

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.)
13-Apr-18	4338	4738	(400)
Apr-18	41240	43215	(1975)
DII	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
13-Apr-18	3565	3259	306
Apr-18	29303	26124	3179

Market	Value	% Change
SGX Nifty	10437.00	-0.63%

Nifty Key Levels

Support	S1 : 10420	S2 : 10380
Resistance	R1 : 10515	R2 : 10550

Market Outlook

10500 strong psychological levels!
 Friday, Nifty opened around 10495, made a high of 10519, then after making a low of 10451 closed lower side around 10480(+22), however entire day trading range was 68 points.
 After a strong opening Nifty could not hold psychological levels of 10500 and traded lower in the afternoon session. Nifty made a spinning top on Friday, indicates up move can halt for time being and confirmation of it would be a close below 10450 levels. Nevertheless recently 50 DMA crossed 100 DMA from upside, forming bearish Death Crossover, indicates bearishness in mid-term.
 Key resistances are around 10515-10550 and immediate supports are seen around 10420-10380.

Sectoral Performance (%)

	1 Day	1 Week	1Month	1 Year
Auto Components	(0.3)	0.5	5.6	22.9
Automobiles	0.3	0.4	3.0	20.1
Chemicals	0.6	0.9	4.2	18.1
Construction Materials	0.2	(0.9)	(1.4)	6.2
Construction & Engg	0.2	0.1	5.2	32.5
Div. Financial Services	0.9	2.0	12.2	58.7
Electrical Equipment	(0.7)	(1.0)	(0.9)	1.0
Energy	0.2	0.4	(4.2)	8.7
Financials	0.2	0.5	2.7	12.3
Health Care	0.6	0.1	(0.0)	(10.3)
Household Durables	(0.1)	1.5	0.6	20.41
Household Pers. Products	1.6	1.8	3.0	12.9
Information Technology	0.36	4.5	3.9	32.2
Metals/Mining/Minerals	1.0	2.6	(0.4)	17.5
Telecom	(0.6)	(1.7)	(7.9)	0.8
Utilities	0.4	(0.1)	(0.5)	4.2

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

	Long Position			
	DII	FII	Pro	Other
Future Index	24919	53787	24752	309836
Future Stock	26064	658813	149234	995570
Option Index Call	61287	236652	171131	417095
Option Index Put	82532	382329	175075	779843
Option Stock Call	463	23345	45582	250421
Option Stock Put	0	22232	43534	122841

	Short Position			
	DII	FII	Pro	Other
Future Index	43254	152009	42480	175551
Future Stock	847240	454175	78254	450012
Option Index Call	0	83060	246379	556725
Option Index Put	0	169218	303665	946896
Option Stock Call	0	29641	93482	196688
Option Stock Put	0	20515	49507	118585

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
502865	FORBESGOK	23.6
500304	NIITLTD	20.8
536507	FLFL	19.5
533155	JUBLFOOD	19.5
500114	TITAN	18.9
511218	SRTRANSFIN	18.9
517174	HONAUT	18.8
533400	FCEL	17.5
532827	PAGEIND	16.3
500003	AEGISCHEM	16.2

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
514043	HIMATSEIDE	19.5
532149	BANKINDIA	17.0
532134	BANKBARODA	13.8
532814	INDIANB	13.3
500253	LICHSGFIN	12.9
505714	GABRIEL	11.5
532772	DCBbank	10.9
512131	SIGNET	10.7
532805	REDINGTON	9.8
532296	GLENMARK	8.4

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
500185	HCC	(19.20)
530965	IOC	(17.46)
532622	GDL	(14.28)
532454	BHARTIARTL	(10.21)
532929	BRIGADE	(9.09)
500104	HINDPETRO	(8.94)
532822	IDEA	(8.08)
526612	BLUEDART	(8.02)
500271	MFSL	(7.39)
532885	CENTRALBK	(6.89)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
512599	ADANIENT	(14.21)
500295	VEDL	(7.90)
532374	STRTECH	(6.17)
533573	APLLTD	(6.12)
522249	MAYURUNIQ	(5.91)
522275	ALSTOMT&D	(5.36)
500470	TATASTEEL	(4.40)
532174	ICICIBANK	(4.16)
532779	TORNTPOWER	(4.13)
532144	WELCORP	(3.91)

