Narnolia™

E Value Plus

Technical & Quant Update

14-Aug-18

Edition 1135

Trading Calls

R-25 SUNPHARMA — Long/Buy — 13th August 2018

Scrip is running in the falling channel since long but now it seems to form double bottom pattern on weekly chart. As of now, it has been consolidating near its falling trend line from last few days. RSI stands above 60 mark lending its support to price action where as MACD is also looking firm showing positive rhythm in the scrip. Probability is higher that it can take support from falling trend line and surge higher in coming sessions. One can maintain buy on dips strategy at current price as risk rewards levels are looking favorable. Decent volume can trigger momentum on upside in coming days and it can accelerate toward northward direction.

ADANIENT — Long/Buy — 10th August 2018

Surprise upmove seen in Adanient after hitting a low of 114 marks and it gave a straight surge on upside till 202-208 zone. As of now, it is started consolidating and forming mast from last few days. Breakout is expected above 209 levels from where it will surge higher and gain momentum. Indicator and oscillators lending support to its price action. One can take long position at currents levels with stop loss of 165 marks for the target of 230 and 260 marks. STDC- BUY ADANIENT @ 194-198 AND ON DIP TOWARDS 180-184 SL-165 TGT- 230, 260

MGL — Long/Buy — 10th August 2018

After the correction from the high of 1377, this counter appears to be stabilizing around 800 levels and positioning itself for rally. Sustainability above Falling wedge breakout on weekly chart and Pole & Flag breakout on shorter time frame of chart indicate strength in the prices. Positive crossover in daily MACD is showing upside momentum . The RSI is sustaining above 60 from a bottoming formation which is bullish. Once it manages to push itself above 986, the move on upside can be swift. Hence, positional traders are advised to go long with a stop 875 for the target of 1180 and 1220 marks.

REC LTD — Long/Buy — 9th August 2018

Scrip spurted from a low of 89, it showed pullback on upside towards the high of 118 marks and started consolidating there. This pullback rally and consolidation has taken the form of Pole and Flag price pattern from last few days. Currently, it is awaiting for the breakout on upside so that it can accelerate buying momentum further. Inverted H&S on longer time frame of chart suggesting bullish momentum in the scrip. Indicator and oscillator also showing conducive scenario in the coming sessions. So

SRTRANSFIN — Long/Buy — 8th August 2018

Shriram Transport Finance has confirmed the reversal of its current downtrend. It also gave a bullish breakout above 50 DMA & 200 DMA on 26th July, 2018 and thereafter it is consolidating above these DMAs since last few days. So some fresh upmove is expected from the current level in the short term. Therefore we recommend initiating long position in the stock near Rs 1426 with a stop loss of Rs 1374. The upside targets are Rs 1514 and Rs 1594.

R-25 VEDL — Long/Buy — 8th August 2018

Scrip has witnessed a decent correction from the peak of 355 to show signs of bottoming out at around 215-220 levels and currently It gave faling channel breakout on weekly chart to show strength and is poised for an upward move in coming days with bias improving and turning out to positive. Back to back white candles above falling channel breakout also giving cues for going north in the stock. RSI seems to be bottoming out near oversold zone and Positive crossover in MACD also conducive for its upmove. With decent volume participation , we recommend buy in this stock.

Market	Value	% Change
SGX Nifty	11384.00	-0.05%

Nifty Key Levels

Support	S1 : 11350	S2 : 11250
Resistance	R1 : 11400	R2 : 11450

Market Outlook

Currency jitter weighed on market sentimhent due to this market defy an excellent data of IIP. Nifty form falling window suggest weakness but it needs further confirmation. As it is traded near its rising trendline, possibility of bounce back can not ruled out. Now it has to surpass and sustain above 11400 level to get a consolidated move while a sustainbility below 11350 level could open a tunnel on lower side till 11250 levels.

Support: 11350/ 11250 Resistance: 11400/11450

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
13-Aug-18	3,418	4,389	(972)
Aug-18	37,983	38,704	300
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
13-Aug-18	3,472	3,256	216
Aug-18	29,396	29,693	(298)

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	(1.22)	(2.10)	2.89	8.87
Automobiles	(0.57)	(0.19)	(3.76)	5.35
Auto Components	(1.22)	(2.10)	2.89	8.87
Construction & Engineering	(0.19)	(2.98)	(0.80)	4.52
Construction Materials	(1.63)	(2.18)	4.90	(4.49)
Diversified Financial Services	(1.57)	(1.22)	5.94	14.10
Electrical Equipment	(0.79)	(0.47)	7.32	7.88
Energy	(1.74)	(1.61)	6.04	16.82
Financials	(1.44)	(1.09)	4.49	12.72
Health Care	0.21	(1.90)	2.74	12.29
Household Durables	(0.53)	(1.88)	5.03	21.34
Household & Personal Products	(0.57)	(0.07)	1.89	38.00
Information Technology	0.85	1.55	1.72	42.63
Metals/Mining/Minerals	(0.33)	(0.35)	3.88	9.13
Telecom	(0.57)	(2.97)	0.62	(16.71)
Utilities	(1.03)	(0.86)	5.19	(5.88)

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

Long Position

	DII	FII	Pro	Other
Future Index	33553	177710	19379	237427
Future Stock	36470	711759	158496	959541
Option Index Call	30578	221901	162764	391892
Option Index Put	90642	250819	175257	654696
Option Stock Call	0	31761	58014	341585
Option Stock Put	0	32037	58640	144701

Short Position

	DII	FII	Pro	Other
Future Index	85991	144997	55150	181931
Future Stock	921576	431860	96487	416343
Option Index Call	0	65565	211152	530418
Option Index Put	0	173816	252463	745135
Option Stock Call	182	38974	141682	250522
Option Stock Put	0	29301	62623	143454

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
500126	MERCK	27.3
532511	EXCELCROP	26.6
532134	BANKBARODA	21.7
517354	HAVELLS	20.2
517174	HONAUT	19.3
532371	TTML	17.7
500096	DABUR	16.7
538666	SHARDACROP	16.2
500674	SANOFI	16.2
500292	HEIDELBERG	15.8

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532938	CAPF	15.4
531500	RAJESHEXPO	15.0
532179	CORPBANK	14.5
532388	IOB	13.3
532331	AJANTPHARM	12.1
532531	STAR	12.0
503806	SRF	11.7
532524	PTC	11.1
500049	BEL	10.8
505192	SMLISUZU	8.3

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
538562	SKIPPER	(26.37)
511389	VIDEOIND	(26.32)
532662	HTMEDIA	(21.85)
523598	SCI	(10.97)
532654	MCLEODRUSS	(10.16)
500085	CHAMBLFERT	(8.85)
500380	JKLAKSHMI	(7.92)
532929	BRIGADE	(6.75)
500570	TATAMOTORS	(6.74)
522275	ALSTOMT&D	(6.20)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
532977	BAJAJ-AUTO	(15.13)
500252	LAXMIMACH	(12.34)
507488	GMBREW	(10.88)
532839	DISHTV	(10.16)
532819	MINDTREE	(8.88)
524000	MAGMA	(8.82)
523457	LINDEINDIA	(8.17)
519600	CCL	(7.69)
532944	ONMOBILE	(6.72)
532523	BIOCON	(6.59)

* 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 companiy is relative price performance in multiple time-frame

Analysis shown here is only for companies with market cap more than Rs 1,000 Cr.

