries and higher battery demand. March and April are the low demand season time for the lead acid battery sector. However, one should use this downside as a buying opportunity. One can buy lead futures at Rs150 for an upside target of Rs180 with a stop loss of Rs135 on MCX.

### Technical Outlook



- Rising trend line supports create a buying opportunity.
- Consolidation above 61.8% retracement of the move from 131 to 173 levels also provides strength for a further up move.
- The counter is currently near conjugation of trend line support and retracement.
- On crossing and sustaining above the 160 mark, it can extend up to 175 and 185 levels.
- Our view will be negated on a close below the 147 mark on the weekly chart.

## Stock Quotes

Rating : Long / BUY

2-Apr-18

BSE Code	532178	Buy Price	158
NSE Symbol	ENGINEERSIN	Stop Loss	141
52wk Range H/L	206.20/140.95	Target Price1	174.5
Mkt Capital (Rs Cr)	10192	Target Price 2	181
Av.Cash Volume(,000)	4892	Stop Loss %	10%
Period	NA	Target %	15%
P/E		Risk & Reward	
20 SMA		200 SMA	

## Technical Chart



## Description

After making double top on daily chart, finally it has achieved its 200% target of 148 on 23rd March 2018. Around 147 level it has formed DB pattern at 147 level and it has given fresh breakout with good volume. From recent low of 147.15 stock price is rising in impluse which you can see on hourly chart.

Hence we recommend buy in the range of 160-156 for the price targets of 174.50 and 181 with 141.50 as SL.

3rd Apr 2018

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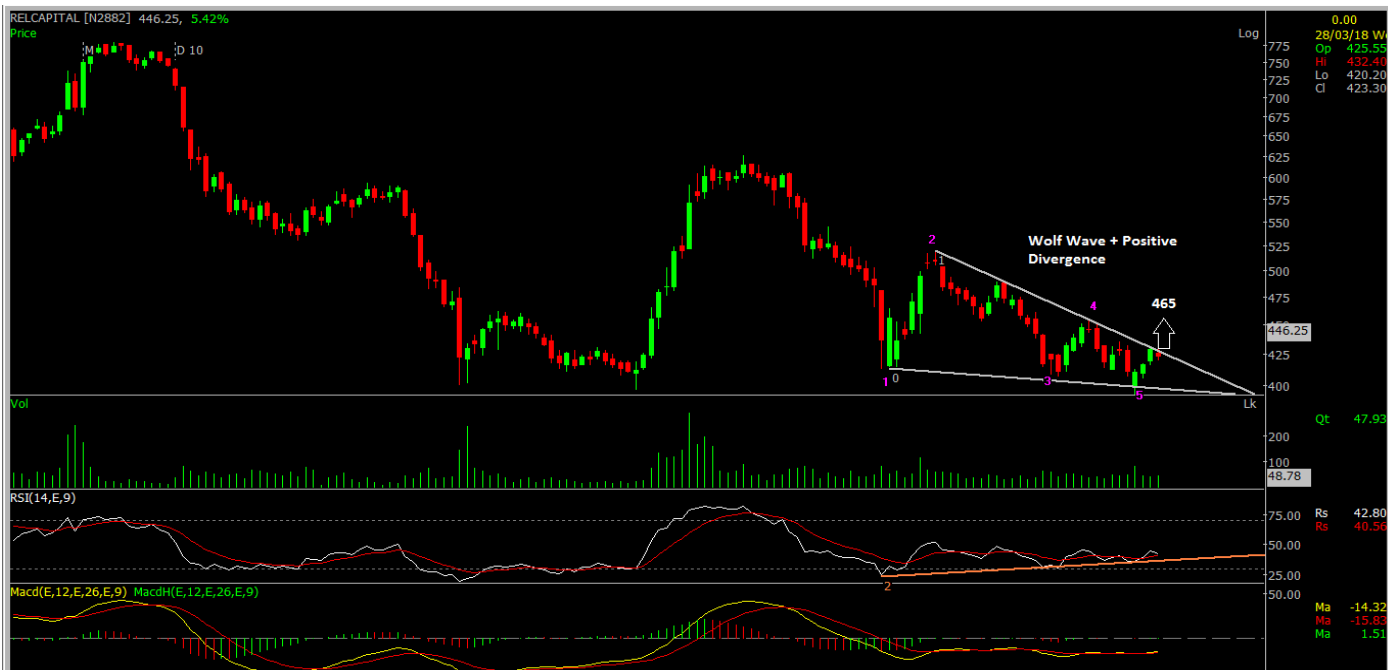


