

Trading Calls

PETRONET

Long/Buy

6th Apr 2018

After hitting a low of 223.60, scrip started consolidation near the levels of 229 -233. Positive divergence in RSI on daily chart signifying strength. Channel support along with hammer on weekly chart further adding positive bias in the scrip. Breakout above congestion zone can add gains in coming sessions. BUY PETRONET @ 229-233 SL-222 TGT-260, 270

CUMMINSIND

Long/Buy

3rd Apr 2018

Cummins India Ltd has corrected around 30% in a time span of just three months. Currently it has found a strong support near Rs 680 and thereafter started to give pullback since last couple of trading days. Therefore we advise traders to initiate long position in the stock near Rs 727 with a stop loss of Rs 678. The upside targets are Rs 778 and Rs 824.

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 narrow range 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.

Institutional Turnover			
FII	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
11-Apr-18	4832	4470	362
Apr-18	36526	38870	(2344)
DII	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
11-Apr-18	3249	3138	112
Apr-18	26040	22246	3794

Market	Value	% Change
SGX Nifty	10444.00	0.25%

Nifty Key Levels

Support	S1 : 10360	S2 : 10290
Resistance	R1 : 10450	R2 : 10478

Market Outlook

Nifty near 100 DMA on BankNifty weekly expiry!
Wednesday, Nifty opened around 10428, made a high of 10428, then after making a low of 10355 closed lower side around 10417(+15), however entire day trading range was 73 points.

Follow-thru buying still missing although Nifty is gradually moving near our mentioned resistance of 10480-10500 levels. Occurrence of Hanging man implying caution for Bulls. Currently, 10350 act as a key support. A sustainable breach below this would apply break on the recent pullback & it can slid towards 10300 levels. Key resistances are around 10450-10478 and immediate supports are seen around 10360-10290.

Sectoral Performance (%)				
	1 Day	1 Week	1Month	1 Year
Auto Components	2.2	5.0	1.1	21.6
Automobiles	0.3	2.2	(0.4)	16.8
Chemicals	1.3	3.4	1.4	16.7
Construction Materials	0.4	1.5	(2.4)	8.3
Construction & Engg	0.2	0.1	5.2	32.5
Div. Financial Services	0.9	2.0	12.2	58.7
Electrical Equipment	1.1	2.4	(3.1)	4.9
Energy	0.6	0.1	(5.6)	10.4
Financials	0.9	1.0	(0.6)	10.9
Health Care	0.8	1.6	(3.6)	(11.0)
Household Durables	0.7	2.3	(0.0)	17.23
Household Pers. Products	1.6	1.8	3.0	12.9
Information Technology	(0.33)	1.4	(1.8)	20.9
Metals/Mining/Minerals	1.1	0.7	(8.1)	9.7
Telecom	1.3	(1.4)	(5.1)	6.6
Utilities	1.1	1.2	(1.6)	3.6

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

Long Position				
	DII	FII	Pro	Other
Future Index	25079	50614	21756	290979
Future Stock	23462	649821	147485	989771
Option Index Call	60927	220230	178693	502392
Option Index Put	80532	372689	172045	800383
Option Stock Call	332	19384	42426	220986
Option Stock Put	0	20016	39843	108974

Short Position				
	DII	FII	Pro	Other
Future Index	34485	149940	40716	163287
Future Stock	856461	456897	74860	422321
Option Index Call	0	82464	275365	604412
Option Index Put	0	131624	307563	986462
Option Stock Call	0	24604	81384	177140
Option Stock Put	0	18257	41116	109460

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
533155	JUBLFOOD	23.8
532827	PAGEIND	20.7
500114	TITAN	19.7
500304	NIITLTD	19.1
500034	BAJFINANCE	18.5
511218	SRTRANSFIN	18.0
502865	FORBESGOK	17.9
532890	TAKE	17.3
532497	RADICO	16.2
532498	SHRIRAMCIT	15.8

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
514043	HIMATSEIDE	20.6
500253	LICHSGFIN	15.0
532814	INDIANB	13.2
532149	BANKINDIA	12.7
532805	REDINGTON	12.7
532134	BANKBARODA	12.1
505714	GABRIEL	11.1
532371	TTML	10.6
523756	SREINFRA	10.6
532772	DCBbank	10.1

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
500185	HCC	(20.48)
530965	IOC	(12.20)
526612	BLUEDART	(11.77)
532622	GDL	(8.40)
532505	UCOBANK	(8.37)
532822	IDEA	(6.98)
500104	HINDPETRO	(6.57)
530813	KRBL	(5.90)
532977	BAJAJ-AUTO	(5.79)
532929	BRIGADE	(5.63)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
512599	ADANIENT	(14.48)
532144	WELCORP	(11.54)
532712	RCOM	(9.15)
522249	MAYURUNIQ	(5.57)
538835	INTELLECT	(4.46)
500470	TATASTEEL	(4.33)
532174	ICICIBANK	(4.33)
500295	VEDL	(3.81)
500116	IDBI	(3.67)
500840	EIHOTEL	(3.40)

