

### Trading Calls

PETRONET

Long/Buy

2th Aug 2017

Petronet LNG Limited has made a double bottom near Rs 198 and thereafter gave a good pullback rally yesterday. A positive divergence was also formed in RSI on daily chart. Therefore some rally is expected from the current level.

Therefore we advise traders to initiate long position in the stock near Rs 211 with a stop loss of Rs 198. The upside targets are Rs 221 and Rs 244

| Market    | Value   | % Change |
|-----------|---------|----------|
| SGX Nifty | 9748.00 | 0.22%    |

#### Nifty Key Levels

|            |           |  |
|------------|-----------|--|
| Support    | S1 : 9640 |  |
| Resistance | R1 : 9891 |  |

#### Market Outlook

Derivative Structure suggests Nifty range for August series to be 9800-10100. Current rally in Nifty is 9 month old and is among few of the rallies with such long duration. In terms of PE, market valuation appears stretched though expected earning recovery in the second half of the financial year along with consistent inflows to MFs is keeping market sentiment positive.

| Institutional Turnover |          |           |          |
|------------------------|----------|-----------|----------|
| FII                    | Buy(Cr.) | Sale(Cr.) | Net(Cr.) |
| 11-Aug-17              | 4120     | 6063      | (1944)   |
| Aug-17                 | 31652    | 32454     | (802)    |
| DII                    | Buy(Cr.) | Sale(Cr.) | Net(Cr.) |
| 11-Aug-17              | 5086     | 3069      | 2017     |
| Aug-17                 | 26927    | 22090     | 4837     |

| Sectoral Performance (%) |        |        |        |        |
|--------------------------|--------|--------|--------|--------|
|                          | 1 Day  | 1 Week | 1Month | 1 Year |
| Auto Components          | (0.9)  | 1.2    | 2.8    | 36.2   |
| Automobiles              | (0.6)  | 1.4    | 4.0    | 21.2   |
| Chemicals                | (0.5)  | (0.5)  | 0.9    | 23.6   |
| Construction Materials   | (0.1)  | 1.1    | 4.2    | 18.8   |
| Construction & Engg      | 0.2    | 0.1    | 5.2    | 32.5   |
| Div. Financial Services  | 0.9    | 2.0    | 12.2   | 58.7   |
| Electrical Equipment     | (0.6)  | (0.6)  | 2.1    | 16.1   |
| Energy                   | 1.5    | 3.0    | 10.5   | 42.9   |
| Financials               | (1.3)  | (0.4)  | 5.8    | 33.5   |
| Health Care              | (0.9)  | (3.8)  | (1.0)  | (11.3) |
| Household Durables       | (0.8)  | (2.6)  | (1.4)  | 15.98  |
| Household Pers. Products | 1.6    | 1.8    | 3.0    | 12.9   |
| Information Technology   | (0.15) | 0.2    | 4.7    | (2.8)  |
| Metals/Mining/Minerals   | (1.9)  | (1.3)  | 4.6    | 19.6   |
| Telecom                  | 1.1    | (0.0)  | 7.2    | 8.6    |
| Utilities                | (0.2)  | 1.8    | 5.6    | 19.7   |

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

| Long Position     |        |        |        |        |
|-------------------|--------|--------|--------|--------|
|                   | DII    | FII    | Pro    | Other  |
| Future Index      | 17450  | 189427 | 39818  | 141384 |
| Future Stock      | 18622  | 347935 | 140252 | 882056 |
| Option Index Call | 122267 | 285214 | 171218 | 613439 |
| Option Index Put  | 60520  | 439139 | 199343 | 509653 |
| Option Stock Call | 40     | 37136  | 48652  | 291536 |
| Option Stock Put  | 0      | 35461  | 57943  | 92112  |

| Short Position    |        |        |        |        |
|-------------------|--------|--------|--------|--------|
|                   | DII    | FII    | Pro    | Other  |
| Future Index      | 27813  | 138083 | 27419  | 194764 |
| Future Stock      | 590318 | 473193 | 66977  | 258377 |
| Option Index Call | 0      | 250373 | 328255 | 613510 |
| Option Index Put  | 0      | 154072 | 246005 | 808578 |
| Option Stock Call | 0      | 41571  | 127760 | 208033 |
| Option Stock Put  | 0      | 20849  | 53701  | 110966 |