* 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

On the back of positive global and domestic cues, Market inch higher against our hope. Overall market showed strength than weakness as regular follow up buying support not only led to intermediate bouts of short covering but also help the indices to sustain above key moving averages. We highlighted in our previous week report, " it has to cross and sustain above 10365 levels from where it can extend gain till 10480 level," this has played out as envisaged. Currently, Market would take cues from US -UK- France joint strike on Syria along with Quarterly earning of coming week. Nifty is trading near pressure point so one should take trade cautiously and keep profit booking at higher levels.

Negative Rationale which favour **Bears-**

- a) **DEATH CROSS OVER** is observed on chart as 50 DMA is placed below 100 DMA but its confirmation will come below 10395 mark.
- b) Occurrence of **Spinning top** on daily chart after significant rise can pose threat to Bulls
- c) Breadth of the market remained weak amidst lower volumes

Positive Rationale which support **Bulls-**

- a) Formation of **THREE WHITE SOLDIERS** suggests decline can use to create long position.
- b) Sustainability of RSI above 50 mark c)

Formation of higher highs and higher lows remains intact on weekly chart

GIST- On crossing above 10525-10550 zone it can extend up to 10640-10680 zone while on breaching 10395 level, it can slip down till 10290 and 10225 levels.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	NIFTY LEVEL	JUSTIFICATION
Resistance 2	10640	Previous Swing High
Resistance 1	10525	Immediate resistance
Close	10480	
Support 1	10395	Low of Bullish Belt Hold
Support 2	10290	Previous Swing Low

USDINR Weekly

16-Apr-18

Finally, USDINR pair gave breakout from its congestion zone and started showing momentum which help to set tone on upside with market participation. In our previous report," A breakout is required on either side for further directional move," Although it gave breakout on up side but fail to sustain. A daily close above 65.40-65.45 mark will be indication of strength and pair is expected to carry on its move to north without much distraction. On crossing above 65.40-65.45 mark, it can extend gain up to 65.90 and 66.26 mark. On the flip side, appearance of shooting star on daily chart imply that on breaching 65.20 mark, it can take a dip towards 65 and 64.70 mark. As long as it sustains above the same, it will remain firm.

CHART

USD/INR, Real-timeFX:USD/INR, D



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ALUMINIUM OUTLOOK

US Sanctions and Its Implications on Aluminium Prices

US have imposed sanctions on Rusal (Largest Aluminum 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 aluminum 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 Aluminum Production

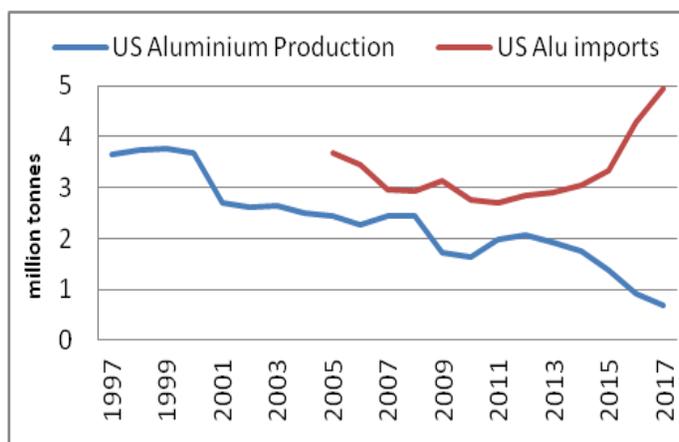
Global aluminum production is currently 63 million tonne in 2017. China is the largest global producer with 54% of global production, US produces 10% of world's aluminum production. Currently, US has imposed sanctions on Russia's largest aluminum producing company named Rusal, who produces around 7%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

Sanctions Affecting Russia

Russian sanctions led to strong recovery in aluminum 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 aluminum 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 aluminum. Rusal produced 3.8 million tonnes of aluminum 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.

