

Trading Calls

AUROPHARMA Short/Sell 7th July 2017

Aurobindo Pharmaceuticals Ltd. has given a pullback rally over 35% from its recent low of 503 made on 28th may 2017. Currently the stock is facing a stiff resistance at 200 DMA (near Rs 688). Therefore we advise traders to initiate Short position in the July future contract of the stock near Rs 685 with a stop loss of Rs 702. The downside targets are Rs 666 and Rs 647.

VGUARD Long/Buy 20th June 2017

V-Guard Industries Ltd has found a strong support near 100 DMA (at Rs 176) and thereafter gave a good pullback rally on Monday with decent volumes. Therefore we advise traders to initiate long position in the stock near Rs 186.85 with a stop loss of Rs 176. The upside targets are Rs 198 and Rs 207.

SAIL Long/Buy 6th June 2017

SAIL is consolidating from last few couple of days in the form of A-B-C. Day before yesterday it has confirmed the low point of B, So we advise our client to Buy near 57.80 for the first price target of 59.50 and second price target of 60.50 (which is expected tgt of C) with 56.20 as SL.

ACC Long/Buy 25th May 2017

In respect to price corrective fall this fall was sharp which was expected. Observed that volume is low in this sharp fall compared to impulse which is technically sound. Hence we advise to Buy near 1613 for the first price target of 1663 and second price target of 1713 with 1563 as SL. Stockhastic is also trying to move up from consolidation zone.

DABUR Long/Buy 3th April 2017

Dabur India is in continuous uptrend since January 2017. The stock has given a bullish breakout above 200 DMA with decent volumes. So some fresh buying is likely to emerge in the stock at the current level.

Table with 4 columns: FII, Buy(Cr.), Sale(Cr.), Net(Cr.) and 4 rows of data for Jul-17.

Table with 3 columns: Market, Value, % Change and 1 row of data for SGX Nifty.

Nifty Key Levels

Table with 3 columns: Support, S1 : 9570, S2: 9520 and 1 row of data for Resistance, R1 : 9710.

Market Outlook

During last one month Nifty has traded between 9550 and 9710, a range of mere 1.7%. Nifty losing volatility after sharp rally since December 2016 is a sign of maturity of our market or is this a lull before the storm, July series will surely let us figure out. In fact even global equity markets are trading strong almost in a bullet proof manner and this is amazing. US S&P 500 VIX has fallen to single digit levels. Lately cause of concern have been the performance of the broader market. Mid and Small cap stocks were leaders of the current market rally, but since middle of May Nifty Mid cap index and Nifty Small cap index surely has gone into a correction mode. And traders and short term investors need to be very cautious on small and micro cap stocks as valuation remains quite stretched for most of the small and micro cap stocks. Though Nifty continue to be in upward journey but if Nifty falls below 9500, it will bring sharper fall in mid, small and micro cap stocks. Derivative range continues to be 9550-9750 though large open interest at 9700 CE make 9700 a strong resistance for current June series. Early indication of open interest built up for July series suggests wider Nifty range and consequently sharp volatility. BankNifty particularly looks vulnerable for volatility spike led by mid and small PSU banks where NPA woes appears to be getting further aggravated due to RBI latest directives. Early July series will be full of news about GST implementation and 1QFY18 and 2QFY18 surely will see negative impact on corporate earnings. GSTN system is expected to process 3.5 billion invoices every month, a change of this order surely will be nerve wrecking for many businesses particularly smaller one. We see clarity emerging only in September as far as fundamental of the market is concerned.

Table with 5 columns: Sectoral Performance (%), 1 Day, 1 Week, 1 Month, 1 Year and 20 rows of data for various sectors.

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

Long Position				
	DII	FII	Pro	Other
Future Index	15835	204871	20805	123016
Future Stock	21716	409078	136081	906288
Option Index Call	122258	225263	195433	294910
Option Index Put	36779	324751	173729	568737
Option Stock Call	0	17171	32397	151783
Option Stock Put	0	14023	34295	67095

Short Position				
	DII	FII	Pro	Other
Future Index	28730	64006	69211	202580
Future Stock	500604	641901	65606	265052
Option Index Call	0	152900	151499	533465
Option Index Put	0	66748	287020	750228
Option Stock Call	90	14970	66624	119667
Option Stock Put	0	9130	31351	74932

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
524742	CAPPL	29.0
531266	VSTILLERS	23.6
500407	SWARAJENG	23.6
532832	IBREALEST	22.3
505726	IFBIND	18.8
511288	GRUH	16.9
511196	CANFINHOME	16.0
509966	VSTIND	15.4
533519	L&TFH	13.0
522074	ELGIEQUIP	12.6