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NIFTY

Nifty Weekly

13-Aug-18

VIEW

Despite having negative global cues regarding tariffs wars, sanction on Iran and political skirmishes among US, China and Russia, Market continued to role on punches and made peaks throughout the week. On Friday, Indices took a breather after a trading at record levels. However, Bulls seems to be in complete control and uptrend remains intact. Dynamics remain in a predefined trajectory as long as it holds recent swing low which will act as crucial support. **IIP grew 7% in June** as compared with 3.2% on MoM at 5 months high which will also boost the sentiment of market participants. Although some blip in the momentum can be seen in the form of consolidation or minor correction due to negative divergence, overheated oscillators and emergence of reversal candlesticks pattern on shorter time frame of chart.

NIFTY-

a) The sequence of higher crests and higher troughs remains intact on weekly chart which is showing strength in the rally

b) We highlighted in our previous articles, "Although Nifty is approaching towards its **upper band of bollinger** which is also coincide with **accelertion band of 50 DMA** where it can face fierce resistance in coming sessions," this happend as profit booking is seen near this mentioned levels.

c) Weekly Technical indicators firm- Weekly RSI firm above 70 (entered overbought zone); MACD line as well as Signal line & MACD histogram holds firm in the positive territory; +DI inches above 35 and ADX is around 20 which are supportive; however Divergence on RSI & MACD signals caution.

d) Cluster of short term channel support and retest of medium term channel breakdown makes 11355 followed by 11230 a strong support, until this hold bias certainly remains positive with extrapolated levels of 11500-11600 levels.

CHART ANALYSIS

SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11600	Psychological level
Resistance 1	11500	Peak of current week
Close	11429	
Support 1	11355	Low of current week
Support 2	11230	Point of polarity

Narnolia™ BANKNIFTY

Banknifty Weekly

13-Aug-18

Banknifty hit its life time higher price of 28373.90 on last Friday. However it was unable to maintain the same and a sharp selling pressure was witnessed towards the closing session and the index continuously fell from the day's higher level. However as far as weekly closing is concerned, Banknifty ended the week with a net gain of 1.55%.

OBSERVATIONS:

1) A **'Bearish Engulfing'** pattern was formed on daily candlestick chart. This pattern usually indicates a peak or slowdown in advancement of the index.
2) **Negative Divergences** were formed both in RSI & Stochastic . These patterns are indicative of the reversal of current uptrend.

Therefore we expect some profit booking in Banknifty from the current level and the index is likely to test 27750 and then 27327 in the near future.

CHART ANALYSIS

SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	28407
Resistance 1	28374
Close	28124
Support 1	27750
Support 2	27327

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USDINR

USDINR Weekly

13-Aug-18

VIEW

India's battered currency has been trading in a tight range for last 7 consecutive weeks which is not far from its historic low. It hampered by higher oil prices and confrontational attitude of the US with the rest of the world which could create havoc and can push it to a new record low against the dollar. The widening current account deficit and steady capital outflows also weighed on the rupee. However, excellent data of IIP which came on friday can help rupee to sustain below 69.10-69.20 levels in coming sessions.

TECHNICAL FACTORS-

a) Crucial resistance @ **69.10-69.20** - **Make or Break zone** - Multiple high seen between 69-69.20 zone from where it has reversed 4 to 5 times earlier

b) Formation of **Pole and Flag breakout** above 69.20 level can lead to spurt on upside in the medium term which can be to the tune of 71 and 72.50 levels

c) 38.20 % Fibonacci retracement of the last up-leg from **66.80 to 69.10 is at 68.20** and 23.6% retracement of the bigger up-move from **63.25 to 69.10 is at 67.70** where decent support lies

d) A break **below 67.70** is crucial for any sustained downside move in the pair

e) Indicator losing momentum -Weekly RSI continues to show divergence and declining MACD histogram suggests upside is likely to be capped

CHART

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SUNPHARMA

R-25: BUY SUNPHARMA

13-Aug-18

BSE Code	524715
BSE Symbol	SUNPHARMA
52wk Range H/L	433/
Mkt Capital (Rs Cr)	8,148.50
Av.Cash Volume(,000)	159830
Open Interest	NA

Buy Price	555
Stop Loss	468
Target Price1	650
Target Price2	690
Upside in Tgt1	17%
Upside in Tgt2	47%

Technical Chart

STDC- BUY SUNPHARMA AT 555-560 OR ON DIP TOWARDS 525-532, SL BELOW 468 (CLOSING BASIS), T1- 650, T2-690

Scrip is running in the falling channel since long but now it seems to form double bottom pattern on weekly chart. As of now, it has been consolidating near its falling trend line from last few days. RSI stands above 60 mark lending its support to price action where as MACD is also looking firm showing positive rhythm in the scrip. Probability is higher that it can take support from falling trend line and surge higher in coming sessions. One can maintain buy on dips strategy at current price as risk rewards levels are looking favorable. Decent volume can trigger momentum on upside in coming days and it can accelerate toward northward direction.

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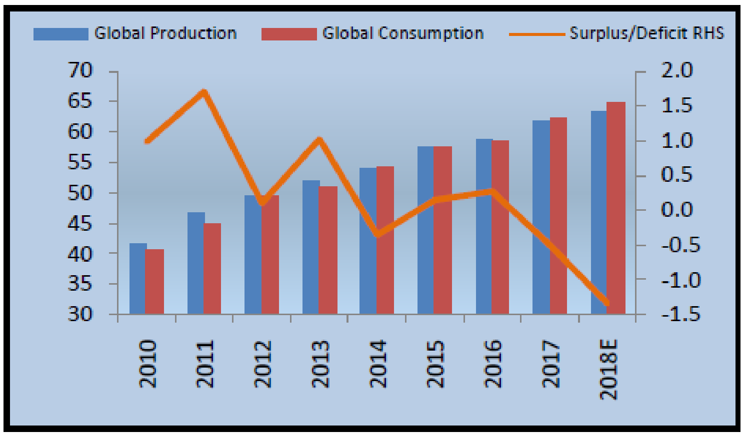
Aluminium Prices Set to Rebound on Winter Curbs 10-August-18

LME Aluminium Prices have sunk by almost a fifth from their peak due to escalating trade tensions between the U.S. and China that threaten global growth. Easing sanctions on Rusal by the U.S. have erased supply concerns after it extended the deadline for winding down operations until October. All this news together made the aluminium prices to wipe out its previous quarter gains; providing an opportunity to initiate buy at the support levels.

Global Aluminium Demand Supply

Global aluminium market is expected to be in deficit of 1.5-1.2 million tonnes this year. Supply constraints in China during winter will keep the supply situation tight even as the new supply comes in. From the demand side, stable growth in China, strong infrastructure demand and rising demand from automobile sector and fiscal policies in China will keep prices supported and push the global aluminium market in deficit.