* 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

9-Apr-18

As per our expectation, Domestic market inch higher and Nifty extend up to 10350 levels, much near our expected target of 10365 level (2nd target of AB=CD Harmonic pattern) which we caught from the lower levels of 9950 through our analysis. For further extension, it has to cross and sustain above 10365 levels from where it can extend gain till 10480 level. Escalating US trade war, political uncertainty and rising crude oil prices can become cause of concern in the coming week. Currently, Index is hovering near cluster of resistance which indicate down trend is expected to resume soon and BEARS have an upper hand in coming sessions.

Negative Data Point which turns in favour for **Bears-**

- NEGATIVE REVERSAL** on daily chart as RSI is forming higher high whereas prices are making lower highs
- Formation of **Doji** near **Channel resistance** indicating uncertainty
- Fibonacci levels also showing resistance near **61.8% retracement** of the fall from 10630 to 9950
- 50 Days EMA near 10350 level can act as resistance

Positive Data Point which can support **Bulls-**

- Sustainability above 200 days SMA (10195)
 - Formation of higher crest and higher trough remains intact
- Resistance is located at 10365 followed by 10480 levels while Support lies at 10195 followed by 10000-10010 levels. Profit booking is expected at current juncture.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	NIFTY LEVEL	JUSTIFICATION
Resistance 2	10480	Previous swing high
Resistance 1	10365	61.8% Fibonacci retracement
Close	10331	
Support 1	10195	200 DMA
Support 2	10010	Low of current week candle

Technical Chart



USDINR WEEKLY VIEW-

USDINR- Pair failed to provide any thrust on the RBI monetary policy day. It remained in the tight range and momentum was further declined. As a contrarian view, lower volatility suggests impending higher volatility. For a week , it is likely to remain in the range of 65.30 on higher side and 64.40 levels on lower side. A break is required on either of side for further directional move and this breakout is not too far.

12th Apr 2018

Narnolia Securities Ltd | Retail Technical Research

ALUMINIUM OUTLOOK

US Sanctions and Its Implications on Aluminium Prices

US have imposed sanctions on Rusal (Largest Aluminium Producer in Russia) and seven other companies to punish for the involvement in Syria, Ukraine and interfering with the elections in US in 2016. Trading houses have been advised by their banks and lawyers that they can't continue trading with the Russian company. Rusal will struggle to export as banks, traders and customers in the U.S., and internationally, stop dealing with a company blacklisted by the U.S. Treasury. Rusal, the biggest aluminum supplier outside China and second largest supplier to US, has also asked them to "immediately withhold all payments" to the company.

The prices of aluminium jumped as traders were worried Rusal would be excluded from supplying the market. Sanctions came at the time when US-China trade tariff have already limited the exports to US, leading to supply worries in coming period.

Global Aluminium Production

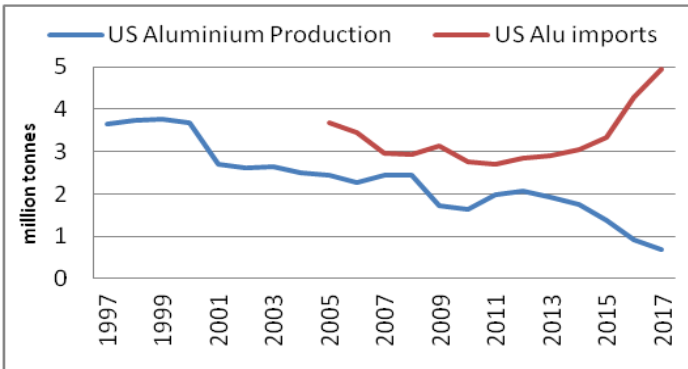
Global aluminium production is currently 63 million tonne in 2017. China is the largest global producer with 54% of global production, US produces 10% of world's aluminium production. Currently, US has imposed sanctions on Russia's largest aluminium producing company named Rusal, who produces around 7% of global aluminium output. Around 700,000 tonnes of aluminium exports are made to US. That means there will be a supply shortfall for aluminium in US and create tight supply situation in US.

