

Trading Calls

KSCL Long/Buy 17th July 2017
Today KSCL has confirmed the low point of wave 4. We expect that stock is moving in impulse from its recent low of 605.15 in the form of 1-2-3-4 and 5. Our expected target of 678 would be level of wave 5 with 627 as SL. Volume is supporting wave 3, which is extended so far and during corrective fall, wave 2 & 4 volume is very low which is technically good. Hence we advise our client to buy near 648 for the first price target of 668 and second price target of 678 with 627 as SL.

MFSL Long/Buy 14th July 2017
Since 30/05/17 Max Financial is trading in expected A-B-C format. Today it has made a low of larger wave B in the form of internal a-b-c. During larger wave B you can see that volume was low in respect of larger wave A, which is good. During formation of larger wave B, volume is sportive. Stockastics is also moving upward direction. Hence we advise our client to buy MFSL near 597 for the price target of 627 and 642 with 567 as SL.

CASTROL Long/Buy 13th July 2017
Castrol India Limited has made a double bottom at Rs 396 and thereafter gave a smart pullback rally yesterday It has also made positive divergence both in RSI and Stochastic on daily chart. Therefore we advise traders to initiate long position in the stock near Rs 408 with a stop loss of Rs 395. The upside targets are Rs 419 and Rs 438

MERCK Long/Buy 22th Mar 2017
After consolidating near 50 DMA since last one month, MERCK Ltd. has given a sharp pullback rally yesterday. The stock has also given a channel breakout above Rs 1020 with decent volumes. Therefore we advise traders to initiate long position in the stock near Rs 1025 with a stop loss of Rs 928. The upside targets are Rs 1123 and Rs 1248.

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

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

Table with 3 columns: Support, Resistance and 2 rows of data for Nifty Key Levels.

Market Outlook
Last week saw Nifty inching closer to golden mark of 10000. Globally too things changed for better post Janet Yellen confirming that Federal Reserve will remain "highly accomodative" to the markets by saying that interest rate would not have to rise much further- ' the federal fund would not have to rise all that much further to get a neutral policy stance'. S&P500 (US) made a new high on Friday. Last week Nifty also made a gap between 9830 & 9845 and that would be key support area to be watched this week. Only worrying sign is valuation. Though valuation debate appears to have taken a backseat lately and buy on dip has become consensus view among market participants. And here we must remember that a strong bull market needs skepticism to keep flourishing. Once consensus becomes optimistic, we should surely change the side.

Table with 5 columns: Sectoral Performance (%), 1 Day, 1 Week, 1Month, 1 Year and 18 rows of data for various sectors.

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

Long Position				
	DII	FII	Pro	Other
Future Index	14545	189479	21965	172300
Future Stock	23483	399574	152241	916374
Option Index Call	122258	331784	195654	332091
Option Index Put	41351	383897	212565	838038
Option Stock Call	60	29526	53203	227263
Option Stock Put	0	25375	41477	117296

Short Position				
	DII	FII	Pro	Other
Future Index	30900	94801	62009	210579
Future Stock	507659	555394	82925	345694
Option Index Call	0	156536	199475	625776
Option Index Put	0	156217	426984	892650
Option Stock Call	20	23608	103322	183102
Option Stock Put	0	16479	61433	106236

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
533400	FCEL	27.3
532524	PTC	25.8
524742	CAPPL	24.1
532432	MCDOWELL-N	18.4
532714	KEC	18.3
512573	AVANTI	17.5
500300	GRASIM	17.5
531266	VSTTILLERS	15.5
503100	PHOENIXLTD	13.8
532617	JETAIRWAYS	13.2

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
533155	JUBLFOOD	38.0
532371	TTML	17.3
524804	AUROPHARMA	14.1
500425	AMBUJACEM	12.5
533228	BHARATFIN	11.8
534758	CIGNITITEC	11.7
532670	RENUKA	11.4
500408	TATAELXSI	8.9
532531	STAR	8.5
532296	GLENMARK	8.5

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
532915	RELIGARE	(40.73)
532843	FORTIS	(23.48)
535648	JUSTDIAL	(12.63)
504067	ZENSARTECH	(8.79)
509496	ITDCCEM	(8.55)
532430	BFUTILITIE	(7.53)
521248	KITEX	(7.47)
532706	INOXLEISUR	(6.78)
500411	THERMAX	(6.76)
532525	MAHABANK	(5.97)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
533552	RUPA	(13.34)
500405	SUPPETRO	(12.52)
530965	IOC	(8.62)
533150	GODREJPROP	(8.54)
520051	JAMNAAUTO	(8.04)
500163	GODFRYPHLP	(7.21)
507880	VIPIND	(7.03)
526586	WIMPLAST	(5.74)
500875	ITC	(5.73)
523598	SCI	(5.04)

* 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.