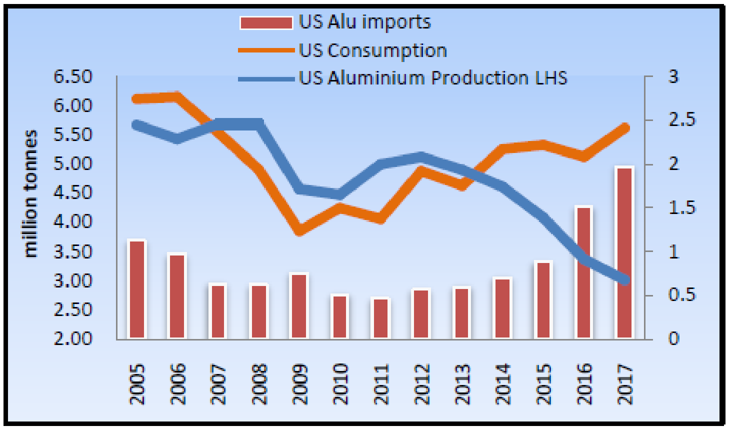
Source: Bloomberg, Narnolia Research

China Winter Curbs

Winter Curbs in China are aimed at reducing pollution levels in the country and worldwide as a whole. China's output curbs in winter starts from October this year and ends in March-19. During this period, the aluminium producers have to comply with 30 percent cut in output to maintain targeted level of pollution. Beijing has taken these steps to limit the use of coal for power generation as it leads to pollution. Aluminium smelters require large amount of electricity which is mostly generated from coal. Therefore, we expect a number of capacity closures in China during this period.

China Aluminium output has increased by just 0.2% on year on year basis in July while the output reduced by 2.2% during the first seven month of 2018 as compared to the same period last year. The fall in output has been due to delay in the start of new capacity as the old capacity shuts down. Higher aluminium exports from China in July are 519,000 tonnes, which is up by 18 percent as compared to last year. This rise has been ahead of US tariffs imposition on steel and aluminium products.

United States Scenario



The U.S. imports started to rise since 2013 from 2.89 million tonnes to 4.9 million tonnes in 2017 to fill the demand-supply gap due to the nation's drastic fall in production. Around 60% of aluminium is imported from Canada and rest from other countries like Russia, China, UAE etc. Strong US growth prospects will lead to increase in demand for aluminium as the nation will unable to swiftly increase its production.

Demand Side

Aluminium demand is expected to remain in upward trajectory on strong pick-up in demand from world-wide. Global aluminium consumption growth is currently running at 4-5% every year. Aluminium consumption pattern in China will shift from infrastructure and power to automobiles and packaging on Chinese government policies following consumer driven growth approach. US demand is also on the rise for the next few years as the housing market recovers, car sales continue to show improvement and aluminium demand benefits from its new applications, particularly in the automotive sector.

Automakers are more and more turning to aluminum as they seek to reduce vehicle weights to meet stricter fuel-efficiency standards and thereby increasing the usage of aluminium in the automobile sector. Stringent regulation have been followed by United States and Europe which is now being followed by China as well encourages the producers to use light weighted aluminium in auto production.

Supply Curtailment to Support Prices

China – China's policy to cut its aluminium output by 30% during the winter period will limit the supply from the world's largest producer of aluminium. China accounts for more than 55% of global aluminium production. Therefore, any decline in output will affect the prices significantly.

Rusal – Rusal, the world's largest aluminium producer says if the US sanctions are not lifted, some of the production will be halted in September. Under the terms of the sanctions, U.S. customers are complied to stop business with Rusal by Oct. 23. The company also planned to idle the Nadvoitsy aluminium smelter which produces 12000 tons of output in 2017.

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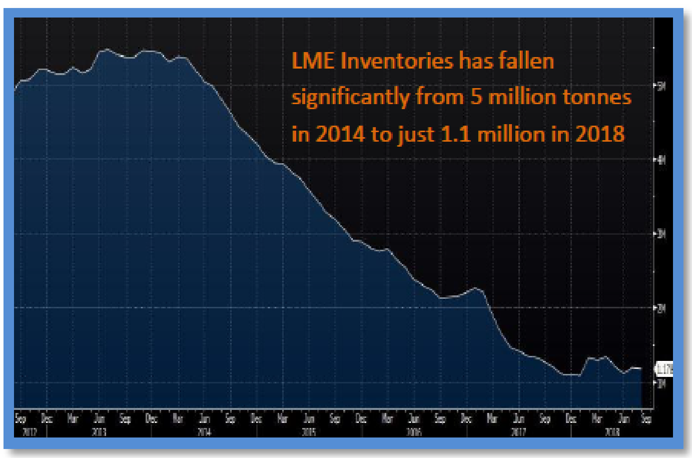
Brazil Alumina Smelter – Supply disruption in Brazil's alumina plant have inflated alumina prices (a raw material of aluminium) has increased the cost of production of aluminium. Brazil's Alunorte smelter, the world's largest alumina refinery has declared force majeure due to environmental concerns. Due to this, 50% of the Albras aluminium smelter in Brazil has planned to reduce its capacity by half on account of limited alumina supply. The smelter produces 460,000 tons of output annually.

Alcoa's Alumina in Australia - An indefinite Strike at Alcoa's Australia Alumina refinery has taken place over an enterprise agreement dispute. It accounts for around 9.3 million tonnes of capacity or some 8 percent of the world's alumina supply. This further adds tightness to the ongoing supply concerns in alumina market. Since, alumina comprises of 40% of aluminium cost, therefore any spike in alumina prices will put upward pressure in aluminium prices.

Tight Inventories

LME aluminium stocks have fallen by 50 percent in 2017 and continue to remain near lows in 2018. Cancelled warrants have started to rise this month and currently stand at 28%. LME inventories have been treading lower since 2014 with just 1.7 million tonnes remaining, providing support to the prices. However, Shanghai aluminium stocks have rose to the record high standing at 900,000 tonnes till date.



Source: Bloomberg, Narnolia Research

Outlook

We believe prices will remain firm on stable demand for aluminium, rising costs of raw materials like alumina and power which will increase the cost of production, lower inventories at LME, smelter hits in Brazil and Australia and capacity curbs in China are supporting factors and will contribute towards price increase. The only reason likely to discourage prices will be US-China tariff conflict which will negatively impact overall economic demand. We expect Aluminium prices to remain positive and test the levels of Rs 153-157 per kg on MCX in the coming quarter of 2018.

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ADANIENT

STDC : Long / BUY

10-Aug-18

BSE Code	512599
NSE Symbol	ADANIENT
52wk Range H/L	99/211
Mkt Capital (Rs Cr)	1,03,768.58
Av.Cash Volume(,000)	5508.67
Open Interest	

Buy Price	187
Stop Loss	165
Target Price1	230
Target Price2	260
Upside in Tgt1	23%
Upside in Tgt2	39%

Technical Chart

STDC- BUY ADANIENT @ 194-198 AND ON DIP TOWARDS 180-184 SL-165 TGT- 230, 260

Surprise upmove seen in Adanient after hitting a low of 114 marks and it gave a straight surge on upside till 202-208 zone. As of now, it is started consolidating and forming mast from last few days. Breakout is expected above 209 levels from where it will surge higher and gain momentum. Indicator and oscillators lending support to its price action. One can take long position at currents levels with stop loss of 165 marks for the target of 230 and 260 marks.

