

Trading Calls

TATAMOTORS Long/Buy 24th May 2018

From last few days, it has been trading in falling channel . Now it took support from its lower sloping line and point of polarity suggest cues that it can rebound sharply on upside towards its resistance line 2. RSI is taking support from oversold zone. so it can reverse from its demand zone .

BHARTIARTL Long/Buy 16th May 2018

From last few months scrip 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 its neck line. STDC : Bharti airtel: Buy around 371-376 and 360-365 sl 337(closing) target 435/489.

PETRONET : R 25 Long/Buy 15th May 2018

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

NIITLTD Long/Buy 11th May 2018

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. STDC - NIIT LTD - BUY around 108-109 and 100-102, SL – 83.90, T1- 127,149

AXISBANK Long/Buy 10th May 2018

Axis bank trading above 200 wsma and given breakout of Triangle pattern, All Oscillator are in uptrend. it has stock resistance zone at 630 level . STDC : Buy AXIS BANK baround 540-545 and 520-525 sl 472 target 585/630

IRB : R25 Long/Buy 7th May 2018

Recently IRB Infrastructure Developers Limited moved from 220 to 280 levels while making higher top and higher bottom formations. We continue to maintain our positive stance on IRB henceforth for at least period of a year. Buy IRB Infra around 260-270 and 230-240 with a stop loss of 214(closing basis) for target of 360 and 400

Market	Value	% Change
SGX Nifty	10505.50	-0.04%

Nifty Key Levels

Support	S1 : 10420	S2 : 10390
Resistance	R1 : 10560	R2 : 10620

Market Outlook

Nifty took support from 50 DMA?

After a decline of preceding sessions, Nifty took a breather and formed Tweezer Bottom which can give a ray of hope to Bulls. If Nifty is able to sustain above 10550-10560 then it can retest the levels of 10620 where potential resistance is seen. However, on breaching below 10420 it can drag down till 10390 & 10330 level. Below this, it can further slip down.

Institutional Turnover

	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
FII			
24-May-18	4376	5078	(702)
May-18	80619	89706	(9087)
DII			
24-May-18	4265	2785	1481
May-18	65375	53031	12344

Sectoral Performance (%)

	1 Day	1 Week	1Month	1 Year
Auto Components	0.2	(0.3)	10.1	20.3
Automobiles	0.3	0.8	5.8	17.0
Chemicals	0.1	(0.5)	7.5	14.6
Construction Materials	(1.0)	(1.0)	3.5	2.5
Construction & Engg	0.2	0.1	5.2	32.5
Div. Financial Services	0.9	2.0	12.2	58.7
Electrical Equipment	(0.1)	0.2	1.9	(0.1)
Energy	0.3	1.5	2.8	7.7
Financials	0.4	(0.3)	4.5	8.9
Health Care	(0.2)	0.8	5.5	(6.2)
Household Durables	1.0	(1.2)	5.9	19.88
Household Pers. Products	1.6	1.8	3.0	12.9
Information Technology	1.11	7.0	14.4	43.1
Metals/Mining/Minerals	(0.2)	(2.9)	6.9	21.3
Telecom	(2.7)	(0.1)	(5.4)	(0.8)
Utilities	(0.0)	(1.9)	2.6	3.2

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

	Long Position			
	DII	FII	Pro	Other
Future Index	32014	125445	20522	234978
Future Stock	43191	711386	191029	1078720
Option Index Call	60490	217153	148044	554075
Option Index Put	90252	429474	135137	558666
Option Stock Call	346	44523	63606	396431
Option Stock Put	0	37688	64467	158273

	Short Position			
	DII	FII	Pro	Other
Future Index	62610	150601	42046	157702
Future Stock	929668	553661	125788	415209
Option Index Call	0	102256	279894	597611
Option Index Put	0	159716	211947	841866
Option Stock Call	8	44839	161668	298391
Option Stock Put	0	24717	69777	165934

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
532733	SUNTV	32.7
532401	VIJAYABANK	30.1
532772	DCB	28.5
500495	ESCORTS	24.2
532636	INDIAINFO	23.5
532978	BAJAJFINSV	21.5
532922	EDELWEISS	20.2
508989	NAVNETEDUL	18.6
532652	KTKBANK	18.4
532259	APARINDS	17.9

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532371	TTML	51.8
500003	AEGISCHEM	49.9
533261	EROSMEDIA	25.8
532784	SOBHA	23.6
532548	CENTURYPLY	22.9
500330	RAYMOND	20.8
533155	JUBLFOOD	19.9
523385	NILKAMAL	18.7
500325	RELIANCE	18.1
532644	JKCEMENT	17.6

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
532659	IDFC	(9.28)
523598	SCI	(7.60)
505163	ZFSTEERING	(7.44)
522275	ALSTOMT&D	(7.25)
532944	ONMOBILE	(6.74)
522249	MAYURUNIQ	(5.28)
532915	RELIGARE	(5.01)
500124	DRREDDY	(4.89)
532749	ALLCARGO	(4.71)
531795	ATULAUTO	(3.72)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
500570	TATAMOTORS	(13.42)
500185	HCC	(11.69)
532555	NTPC	(10.90)
509496	ITDCEM	(7.43)
500620	GESHIP	(6.90)
532221	SONATSOFTW	(6.72)
523204	ABAN	(6.06)
512070	UPL	(5.05)
526586	WIMPLAST	(4.75)
500106	IFCI	(4.67)