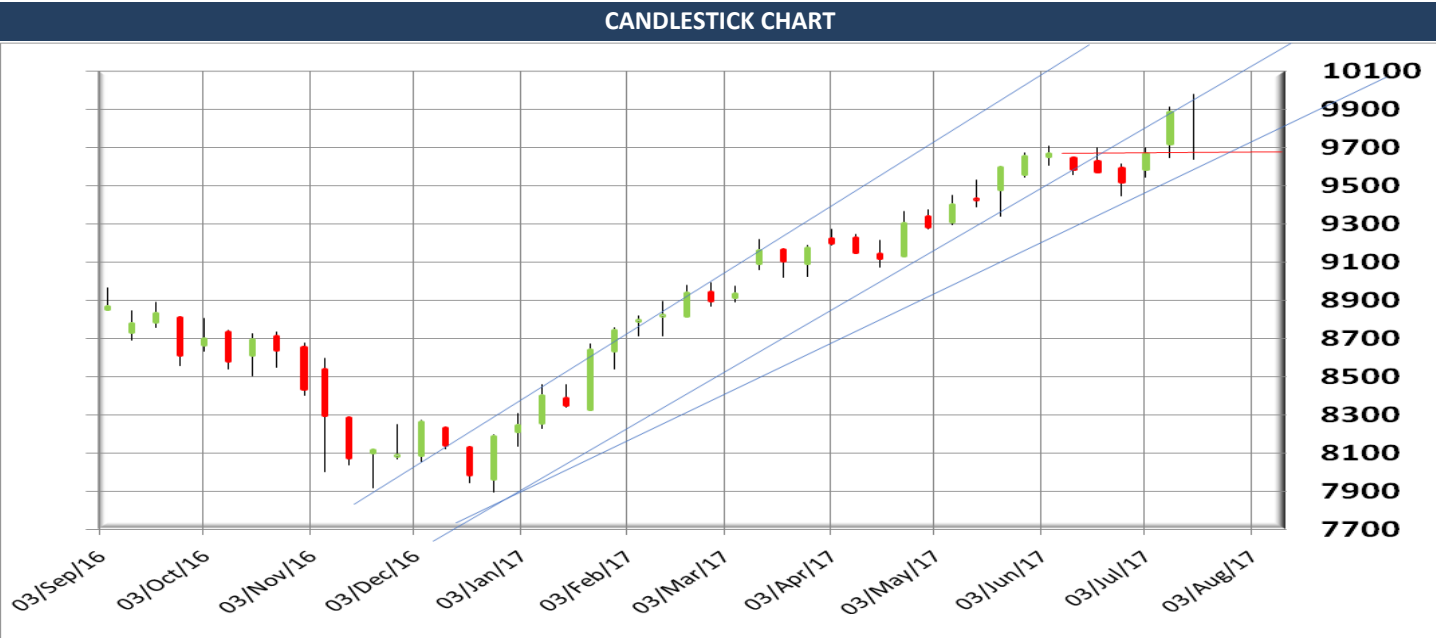
During last week Nifty opened well above the low of the upward sloping channel crossed important resistance level of 9700 and closed well above this level at 9886.

With this the range of the channel for the next week is 9640 to 9980 with intermediate support at 9700.

Everything appears to be going great for the market with no indications on the charts for a correction. But it is important to keep in mind following two points.

1. Nifty is touching ten-year-old upward sloping trendline on monthly chart. This trend line is ten year old. Please see the monthly chart given below.
2. Trailing PE of Nifty has gone above 25 in the current week. Last time PE went above 25 was in September 2010. Immediately thereafter in one and a half month the PE corrected from 25.54 to 22.92 that is a correction of 2.62 PE. After that in one year time Nifty fell from a high of 6312 in November 2010 to 4888 by October 2011.

Point we are trying to make here is that though there are no indications of a correction but these PE levels are not sustainable if earning of Nifty companies do not increase. So profits should be booked at these levels. Of course, it is a raging bull market and should not be shorted but book profits at these levels and wait patiently for a healthy correction to re-enter the market.