Narnolia™ MGL

STDC : Long / BUY

10-Aug-18

BSE Code	539957
NSE Symbol	MGL
52wk Range H/L	1377/772
Mkt Capital (Rs Cr)	1,03,768.58
Av.Cash Volume(,000)	6,72,201
Open Interest	

Buy Price	925
Stop Loss	875
Target Price1	1180
Target Price2	1220
Upside in Tgt1	28%
Upside in Tgt2	32%

Technical Chart

STDC- BUY MGL AT 940-950 OR DIP TOWARDS 910-920, SL – 875 (CLOSING BASIS), T1- 1180, 1220

After the correction from the high of 1377, this counter appears to be stabilizing around 800 levels and positioning itself for rally. Sustainability above Falling wedge breakout on weekly chart and Pole & Flag breakout on shorter time frame of chart indicate strength in the prices. Positive crossover in daily MACD is showing upside momentum . The RSI is sustaining above 60 from a bottoming formation which is bullish. Once it manages to push itself above 986, the move on upside can be swift. Hence, positional traders are advised to go long with a stop 875 for the target of 1180 and 1220 marks.

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RECLTD

STDC : Long / BUY

9-Aug-18

BSE Code	532995		Buy Price	111.25
NSE Symbol	RECLTD		Stop Loss	102
52wk Range H/L	184/89		Target Price1	130
Mkt Capital (Rs Cr)	9,592.77		Target Price2	136
Av.Cash Volume(,000)	5472192		Upside in Tgt1	17%
Open Interest			Upside in Tgt2	22%

Technical Chart

STDC-:BUY RECLTD @ 112-115 OR ON DIP TOWARDS108-110 SL- 102 (CLOSING BASIS) TGT- 130, 136

Scrip spurted from a low of 89, it showed pullback on upside towards the high of 118 marks and started consolidating there. This pullback rally and consolidation has taken the form of Pole and Flag price pattern from last few days. Currently, it is awaiting for the breakout on upside so that it can accelerate buying momentum further. Inverted H&S on longer time frame of chart suggesting bullish momentum in the scrip. Indicator and oscillator also showing conducive scenario in the coming sessions. So based on the mentioned technical structure we expect that price may see momentum on upside and hit our target of 130 and 136 marks.

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VEDL

R-25 : Long / BUY

8-Aug-18

BSE Code	500295		Buy Price	211.5
NSE Symbol	VEDL		Stop Loss	179
52wk Range H/L	355/270		Target Price1	260
Mkt Capital (Rs Cr)	40,721.89		Target Price2	275
Av.Cash Volume(,000)	10712428		Upside in Tgt1	23%
Open Interest			Upside in Tgt2	30%

Technical Chart

R-25:BUY VEDL AROUND 220-225 AND AROUND 205-210 SL- 179 (CLOSING BASIS) TGT- 260, 275

Scrip has witnessed a decent correction from the peak of 355 to show signs of bottoming out at around 215-220 levels and currently It gave faling channel breakout on weekly chart to show strength and is poised for an upward move in coming days with bias improving and turning out to positive. Back to back white candles above falling channel breakout also giving cues for going north in the stock. RSI seems to be bottoming out near oversold zone and Positive crossover in MACD also conducive for its upmove. With decent volume participation , we recommend buy in this stock.

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SRTRANSFIN

Rating : Long / BUY

8-Aug-18

BSE Code	511218
NSE Symbol	SRTRANSFIN
52wk Range H/L	1668.75/917.70
Mkt Capital (Rs Cr)	32376.95
Av.Cash Volume(,000)	468
Open Interest	3468600

Buy Price	1426
Stop Loss	1374
Target Price1	1514
Target Price2	1594
Upside in Tgt1	6%
Upside in Tgt2	12%

Technical Chart

Shriram Transport Finance has confirmed the reversal of its current downtrend. It also gave a bullish breakout above 50 DMA & 200 DMA on 26th July, 2018 and thereafter it is consolidating above these DMAs since last few days. So some fresh upmove is expected from the current level in the short term.

Therefore we recommend initiating long position in the stock near Rs 1426 with a stop loss of Rs 1374. The upside targets are Rs 1514 and Rs 1594.

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UPL

Rating : Long / BUY

6-Aug-18

BSE Code	512070
NSE Symbol	UPL
52wk Range H/L	893.45/537.90
Mkt Capital (Rs Cr)	33412.88
Av.Cash Volume(,000)	1050
Open Interest	16015200

Buy Price	652
Stop Loss	619
Target Price1	684
Target Price2	714
Upside in Tgt1	5%
Upside in Tgt2	10%

Technical Chart

After giving a long upmove on 23rd September 2018, UPL Ltd has been consolidating in a tight range near 50 DMA. Yesterday the stock gave a bullish breakout above 50 DMA (currently is at 643). So some fresh upmove is very likely from the current level.

Therefore we recommend initiating long position in the stock near Rs 652 with a stop loss of Rs 619. The upside targets are Rs 684 and Rs 714.

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COLPAL

STDC- BUY COLPAL

4-Aug-18

BSE Code	500830		Buy Price	1104
BSE Symbol	COLPAL		Stop Loss	1050
52wk Range H/L	70/35		Target Price1	1200
Mkt Capital (Rs Cr)	14,965.00		Target Price2	1240
Av.Cash Volume(,000)	302274		Upside in Tgt1	9%
Open Interest	NA		Upside in Tgt2	18%

Technical Chart

STDC- BUY COLPAL AT 1117-1123 OR ON DIP TOWARDS 1085-1095, SL BELOW 1050 (CLOSING BASIS), T1- 1200, T2-1240

After hitting a peak of 1281 level, scrip gave a sharp decline towards its lower levels then after it formed three white soldier which suggested bounce back. After that it showed some blip in the momentum and started consolidation in the range of 1110-1150 zone. Currently , it is on the verge of forming Inverted H&S which is hinting of upside move. RSI is looking firms with its respective levels whereas MACD is showing bullish crossover in its negative territory and both these parameters suggest the possibility of pullback on higher side.

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JAMNAAUTO

Rating : Long / BUY

31-Jul-18

BSE Code	520051
NSE Symbol	JAMNAAUTO
52wk Range H/L	102.95/51.90
Mkt Capital (Rs Cr)	3387
Av.Cash Volume(,000)	944
Open Interest	N.A

Buy Price	85
Stop Loss	78
Target Price1	92
Target Price2	98
Upside in Tgt1	8%
Upside in Tgt2	15%

Technical Chart

Jamna Auto Ltd has corrected 23.5% from its recent low of 102.95 made on 2nd May 2018. Currently the stock has made a double bottom near Rs 79 and thereafter started to give pullback from that level. Positive divergences also formed both in RSI and Stochastic. So some strong pullback rally is very likely from the current level. Therefore we advise initiating fresh long position in the stock at Rs 85 by keeping a stop loss at Rs 78 and the upside targets are Rs 92 and Rs 98.