* 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

21-May-18

Weakness persist in the Domestic market as it fails to sustain at higher levels due to hung assembly in Karnataka. Rise in crude oil prices and depreciation in Rupee are other factors which will weigh the negative sentiment in this coming week. As long as the Indices do not negate the formation of lower top and lower bottoms, Market will remain under selling pressure and " Sell on rally" a possible strategy since indicators are pointing to a bearish scenario.

NIFTY-

- a) Observation of **BEARISH CYPHER PATTERN** along with two bearish belt hold candle on daily chart signals a correction is imminent.
- b) **Rising wedge** breakdown and **Negative crossover of MACD** in the positive territory due to which Histogram slipped in negative zone
- c) Index is expected to show correction towards **10555 (38.2% retracement)** and **10330 (61.8% retracement)** which are the targets of Bearish Cypher Pattern in coming sessions
- d) Potential resistance is seen at 10790 followed by 10930 levels.

BANK NIFTY-

- a) Appearance of **Shooting star on weekly chart** also adding salt to an injury for Bulls
- b) Immediate support is located at 25830 level, below which it can slip down till 25675 and 25425
- c) Resistance is found at 26285 level followed by 26430 levels

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

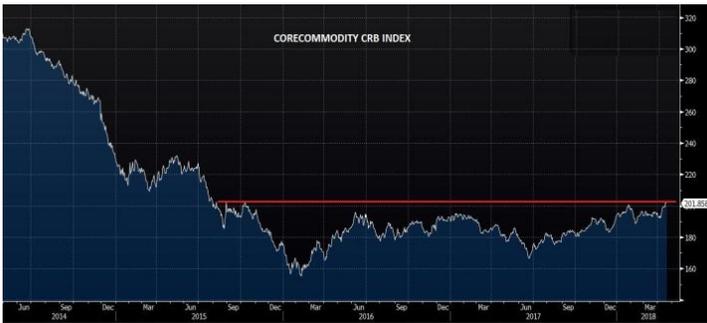
RESISTANCE/SUPPORT	NIFTY LEVEL	JUSTIFICATION
Resistance 2	10930	Peak of Gravestone Doji
Resistance 1	10790	Top of Spinning top
Close	10596	
Support 1	10557	38.2% Retracement
Support 2	10330	Near 61.8% Retracement

Rapid Increase in Major Commodity Prices To Boost Inflation

Rapid Increase in Major Commodity Prices To Boost Inflation.

The rapid increase in major commodity prices (particularly aluminum, oil, nickel) is going to be globally inflationary. If the commodity prices stay high for a sustained period of time, it is very likely for the inflation to rise and accelerate the Fed's rate hikes, as well as push the ECB to exit QE sooner than expected. Inflation worries are growing as oil and commodity prices have been rising in recent weeks.

Core Commodity CRB Commodity Index



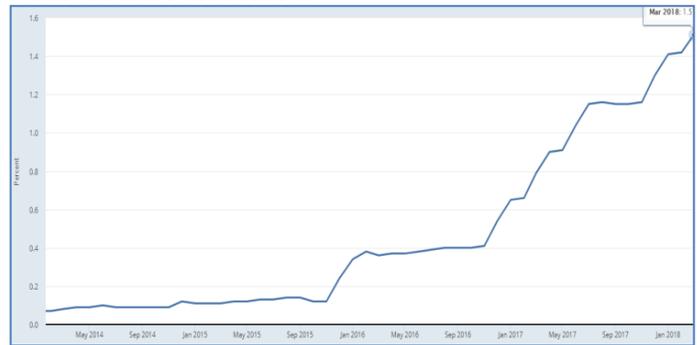
The above chart tells us the commodity prices have strengthened since the start of 2016. Currently, the CRB index is trading at 201.8 which means commodity prices are staying firm on the back of strong economic growth and rise in global demand of commodities. Currently the CRB Index is near the highest level since 2015 which makes us believe that the price of commodities will continue to rally in 2018.

US Consumer Inflation Chart YoY



Source: Bloomberg, Narnolia Research

US Federal Funds Rate



Commodities prices rose strongly since past 2015 and we saw inflation also taking upward momentum 2016. As we can see the above charts, how inflation has started to rise from -0.2% in 2015 to 2.4% in March 2018 and similarly the US interest rates moved higher from 0.25% in 2015 to 1.5% in this year. Commodity driven inflation prices would lead to faster pace of interest rate tightening this year or next. Several Federal bank members expect that there is the probability of four rate hikes in the U.S. this year.