Rating : Long / BUY

2-Apr-18

BSE Code	500511	Buy Price	430
NSE Symbol	RELCAP	Stop Loss	418
52wk Range H/L	879.9/393.6	Target Price1	455
Mkt Capital (Rs Cr)	5134.7	Target Price2	465
Av.Cash Volume(,000)	4879242	Upside in Tgt1	6%
Open Interest	NA	Upside in Tgt2	8%

Technical Chart



1. Formation of **WOLF WAVE** signifying up move
  2. Occurance of **THREE WHITE SOLDIER** on daily chart has bullish connotation
  3. **Positive divergence** in RSI- Positive Implication
  4. **Falling wedge breakout** after selling climax imply trend reversal
- These technical factors suggest to Buy this scrip @ 430 SL-418 TGT-455, 465

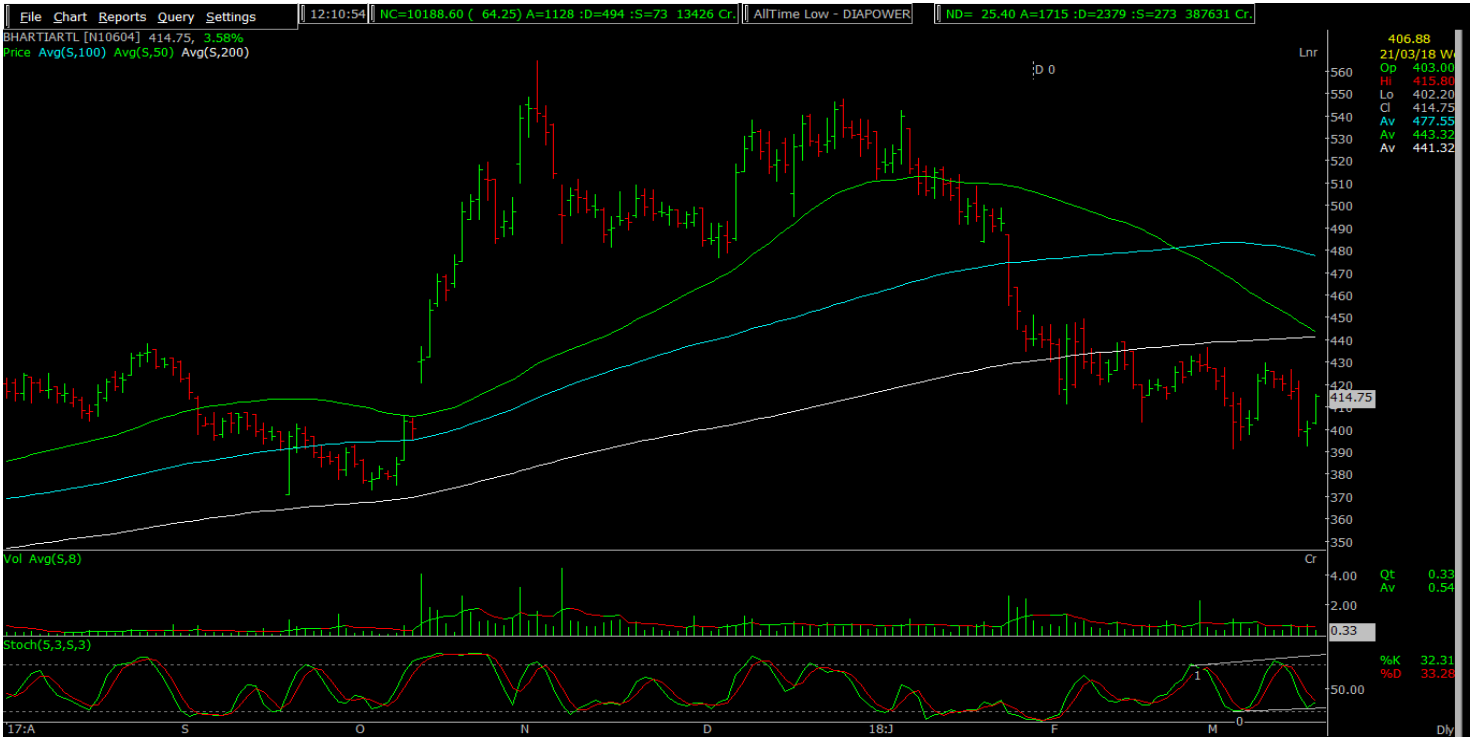
3rd Apr 2018

Stock Quotes

Rating : Long / BUY

21-Mar-18

BSE Code	532454	Buy Price	412
NSE Symbol	BHARTIARTL	Stop Loss	389
52wk Range H/L	565/325.50	Target Price1	435
Mkt Capital (Rs Cr)	164872	Target Price 2	447
Av.Cash Volume(,000)	54408	Stop Loss %	6%
Period	NA	Target %	8%
P/E		Risk & Reward	
20 SMA		200 SMA	441.3



Description

After making the top of 565, stock is consolidating below 200 SMA. It has retraced almost 80% of preceding impulse. During corrective fall volume is very low. Stochastic is giving sign of reversal with higher high, higher low formation.

Therefore we advise traders to initiate long position in the stock near Rs 412 with a stop loss of Rs 389. The upside targets are Rs 435 and Rs 447