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IDFC BANK

STDC- BUY IDFC BANK **27-Jul-18**

BSE Code	539437		Buy Price	38.35
BSE Symbol	IDFC BANK		Stop Loss	35.4
52wk Range H/L	70/35		Target Price1	43
Mkt Capital (Rs Cr)	5,201.48		Target Price2	45
Av.Cash Volume(,000)	4725870		Upside in Tgt1	12%
Open Interest	NA		Upside in Tgt2	27%

Technical Chart

STDC- BUY IDFC BANK AT 39 OR ON DIP TOWARDS 37.60-38, SL BELOW 35.50 (CLOSING BASIS), T1- 43, T2-45

The stock has witnessed a decent correction from the peak of 70 to show sign of bottoming out at around 37-39 levels and currently evolved morning star on weekly chart to show strength and poised for an upward movement in the coming days with the bias improving and turning out positive. RSI also has been hovering near the oversold zone and started curling on upside to signify still more further rise and with decent volume participation witnessed, we suggest a long in this stock for an upside target of 43 and 45, keeping a stop loss of 39.50

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DLF

STDC- BUY DLF

26-Jul-18

BSE Code	532178
BSE Symbol	DLF
52wk Range H/L	273/153
Mkt Capital (Rs Cr)	8184.51
Av.Cash Volume(,000)	63,91,615.00
Open Interest	NA

Buy Price	185
Stop Loss	167
Target Price1	215
Target Price2	225
Upside in Tgt1	16%
Upside in Tgt2	35%

Technical Chart

STDC- BUY DLF AT 187-190 OR ON DIP TOWARDS 177-180, SL BELOW 167 (CLOSING BASIS), T1- 215, T2-225

Prices of DLF has seen a sharp rebound after hitting a low of 168 where its key support is seen. Emergence of Tweezers bottom on weekly chart giving the possibility of pullback at higher side in coming sessions. Moreover, Prices are forming Falling wedge pattern on longer time frame of chart and resolute breakout is expected to come above 196-197 from where it will increase its velocity. RSI also gave trendline breakout after bottoming out near oversold zone and weekly MACD in uptrend along with declining histogram in negative territory thus supports bullish bias in the stock.

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APOLLOHOSP

BUY - APOLLOHOSP

25-Jul-18

BSE Code	508869	Buy Price	930
BSE Symbol	APOLLOHOSP	Stop Loss	840
52wk Range H/L	911/1319	Target Price1	1080
Mkt Capital (Rs Cr)	13,043.68	Target Price2	1140
Av.Cash Volume(,000)	281739	Upside in Tgt1	16%
Open Interest	NA	Upside in Tgt2	23%

Technical Chart

STDC- BUY APOLLOHOSP AT 944-951 OR DIP TOWARDS 900-910, SL – 840 (CLOSING BASIS), T1- 1080, 1140

Scrip has seen a corrective decline from its recent high of 1263 and decent halt is seen near 910-920 levels as it formed spinning top pattern. on weekly chart which can give oxygen to Bulls. Positive divergence in RSI and Bullish crossover in MACD showing strength. In shorter time frame of chart, It is going to form Inverted H&S pattern but breakout is expected to come above 960 from where it can extend up to our mentioned target.

Narnolia™

ENGINERSIN

STDC- BUY ENGINERSIN **24-Jul-18**

BSE Code	532178		Buy Price	120
BSE Symbol	ENGINERIN		Stop Loss	113
52wk Range H/L	117/206		Target Price1	139
Mkt Capital (Rs Cr)	8,148.50		Target Price2	146
Av.Cash Volume(,000)	39118		Upside in Tgt1	16%
Open Interest	NA		Upside in Tgt2	29%

Technical Chart

STDC- BUY ENGINERSIN AT 123-126 OR ON DIP TOWARDS 118-121, SL BELOW 113 (CLOSING BASIS), T1- 139, T2-146

After hitting a peak of 206, Scrip followed the path of southward gradually. Point of polarity creates the opportunity of role reversal near the levels of 118-121 where it can halts its southward movement and gives the chance of maintaining the favorable risk reward ratio. Positive divergence in RSI and Bullish crossover in MACD push the scrip on the higher side. Buying momentum will develop when it surpass above 132-133 with decent volume after which it will accelerate towards 139 and 146 mark. If it will give closing above 126 on weekly chart then it forms Morning star which will also create bullish sentiment for the scrip.

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GLENMARK

STDC- BUY GLENMARK

24-Jul-18

BSE Code	532296
BSE Symbol	GLENMARK
52wk Range H/L	483/748
Mkt Capital (Rs Cr)	15,904.00
Av.Cash Volume(,000)	94.35
Open Interest	NA

Buy Price	120
Stop Loss	113
Target Price1	139
Target Price2	146
Upside in Tgt1	16%
Upside in Tgt2	29%

Technical Chart

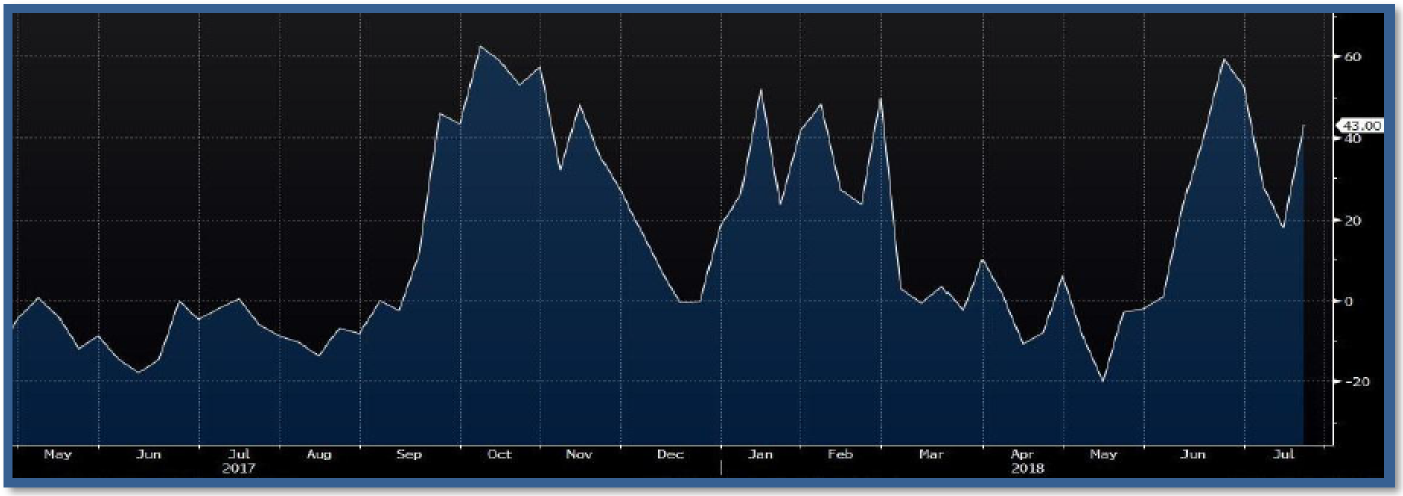
STDC- BUY GLENMARK AT 560-565 OR ON DIP TOWARDS 545-550, SL BELOW 515 (CLOSING BASIS), T1- 620, T2-640

Scrip has been running in the falling channel since long and it gave break out before few week. As of now, it is again testing its upper base line of falling channel from where possibility of bounce back arises. Declining MACD histogram in negative territory also showing bullishness in coming sessions. Bulls candle near rising line showing firm base at lower levels. Upside momentum is expected to come above 573 from where it is expected to rise till 620 and 640 levels. At current levels, one can go long with the stop loss of 515 for above mentioned target.