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532890	TAKE	32.0
533088	MHRIL	25.4
500187	HSIL	20.6
532827	PAGEIND	20.0
517380	IGARASHI	19.9
532617	JETAIRWAYS	19.1
500111	RELCAPITAL	19.1
500413	THOMASCOOK	17.9
524804	AUROPARMA	15.3
533155	JUBLFOOD	14.8

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
511389	VIDEOIND	(28.18)
535648	JUSTDIAL	(18.61)
532915	RELIGARE	(18.55)
532885	CENTRALBK	(10.19)
530073	SANGHVIMOV	(8.73)
504067	ZENSARTECH	(7.53)
533573	APLLTD	(7.25)
500850	INDHOTEL	(6.41)
500315	ORIENTBANK	(5.78)
532418	ANDHRABANK	(5.72)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
532523	BIOCON	(65.42)
532843	FORTIS	(16.86)
530965	IOC	(9.25)
500570	TATAMOTORS	(8.56)
500405	SUPPETRO	(8.16)
500031	BAJAJELEC	(7.43)
500110	CHENNPETRO	(6.69)
532461	PNB	(6.52)
532755	TECHM	(6.51)
500104	HINDPETRO	(6.02)

* 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.

7th July 2017

Narnolia Securities Ltd | Market Research

Rating : Short / Sell

6-Jul-17

BSE Code	532953
NSE Symbol	AUROPHARMA
52wk Range H/L	220.85/152.10
Mkt Capital (Rs Cr)	40016
Av.Cash Volume(,000)	5190
Open Interest	12940000

Sell Price	685
Stop Loss	702
Target Price1	666
Target Price2	647
Upside in Tgt1	3%
Upside in Tgt2	6%

Technical Chart



Aurobindo Pharmaceuticals Ltd. has given a pullback rally over 35% from its recent low of 503 made on 28th may 2017. Currently the stock is facing a stiff resistance at 200 DMA (near Rs 688). A negative divergence was also witnessed in RSI on daily chart. So some profit booking is expected in the stock in extreme short term.

Therefore we advise traders to initiate Short position in the July future contract of the stock near Rs 685 with a stop loss of Rs 702. The downside targets are Rs 666 and Rs 647.

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Rating : Long / BUY

20-Jun-17

BSE Code	532953	Buy Price	186.85
NSE Symbol	VGUARD	Stop Loss	176
52wk Range H/L	220.85/152.10	Target Price1	198
Mkt Capital (Rs Cr)	7941	Target Price2	207
Av.Cash Volume(,000)	1071	Upside in Tgt1	6%
Open Interest	3591000	Upside in Tgt2	11%

Technical Chart



V-Guard Industries Ltd has found a strong support near 100 DMA (at Rs 176) and thereafter gave a good pullback rally on Monday with decent volumes.

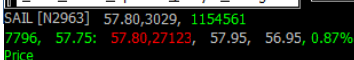
Therefore we advise traders to initiate long position in the stock near Rs 186.85 with a stop loss of Rs 176. The upside targets are Rs 198 and Rs 207.

RSI, MACD and Stochastic all are in oversold zone, suggesting some fresh buying is likely to emerge at the current level.

Initiation Date

6-Jun-17

Buy Price	57.8
Stop Loss	56.2
Target Price1	59.5
Target Price2	60.5
Upside in Tgt1	2.94
Upside in Tgt2	4.67