RESISTANCE AND SUPPORT LEVELS BASED ON WEEKLY AND DAILY ANALYSIS

RESISTANCE/SUPPORT	NIFTY LEVEL	JUSTIFICATION
Resistance 1	9913	ALL TIME HIGH
Resistance 2	9980	TOP OF BULL CHANNEL
Support 1	9700	EARLIER RESISTANCE NOW SUPPORT
Support 2	9640	BOTTOM OF BULL CHANNEL
Support 3	9580	50DMA

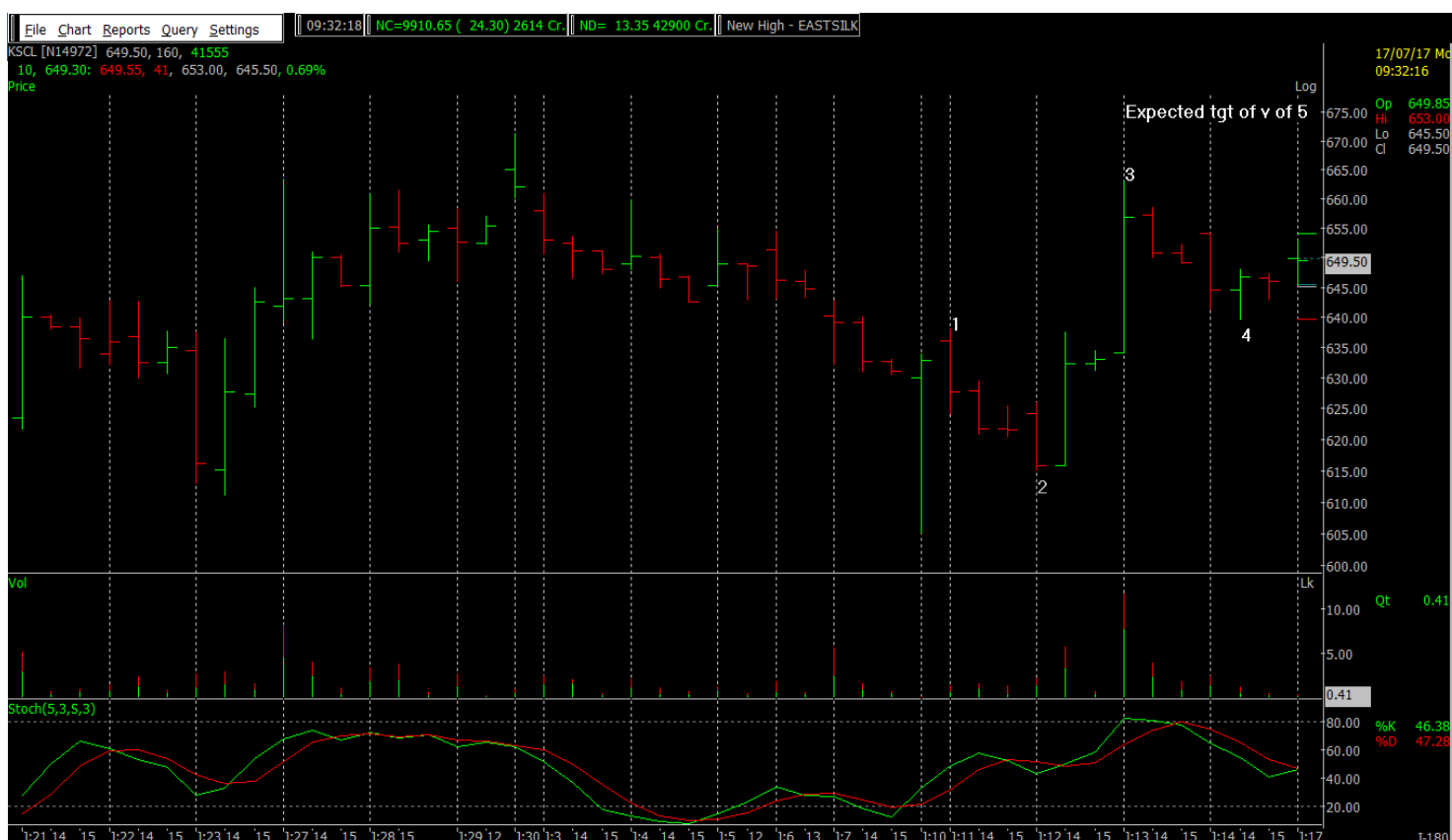
Rating : Long / BUY

Initiation Date

17-Jul-17

BSE Code	532899
NSE Symbol	KSCL
52wk Range H/L	681.90/325.25
Mkt Capital (Rs Cr)	4490
Av.Cash Volume	
Open Interest	-

Buy Price	648
Stop Loss	627
Target Price1	668
Target Price2	678
Upside in Tgt1	3.09
Upside in Tgt2	4.63