Sanctions Affecting Russia

Russian sanctions led to strong recovery in aluminium prices on anticipation that the sanctions will result in production decline thus creating a deficit in the market. Russia contributes more than 7 percent to the global aluminium production Rusal produces 7% of global alumina and 4% of global bauxite supply. Bauxite and Alumina are the raw material used for the production of aluminium. Rusal produced 3.8 million tonnes of aluminium in 2017. The important point here is that Russia exports more than 10% of its production to US

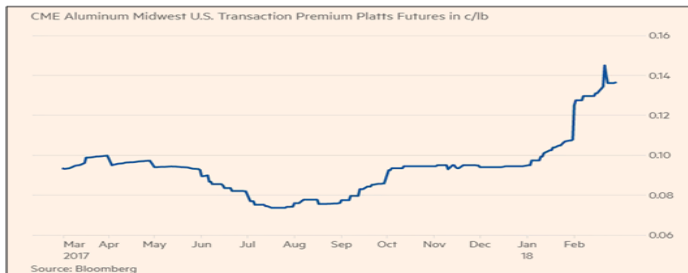
US Scenario:

In the chart below, we can see that the US aluminium output have fallen significantly since 2000 from 3.6 million to just 0.65 million tonne in 2017. This fall in production is due to shutdown of primary aluminium factories on account rising cost of production leading to lower prices. Subsidies from Chinese government and lower power cost led to higher output in China which led to lower aluminum prices. However, US production is forecasted to rise by 180,000 tons this year and 440,000 tonnes in 2019. The U.S. imported 5,046,000 metric tons of aluminum and exported 315,000 metric tons in 2017. Around 60% of aluminium is imported from Canada and rest from other countries like Russia, China, UAE etc.



China is the world's biggest aluminum producer and consumer. China's monthly average aluminum production is almost equivalent to the US's annual production. China's aluminium production continues to rise and simultaneously demand is also rising as the country is taking measures for environment protection and over capacity in sectors like steel and aluminium.

US Aluminium Premiums

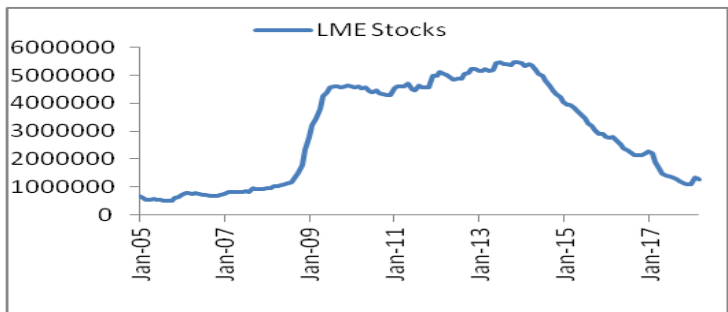


ALUMINIUM OUTLOOK

US Sanctions and Its Implications on Aluminium Prices

US CME Midwest Premium have rose 11.8 per cent on the CME exchange in New York to trade at 15 cents a pound. The contract has now risen by over 60 per cent this year to its highest level since April 2015. Russian sanctions are going to cause major changes in physical aluminium movement around the world, which is why the Midwest U.S. premium is on a charge.

LME Stockpiles:



LME aluminium stocks have fallen by 50 percent in 2017. However, Shanghai aluminium stocks have rose to the record high standing at 970,000 tonnes. Due to Russia sanctions, some traders have already halted purchases of Rusal metal, while the London Metal Exchange and Comex won't accept new deliveries.

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Outlook

With the US sanctions on Russia in place, we can see aluminium prices remain strong in the short term. Also supporting the price rise is the weaker dollar trend and stronger economic growth in 2018. We expect aluminium prices to remain supported at Rs 142 levels and can breach levels of Rs 156-160 levels in the three month time. LME Aluminium prices can test the levels of \$2350-70 per tonne with supporting levels of \$2100 on the downside.

VIEW

6-Apr-18

BSE Code		Buy Price	230
NSE Symbol	PETRONET	Stop Loss	222
52wk Range H/L	275.65	Target Price1	260
Mkt Capital (Rs Cr)	198.2	Target Price2	270
Av.Cash Volume(,000)	1690759	Upside in Tgt1	13%
Open Interest	NA	Upside in Tgt2	17%

Technical Chart



BUY PETRONET @ 229-233 SL-222 TGT-260, 270

Positive divergence on daily chart above congestion zone chart

- Suggest Buying at the mentioned levels with strict stoploss

Breakout Hammer on weekly Strong channel support

Rating : Long / BUY

3-Apr-18

BSE Code	500480	Buy Price	727
NSE Symbol	CUMMINSIND	Stop Loss	675
52wk Range H/L	1096.80/680.65	Target Price1	778
Mkt Capital (Rs Cr)	20513	Target Price2	824
Av.Cash Volume(,000)	324	Upside in Tgt1	7%
Open Interest	2133000	Upside in Tgt2	13%

Technical Chart



Cummins India Ltd has corrected around 30% in a time span of just three months. Currently it has found a strong support near Rs 680 and thereafter started to give pullback since last couple of trading days. The ADX has reached near 60 and RSI & Stochastic reached at the deep oversold zone. So some upmove is expected in the stock from the current level.

Therefore we advise traders to initiate long position in the stock near Rs 727 with a stop loss of Rs 678. The upside targets are Rs 778 and Rs 824.

2

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.



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