7th July 2017

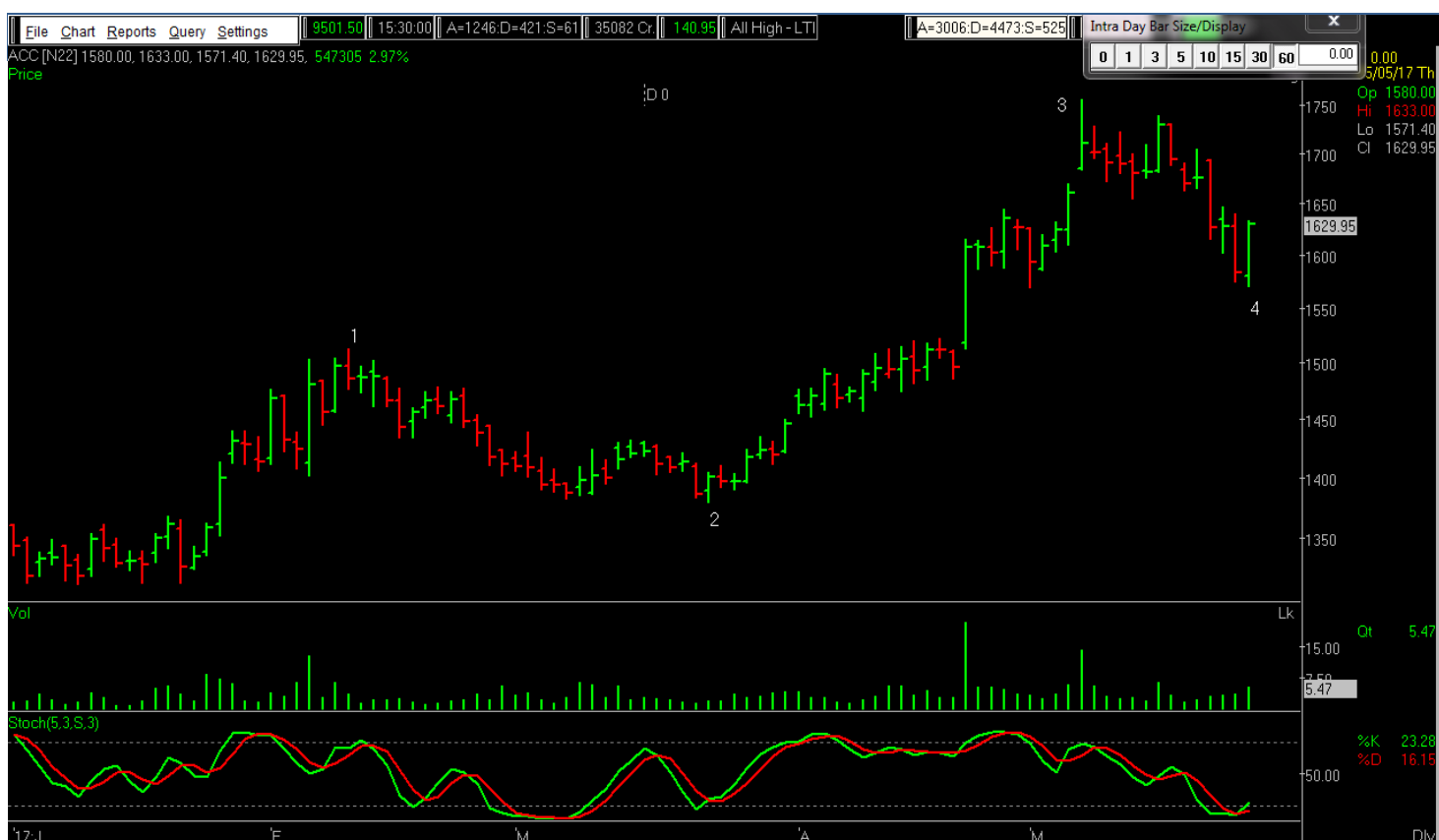
Rating : Long / BUY

Initiation Date

25-May-17

BSE Code	500410
NSE Symbol	ACC
52wk Range H/L	1753.85/1257
Mkt Capital (Rs Cr)	30322
Av.Cash Volume	15,161
Open Interest	-

Buy Price	1613
Stop Loss	1563
Target Price1	1663
Target Price2	1700
Upside in Tgt1	3.10
Upside in Tgt2	5.39



In respect to preceding corrective fall this fall was sharp which was expected. One positive thing we can observe that volume is low in this sharp fall compared to extended impulse which is technically sound. Hence we advise our client to go long near 1613 for the first price target of 1663 and second price target of 1700 with 1563 as SL. Stochastic is also trying to move up from over sold zone.

Rating : Long / BUY

Initiation Date 3-Apr-17

BSE Code	500096	Buy Price	286.9
NSE Symbol	DABUR	Stop Loss	270
52wk Range H/L	244.95/320	Target Price1	304
Mkt Capital (Rs Cr)	50556	Target Price2	327
Av.Cash Volume(,000)	598	Upside in Tgt1	6%
Open Interest	11453182	Upside in Tgt2	14%

Technical Chart



Dabur India is in continuous uptrend since January 2017. The stock has given a bullish breakout above 200 DMA with decent volumes. So some fresh buying is likely to emerge in the stock at the current level.

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Rating : Long / BUY

Initiation Date

22-Mar-17

BSE Code	500126
NSE Symbol	MERCK
52wk Range H/L	625.10/1157
Mkt Capital (Rs Cr)	1701
Av.Cash Volume(,000)	38.4
Open Interest	NA

Buy Price	1025.7
Stop Loss	928
Target Price1	1123
Target Price2	1248
Upside in Tgt1	9%
Upside in Tgt2	22%

Technical Chart



After consolidating near 50 DMA since last one month, MERCK Ltd. has given a sharp pullback rally yesterday. The stock has also given a channel breakout above Rs 1020 with decent volumes.

Therefore we advise traders to initiate long position in the stock near Rs 1025 with a stop loss of Rs 928. The upside targets are Rs 1123 and Rs 1248.

The indicators (like RSI and MACD) are in oversold zone suggesting some fresh upside in the extreme short term.

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