Zinc – Bargain Buy 24-Jul-18

Zinc prices have fallen by 23 percent during the last 30 days and it was the biggest loser among the metal complex. Zinc was the biggest hit as it was the only metal which had rallied the most and prices fell on lower deficit expectation and new zinc concentrate supply coming into the market and last and the most important reason is the US-China trade conflict. However, we believe selling in the counter is overdone and going forward we expect Zinc prices to turn positive ahead of drop in Chinese zinc production and lower inventories.

LME Zinc Cash-3M



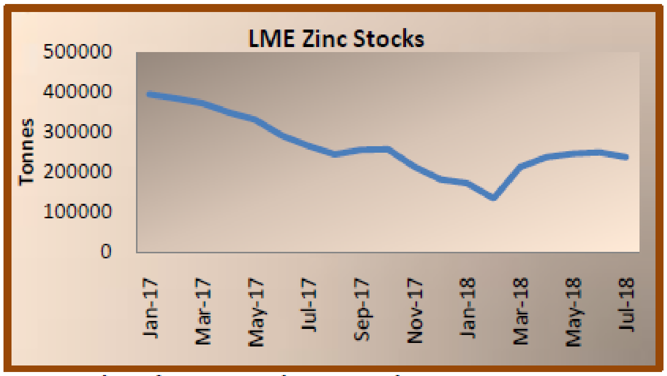
LME Zinc Cash to 3Month reversed its recent downfall and moved higher towards $43 suggest the backwardation still in play and therefore, this scenario indicates supply tightness in the refined metal that will likely keep the short sellers away and prices supportive.

Zinc Still A Deficit Market

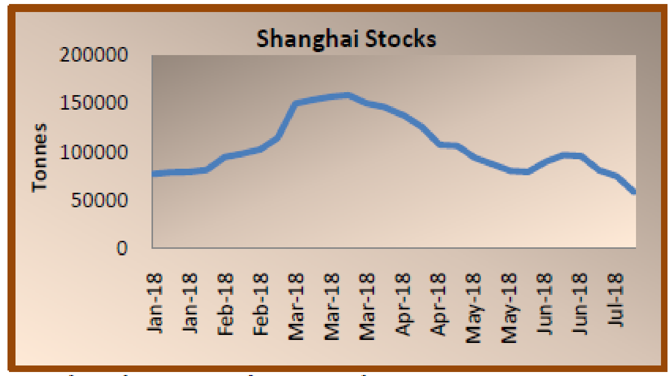
Zinc market is still in deficit, however the deficit this year is expected to be much smaller than the last year. As per ILZSG, Global zinc market balance continues to remain in deficit this year. The group expects the demand to exceed supply by 239,000 tonnes in 2018, although a lower deficit figure than the 460,000 tonnes in 2017.

Inventories falling in Both the Exchanges

Zinc inventories have been falling in both the Shanghai and LME warehouses, indicating a tightness to occur in future and hence the prices are expected to rise. Shanghai stock have dropped to just 58,000 tonnes, which is the lowest since 2008 level. And LME inventories are trending continuously lower since the last six trading sessions standing at 237,000 tonnes, down 60% since September 2015.



Source: Bloomberg, Narnolia Research



Source: Bloomberg, Narnolia Research

Fall in China's Zinc Output

A continuous fall in Zinc prices have reduced the smelting margins of the Chinese smelters which is prompting one of the largest China zinc producer Dongling to cut the refined production by 10%. Many zinc smelters have lengthened the maintenance to reduce output while some producers have curbed their production. Also, Chinese government push towards clean environment has constrained the production of most of the zinc mining, smelting and refining activities.

China's zinc production in June fell by 5% to 475,000 tons and further the output is expected to decline in July as well as more smelters undergoes maintenance.

Therefore, all the above factors mentioned makes us to come to a conclusion that the zinc prices are at an attractive buy levels and we expect MCX zinc prices to test 190-195 levels in the coming weeks.

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CADILA

STDC- BUY CADILA 17-Jul-18

BSE Code	532321		Buy Price	351
BSE Symbol	CADILA		Stop Loss	329
52wk Range H/L	341/554.9		Target Price1	384
Mkt Capital (Rs Cr)	40,721.89		Target Price2	400
Av.Cash Volume(,000)	10712428		Upside in Tgt1	9%
Open Interest	NA		Upside in Tgt2	0.215805471

Technical Chart

STDC- BUY CADILA AT 349-353, SL BELOW 329 (CLOSING BASIS), T1- 384, T2-400

1. Completion of Bullish **Gartlay Harmonic pattern** suggest up move

2. Formation of **Double bottom pattern** in **oversold zone** of **RSI** creating positive sentiment

3. Bullish crossover in **MACD** also indicating positive rhythm

4. If pattern unfolds, one can expect good move in coming session.

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JINDAL STEEL

STDC- BUY JINDAL STEEL **12-Jul-18**

BSE Code	532286		Buy Price	212.5
BSE Symbol	JINDAL STEEL		Stop Loss	170
52wk Range H/L	294/112		Target Price1	265
Mkt Capital (Rs Cr)	21,193.19		Target Price2	280
Av.Cash Volume(,000)	9368740		Upside in Tgt1	25%
Open Interest	NA		Upside in Tgt2	65%