High ES & High PS Stock Maintaining Strength

| BSE Code | NSE CODE   | 1 Month Return % |
|----------|------------|------------------|
| 532922   | EDELWEISS  | 25.0             |
| 500034   | BAJFINANCE | 18.0             |
| 532978   | BAJAJFINSV | 18.0             |
| 500490   | BAJAJHLDNG | 15.3             |
| 500114   | TITAN      | 14.5             |
| 519552   | HERITGFOOD | 14.2             |
| 500111   | RELCAPITAL | 13.9             |
| 515030   | ASAHIINDIA | 12.0             |
| 532832   | IBREALEST  | 11.8             |
| 505714   | GABRIEL    | 11.5             |

High ES & Low PS Stock Showing Strength

| BSE Code | NSE CODE   | 1 Month Return % |
|----------|------------|------------------|
| 533155   | JUBLFOOD   | 17.3             |
| 532648   | YESBANK    | 14.9             |
| 532872   | SPARC      | 12.7             |
| 532670   | RENUKA     | 10.9             |
| 507685   | WIPRO      | 9.8              |
| 500251   | TRENT      | 9.1              |
| 500067   | BLUESTARCO | 8.5              |
| 500038   | BALRAMCHIN | 8.5              |
| 522064   | HONDAPOWER | 5.3              |
| 533228   | BHARATFIN  | 2.9              |

Low ES & Low PS Stock Maintaining Weakness

| BSE Code | NSE CODE   | 1 Month Return % |
|----------|------------|------------------|
| 511389   | VIDEOIND   | (39.24)          |
| 530073   | SANGHVIMOV | (37.19)          |
| 532944   | ONMOBILE   | (26.97)          |
| 500124   | DRREDDY    | (25.21)          |
| 538835   | INTELLECT  | (23.01)          |
| 500315   | ORIENTBANK | (21.24)          |
| 532885   | CENTRALBK  | (19.54)          |
| 532276   | SYNDIBANK  | (19.38)          |
| 514162   | WELSPUNIND | (19.25)          |
| 500570   | TATAMOTORS | (18.78)          |

Low ES & High PS Stock Showing Weakness

| BSE Code | NSE CODE   | 1 Month Return % |
|----------|------------|------------------|
| 500163   | GODFRYPHLP | (28.30)          |
| 526521   | SANGHIIND  | (21.56)          |
| 533552   | RUPA       | (21.17)          |
| 512599   | ADANIENT   | (19.47)          |
| 532349   | TCI        | (18.42)          |
| 500875   | ITC        | (17.39)          |
| 532541   | NIITTECH   | (17.01)          |
| 500185   | HCC        | (16.54)          |
| 500249   | KSBPUMPS   | (15.37)          |
| 532700   | ENIL       | (14.46)          |

\* 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.

In the monthly charts, we see a well-defined Bull Channel which is in operation since December 2016. The top of the channel has been tested at least five times which makes it a very strong reference point. During the month of July the Nifty opened at 9601 and closed at 10077 forming a long green candle traversing the entire range of Bull Channel

The range of the channel and Nifty for the month of August is 10340 to 9780. Since the valuations are overstretched profits should be booked at the top end that is near 10300 levels.

At the lower end keep an eye on 9800 levels. In case Nifty goes to this level and 9800 holds it is a good opportunity to go long. But for the uptrend to continue Nifty should remain above 9800 in the month of August.

CANDLESTICK CHART



**Rating : Long / BUY**

**2-Aug-17**

|                      |            |
|----------------------|------------|
| BSE Code             | 532522     |
| NSE Symbol           | PETRONET   |
| 52wk Range H/L       | 459/198.60 |
| Mkt Capital (Rs Cr)  | 31748      |
| Av.Cash Volume(,000) | 4787       |
| Open Interest        | 15342000   |

|                |        |
|----------------|--------|
| Buy Price      | 211.65 |
| Stop Loss      | 198    |
| Target Price1  | 221    |
| Target Price2  | 244    |
| Upside in Tgt1 | 4%     |
| Upside in Tgt2 | 15%    |

### Technical Chart



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14th Aug 2017

**Narnolia Securities Ltd** | Retail Technical Research

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