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19th July 2017

Narnolia Securities Ltd | Market Research

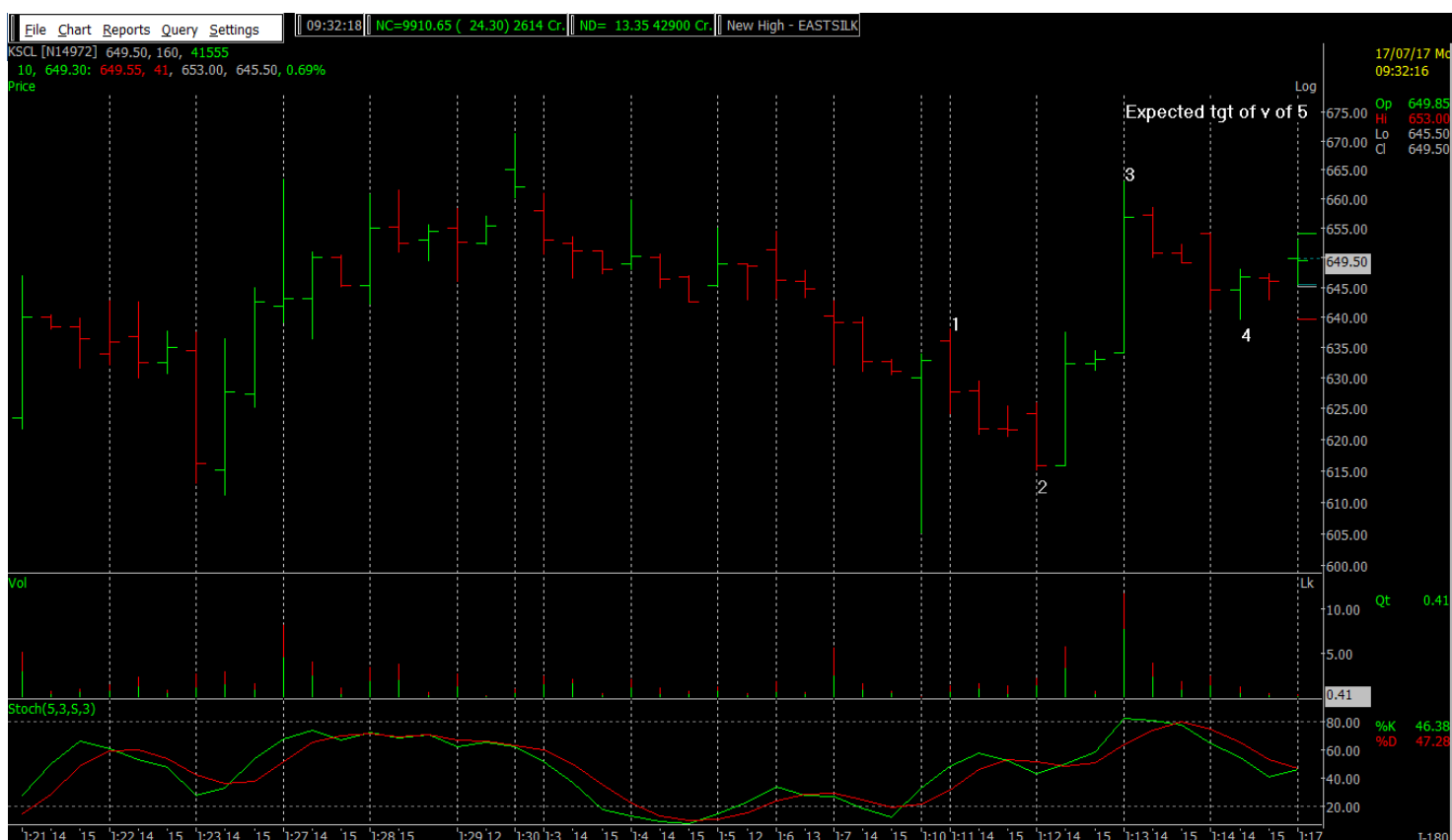
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19th July 2017

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Rating : Long / BUY

Initiation Date 14-Jul-17

BSE Code	500271
NSE Symbol	MFSL
52wk Range H/L	683.95/476.70
Mkt Capital (Rs Cr)	15945
Av.Cash Volume	
Open Interest	-

Buy Price	597
Stop Loss	567
Target Price1	627
Target Price2	642
Upside in Tgt1	5.03
Upside in Tgt2	7.54



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Rating : Long / BUY

13-Jul-17

BSE Code	500870	Buy Price	408.4
NSE Symbol	CASTROLIND	Stop Loss	395
52wk Range H/L	353.20/495.30	Target Price1	419
Mkt Capital (Rs Cr)	20198	Target Price2	438
Av.Cash Volume(,000)	1076	Upside in Tgt1	3%
Open Interest	NA	Upside in Tgt2	7%

Technical Chart



Castrol India Limited has made a double bottom at Rs 396 and thereafter gave a smart pullback rally yesterday It has also made positive divergence both in RSI and Stochastic on daily chart. So some upmove is expected in the extreme short term from the current level.

Therefore we advise traders to initiate long position in the stock near Rs 408 with a stop loss of Rs 395. The upside targets are Rs 419 and Rs 438.

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Rating : Long / BUY

Initiation Date

22-Mar-17

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

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

Technical Chart



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

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

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

19th July 2017

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