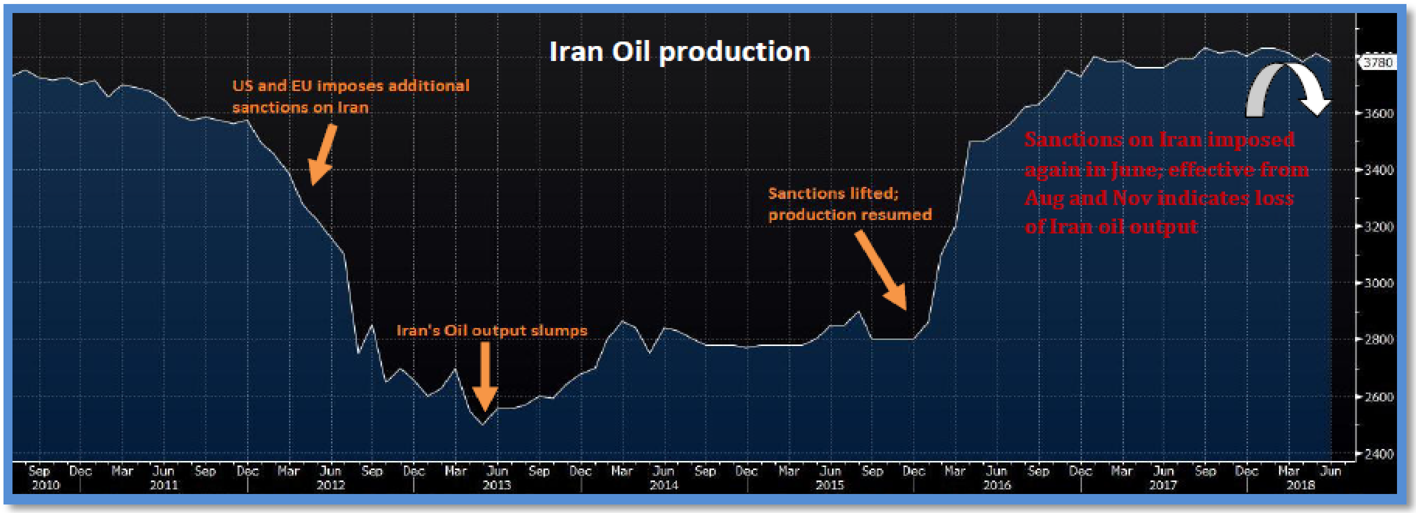
Technical Chart

STDC- BUY JSPL AT 220-225 OR DIP TOWARDS 195-200, SL BELOW 170 (CLOSING BASIS), T1- 265, T2-280

A bullish **Sea-pony harmonic pattern** is a bullish reversal pattern that is based on various Fibonacci ratios and one which marks the end of a price decline. By definition, point D is the inflection point as it is around this point, prices is expected to find a bottom and potentially reverses to the upside. Formation of **Morning star on daily chart** is likely to set stage of bottoming out around 215-220 zone. RSI seems to be **reversing from oversold zone** implying trend reversal. Currently it has been running in a falling channel and channel breakout is expected above 230 from where it can lead higher in the days ahead, potentially towards 265 and 280 mark.

Iran Sanctions – Make or Break for Crude Oil Prices 12-Jul-18

Oil prices have remained steady at $74 due to supply disruption in Libya, Canada and impending sanction on Iran, all of which increases the likelihood of big shortfall in the oil market. Bullish oil factors are ruling over Bearish factors as investors are currently assuming that the oil supply increase from OPEC will not suffice the current oil demand and prevailing supply curtailments.



Back in 2012, when US and EU imposed additional sanction on Iran which restricted Iran to export oil due to which the country's production fell towards 2 mbpd from the pre-sanctions level of 3.8 mbpd. Later in 2015, the sanctions were lifted and the country resumed its production towards pre-sanction level. **Last month in June, US withdrew from the deal and imposed sanctions on Iran that will repeat the episode of decline in Iran oil production and exports in the year 2018-19.** US sanctions are about snap back in two parts, with a first round returning in August, and with the toughest sanctions returning in early November. US has also warned that it will impose sanctions on foreign companies that do business with Iran, in an effort to cut Iran's exports of crude oil and condensates to zero from the current 2 million barrels per day. However, exemptions to few countries will be provided, with no criteria or specification given.

Iran's President Rouhani hinted at a threat to disrupt oil shipments from neighboring countries if Washington tries to cut its exports. "If they want to stop Iranian oil exports, we will not allow any oil shipment to pass through the Strait of Hormuz". About 20% of the world petroleum passes through this strait, making it highly important route for the international trade. Therefore, any blockage in the strait could disrupt the world oil supply.

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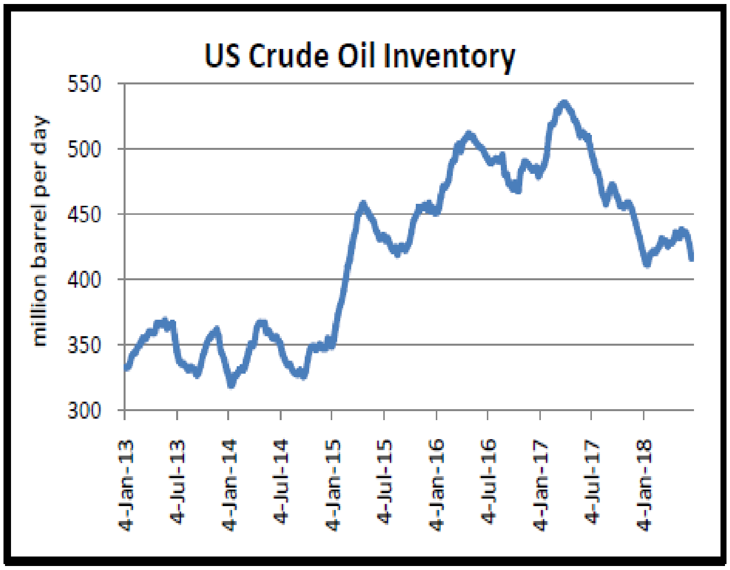

"Loss of Iran oil supply can be replaced by US, leading to lower US crude inventories".

If Iran stops exporting oil to other countries, this loss of supply can be replaced by higher exports from United States which may lead to drawdown in US inventories going forward, another supporting sign for oil prices.

To conclude, we can say that with no clear clarity from the outcome of the OPEC meeting along with several supply disruptions, there is a high volatility in crude oil keeping oil prices close to 2014 level high. Also, there is uncertainty relating to Iran sanctions as to how much production and exports would decline in future. Outage in Canada pipeline which can last through July end and indefinite conflict in Libya are supporting the crude oil prices. At present, total of 1.8-2.0 million barrels of unplanned supply outages have occurred in June 2018.

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.

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.

Source: Narnolia Research

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.

TATAMOTORS

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VIEW **26-Jun-18**

BSE Code	500570
BSE Symbol	TATAMOTORS
52wk Range H/L	468/252.55
Mkt Capital (Rs Cr)	51,69,429
Av.Cash Volume(,000)	14213.35
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

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

Although Tata motors is trading lower, recent close above 270 levels shows support at lower levels.
Prices have taken support as indicated on chart from Lower trend line of falling channel around 260 levels. It has turned back from strong support zone and previous aborted bottom, marked as a green rectangle on chart, suggests buying demand on lower levels.However recent close above 270 levels, shows weakening of down move and we expect prices to retrace towards 333 levels. We suggest buy on dip towards 266 levels for target of 335 / 377 keeping stop loss of 249 on closing basis.

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POWERGRID

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 BASIS), T1- 225, 235

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.

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ITC

LTDC **29-May-18**

BSE Code	500875		Buy Price	273
BSE Symbol	TATAMOTORS		Stop Loss	225
52wk Range H/L	353/250		Target Price1	310
Mkt Capital (Rs Cr)	2,35,094.00		Target Price2	330
Av.Cash Volume(,000)	8829841		Upside in Tgt1	14%
Open Interest	NA		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 . Scrip 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.

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BHARTI AIRTEL

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)	49514		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.