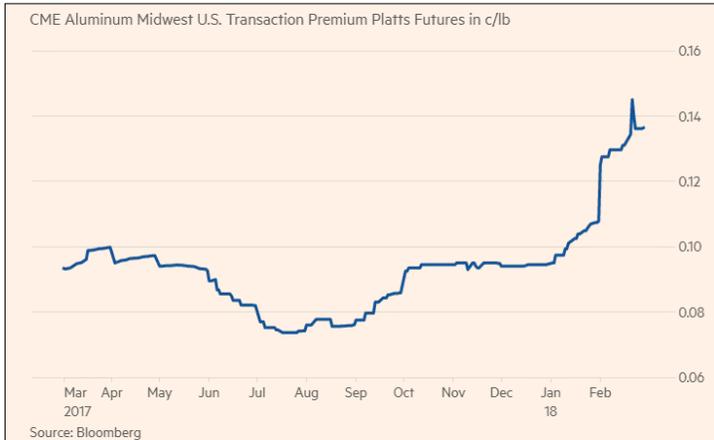


China is the world's biggest aluminum producer and consumer. China's monthly average aluminum production is almost equivalent to the US's annual production. China's aluminum production continues to rise and simultaneously demand is also rising as the country is taking measures for environment protection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

ALUMINIUM OUTLOOK

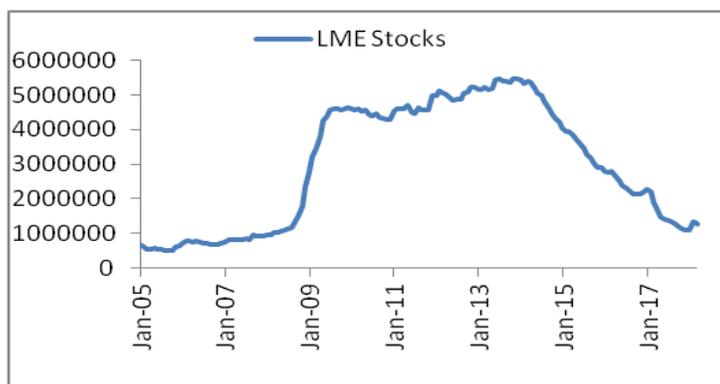
US Sanctions and Its Implications on Aluminium Prices

US Aluminum Premiums



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 aluminum 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.

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 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	
NSE Symbol	PETRONET
52wk Range H/L	275.65
Mkt Capital (Rs Cr)	198.2
Av.Cash Volume(,000)	1690759
Open Interest	NA

Buy Price	230
Stop Loss	222
Target Price1	260
Target Price2	270
Upside in Tgt1	13%
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**

16th Apr 2018

Narnolia Securities Ltd | Retail Technical Research

Rating : Long / BUY

3-Apr-18

BSE Code	500480
NSE Symbol	CUMMINSIND
52wk Range H/L	1096.80/680.65
Mkt Capital (Rs Cr)	20513
Av.Cash Volume(,000)	324
Open Interest	2133000

Buy Price	727
Stop Loss	675
Target Price1	778
Target Price2	824
Upside in Tgt1	7%
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.

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Rating : Long / BUY

14-Mar-17

BSE Code	532461
NSE Symbol	PNB
52wk Range H/L	231.60/91.30
Mkt Capital (Rs Cr)	340.5
Av.Cash Volume(,000)	19162
Open Interest	70436000

Buy Price	97.95
Stop Loss	91
Target Price1	106
Target Price2	117
Upside in Tgt1	8%
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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