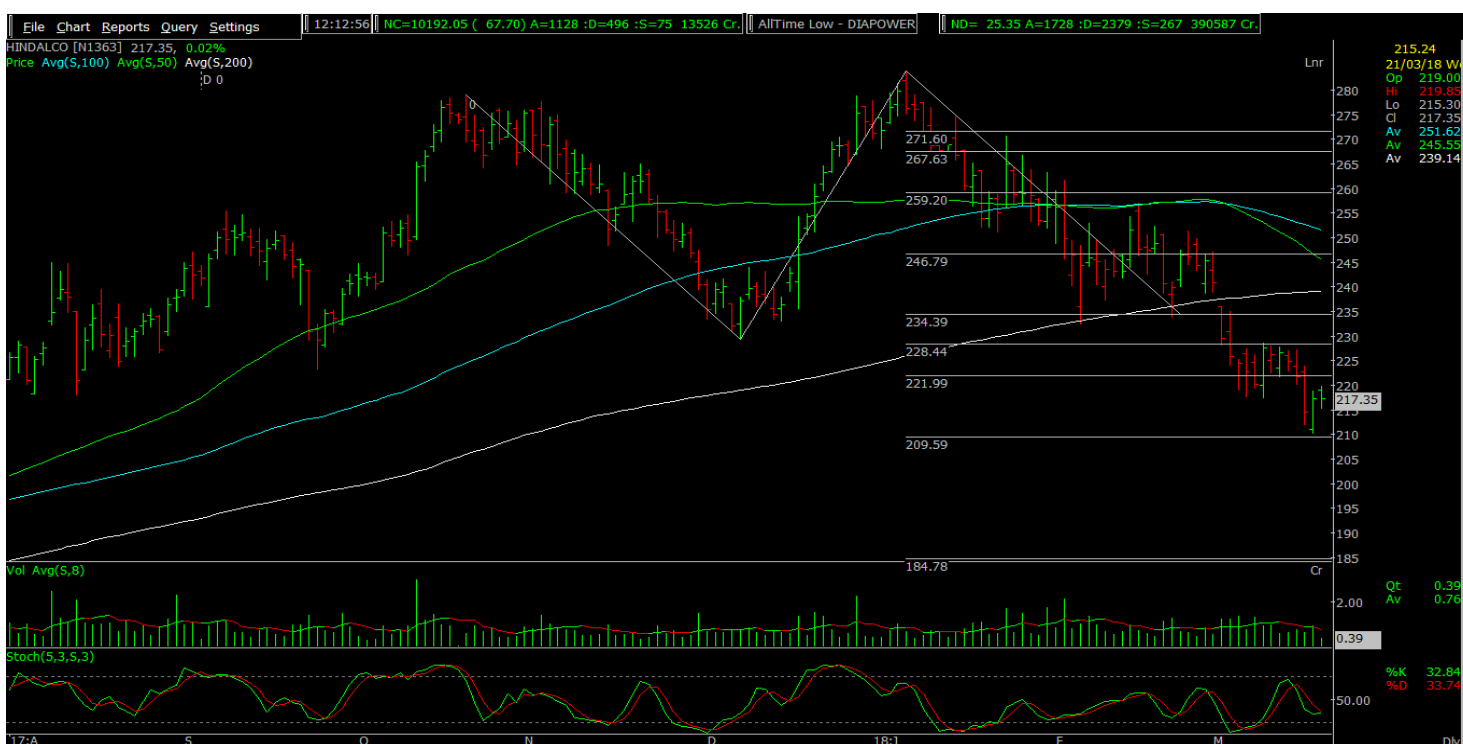


## Stock Quotes

**Rating : Long / BUY**

**21-Mar-18**

BSE Code	500440	Buy Price	215
NSE Symbol	HINDALCO	Stop Loss	197
52wk Range H/L	283.95/179.55	Target Price1	233
Mkt Capital (Rs Cr)	48592	Target Price 2	241
Av.Cash Volume(,000)	31584	Stop Loss %	8%
Period	NA	Target %	12%
P/E		Risk & Reward	
20 SMA		200 SMA	



## Description

After making double top on daily chart. It has achieved or we can say it has taken support at 150% retracement level with good volume. As it is falling corrective in nature and giving sign of reversal so we do not see more down side from current level. Stochastic is also giving sign of strength. Hence we advise our client to buy in the range of 213-217 for the price targets of 233 and 241 with 197 as SL.

3rd Apr 2018

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Rating : Long / BUY

14-Mar-17

BSE Code	532461	Buy Price	97.95
NSE Symbol	PNB	Stop Loss	91
52wk Range H/L	231.60/91.30	Target Price1	106
Mkt Capital (Rs Cr)	340.5	Target Price2	117
Av.Cash Volume(,000)	19162	Upside in Tgt1	8%
Open Interest	70436000	Upside in Tgt2	19%

Technical Chart



After corrected more than 50% in a time span of just one and half month, Punjab National Bank has been consolidating in a narrow range of 91-100 since last few days. Currently some delivery based buying was witnessed in the stock and a positive divergence was formed both in RSI & Stochastic.

Therefore we advise to initiating long position in the stock near Rs 98 with a stop loss of Rs 91. The upside targets are Rs 106 and Rs 117.

Rating : Long / BUY

9-Jan-18

BSE Code	500459
NSE Symbol	PGHH
52wk Range H/L	9900/6611.15
Mkt Capital (Rs Cr)	30172
Av.Cash Volume(,000)	6640
Open Interest	NA

Buy Price	9295.05
Stop Loss	8804
Target Price1	9887
Target Price2	10674
Upside in Tgt1	6%
Upside in Tgt2	15%

### Technical Chart



After making a recent high of 9900, PGHH has been consolidating near 50 DMA. The momentum indicators (RSI, Stochastic) have reached at deep oversold zone. So some pullback rally is expected in the stock from the current level.

Therefore we advise traders to initiate long position in the stock near Rs 9295 with a stop loss of Rs 8804. The upside targets are Rs 9887 and Rs 10674.

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