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PETRONET

VIEW **15-May-18**

BSE Code	532522	Buy Price	205
NSE Symbol	PETRONET	Stop Loss	173
52wk Range H/L	275.65	Target Price1	238
Mkt Capital (Rs Cr)	198.2	Target Price2	270
Av.Cash Volume(,000)	1690759	Upside in Tgt1	16%
Open Interest	NA	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

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PETRONET LNG LTD.

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

30 July 2018

RATING	BUY
CMP	230
Price Target	286
Previous Target	286
Potential Upside	24%

Stock Info

52wk Range H/L	275/198
Mkt Capital (Rs Cr)	34,762
Free float (%)	50%
Avg. Vol 1M (,000)	3318
No. of Shares (Crore)	150
Promoters Pledged %	0%

Research Analyst

ADITYA GUPTA

aditya.gupta@narnolia.com

Volume growth outlook remains robust

Key Highlights

- ☑ Higher demand from power and fertilizer plant led volume growth of 16% YoY coupled with improved margins put PLNG into sweet pot.
- ☑ BPCL Kochi refinery has now stabilized, and is currently started offtaking gas of around 2 MMSCMD. 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 is now planning to open 20 new natural gas stations in our country and is trying to partner with OMC's to market natural gas to heavy vehicles in coming 2-3 years of timeframe.
- ☑ Company has taken 5% hike in realization in Jan 2018. Hike in realization has now reflected in the books by improved margins in the last quarter.
- ☑ Dahej capacity expansion to 17.5MMT is on track and is expected to come on stream in the month of March 2019.

1Q FY19 Result:

Petronet LNG has posted strong set of numbers with sales and PAT growth of 42% to Rs. 9169 Cr and 34% to Rs. 587 Cr. respectively in Q1 FY19. Higher volumes, improved realizations and better cost efficiencies techniques have helped PLNG to clock robust growth in the last quarter. Capacity utilization at Dahej terminal stands at 112% and Kochi at 10%. Capacity utilization at Kochi terminal remain subdued in last quarter due to no offtake from one client which was partially offset by the BPCL's Kochi refinery which is now stabilized and is taking around 2 MMSCMD gas from Petronet Kochi terminal.

View and Valuation

Considering volume growth to remain in the range of 9-11% in FY19 and improved margins at both terminals for next couple of years. We remain optimistic on this stock and expect revenue and PAT grow at 8% and 9% CAGR over FY18-20 respectively.

We value PETRONET at 16x FY20e EPS and maintain our previous 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	30599	34209	35708
EBITDA	1586	2592	3312	3609	3776
EBIT	1265	2223	2901	3247	3408
PAT	913	1706	2078	2371	2560
EPS (Rs)	6	11	14	16	17
EPS growth (%)	1%	87%	22%	14%	8%
ROE (%)	14%	21%	21%	21%	19%
ROCE (%)	14%	23%	28%	27%	24%
BV	44	54	65	76	89
P/B (X)	3	4	4	3	2
P/E (x)	21	18	18	14	13

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NIIT LTD

VIEW **11-May-18**

BSE Code	500304		Buy Price	108
BSE Symbol	NIITLTD		Stop Loss	83.9
52wk Range H/L	125/82.30		Target Price1	127
Mkt Capital (Rs Cr)	1,705.15		Target Price2	149
Av.Cash Volume(,000)	851.24		Upside in Tgt1	18%
Open Interest	NA		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.

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

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INFOSYS LTD.

Industry	IT Consulting &Software
Bloomberg	INFO:IN
BSE Code	50020
NSE Code	INFY

Monday, July 16, 2018

RATING	BUY
CMP	1309
Price Target	1468
Previous Target	1350
Potential Upside	12%

Stock Info

52wk Range H/L	1358/862
Mkt Capital (Rs Cr)	285,924
Free float (%)	87%
Avg. Vol 1M (,000)	388
No. of Shares (Crore)	218
Promoters Pledged %	0%

Research Analyst
Niharika Ojha
niharika@narnolia.com

Key Highlights

- ☑ Margin guidance retained: Operating margin to remain in the band of 22% to 24%. The margin guidance was lowered to focus in investment on digital activities, for enhancing the investment in US talent model, Revitalizing sales and lastly Refocusing the talent in digital area.
- ☑ Deals and Digital to drive growth for rest of the year: Infosys signed USD1.1b TCV of deals and cited a strong pipeline. Also, Digital grew 8% QOQ CC (28% of revenue) continuing its healthy momentum for FY19.
- ☑ Europe saw a decline in this quarter because of weakness in one client. However, growth is expected to be strong 2QFY19 onwards.

1Q FY19 Result:

Infosys 1QFY19 performance was in line with the estimates. Revenue for the quarter stood at Rs 19128 crore (growth of 6% QOQ) mainly led by strong performance in verticals like of Energy Utilities, Retail, Manufacturing and Insurance. Revenues from Digital offerings was at $ 831mn (28% of total revenues) for 1QFY19 which grew at 8% sequentially in CC terms and 25.6% YOY CC.EBIT margin was at 23.7%(excl on off expenses) with the decline of 100bp QOQ . Margins were impacted by wage hike which was offset by INR depreciation. The operational parameter like utilization was at all time high to 85.1%, onsite mix decline from 30.1% to 28.6% YOY aided to margin, however investing in building the onsite supply chain impacted the margin by 140bps, thus net it declined 100bps.PAT saw a decline of 2% QOQ due to onetime expense of Rs 270 crore on account of reduction in the fair value of assets held for sale (Panaya).

View and Valuation:

Infosys 1QFY19 performance was in line with the estimates. Revenue grew of 6% QOQ mainly led by strong performance in verticals . Margin remained in guided range of 22% to 24% mainly led by increase in utilization, off shoring and INR depreciation. However it was offset by wage hike investment in the onsite talent acquisition, subcontracting, H1B visa expenses and increase in overheads.

Going forward, we expect performance in digital (contributes 28% of overall revenue) to continue to show healthy momentum in FY19. Also strong traction across cloud, data/analytics, IoT and recent acquisitions will help Infosys to build strong growth momentum going forward. Even, financial service which was softness in Q1 due to cost reduction pressure and issue in couple of client in Europe is expected to improve from 2Q onward. On margin front, we expect Infosys to achieve higher end of the band due to continues increase in digital share, benefit from macro changes (INR depreciation ,However it would offset by investment plan . Even the management retained its guidance as it sticks to its investment budget for FY19.

Thus we recommend BUY on the stock with the target price at Rs 1468(18x FY20EPS)

KEY FINANCIAL/VALUATIONS	FY15	FY16	FY17	FY18	FY19E	FY20E
Net Sales	53319	62441	68485	70522	78979	87624
EBITDA	14871	17120	18605	18892	20466	23053
EBIT	17284	18982	19981	20341	22125	24443
PAT	12,372	13,678	14,353	16,028	17,533	17,721
EPS (Rs)	108	60	63	74	81	82
EPS growth (%)	-42%	-45%	5%	17%	9%	1%
ROE (%)	26	24	22	24	26	24
ROCE (%)	29	28	26	25	28	28
BV	444	253	302	297	327	358
P/E (X)	20	20	16	15	16	16
P/B (x)	5	5	3	4	4	4

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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.

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