As per our view, we expect inflation to reach 4% in this year or next year with expectations of interest rates to hike 3-4 times in year, US 10Y Treasury yields staring at 3%, we believe everything from mortgage to student loans to car loans will feel the pressure of higher borrowing rates leading to a stall in economic growth. Higher corporate borrowing costs will lead to decrease in corporate earnings and slowdown in growth. All these factors will lead the investors towards precious metals – safe haven assets!

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.

LEAD UPDATE

“As per our Quarterly Outlook on Lead released on 2nd April 2018, LME Lead prices have reached \$2508 per tonne and MCX Lead prices have reached Rs 171 on 24th May 2018 capturing the 14% upside in prices till date.”

Lead Outlook released on 2nd April 2018:

Global lead demand supply scenario looks strong for the year 2018. Outlook for lead remains strong due to mine supply depletion from the major producing countries and higher battery demand. March and April are the low demand season time for the lead acid battery sector However, one should use this downside as a buying opportunity. One can buy lead futures at Rs 150 for an upside target of Rs 180 with a stop-loss of Rs 135 on MCX.



View: Bullish View remains intact. Maintain the buy view on Lead for the given Target.

BSE Code	500570
BSE Symbol	TATAMOTORS
52wk Range H/L	487/284.70
Mkt Capital (Rs Cr)	83,401.07
Av.Cash Volume(,000)	4,18,91,791
Open Interest	NA

Buy Price	280
Stop Loss	249
Target Price1	335
Target Price2	377
Upside in Tgt1	20%
Upside in Tgt2	35%

Technical Chart



STDC : Buy TATAMOTORS around 280-290 SL 249(closing) target 335/377

From last few days, it has been trading in falling channel . Now it took support from its lower sloping line and point of polarity suggest cues that it can rebound sharply on upside towards its resistance line 2. RSI is taking support from oversold zone. so it can reverse from its demand zone .

25th May 2018

Narnolia Securities Ltd | Retail Technical Research

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)	49,514.00	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 its 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.

25th May 2018

Narnolia Securities Ltd Retail Technical Research

BSE Code	532522
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	205
Stop Loss	173
Target Price1	238
Target Price2	270
Upside in Tgt1	16%
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

PETRONET LNG LIMITED

Industry
Bloomberg
BSE Code
NSE Code

Oil And Gas
PLNG IN
532522
PETRONET

16 May 2018

RATING	BUY
CMP	208
Price Target	286
Previous Target	286
Potential Upside	38%

Stock Info

52wk Range H/L	275/198
Mkt Capital (Rs Cr)	31,395
Free float (%)	50%
Avg. Vol 1M (000)	2621
No. of Shares (Crore)	150
Promoters Pledged %	1%

Volume growth remain key trigger

Key Highlights

- Petcoke (alternate fuel) prices has surged by 16% in Q4 FY18, and Petronet is likely to be benefited from this hike. Hence we factor 21% volume growth YoY in Q4.
- BPCL Kochi refinery has now stabilized, Capacity utilization at Kochi terminal range between 15%-20% for the last 3 quarters and offtake by BPCL refinery will gradually go up. Further 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 plans a pilot project of LNG trucking in 2018 which will open new doors of LNG demand in the domestic market.
- Company has taken 5% hike in realization in Jan 2018. Company will slowly pass on the incremental cost of imported LNG on its customers.
- Dahej capacity expansion to 17.5MMT is on track and is expected to come on stream in the month of June-July 2018.

4Q FY18 Result:

Petronet LNG is expected to perform well in the upcoming quarter on the back of incremental volume at both Dahej and Kochi terminal. Dahej terminal is likely to be benefited from higher offtake by the power and fertilizer plants led by the sharp upsurge in the prices of the alternate fuel in Q4 FY18. Further, BPCL's Kochi refinery expansion is now stabilized and likely to take higher volume offtake from Petronet Kochi terminal. We expect that volume growth to remain in the range of 15-17% (due to lower base) in FY18 and 11% in FY19.

View and Valuation

Considering healthy volume growth at both terminal while maintaining the margins at its current level. We remain optimistic on this stock and expect revenue and PAT grow at 12% and 16% CAGR respectively over FY18-20.

We value PETRONET at 16x FY20e EPS and arrive at a 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	29892	32625	34568
EBITDA	1586	2592	3258	3565	3777
EBIT	1265	2223	2835	3139	3348
PAT	913	1706	2110	2423	2693
EPS (Rs)	6	11	14	16	18
EPS growth (%)	1%	87%	24%	15%	11%
ROE (%)	14%	21%	22%	21%	20%
ROCE (%)	14%	23%	27%	25%	23%
BV	44	54	65	77	91
P/B (X)	3	4	4	3	2
P/E (x)	21	18	17	13	12

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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.

25th May 2018

Narnolia Securities Ltd | Retail Technical Research

BSE Code	INE238A01034	Buy Price	540
BSE Symbol	AXISBANK	Stop Loss	472
52wk Range H/L	627.50/447.80	Target Price1	585
Mkt Capital (Rs Cr)	1,40,614.79	Target Price2	630
Av.Cash Volume(,000)	62574.37	Upside in Tgt1	8%
Open Interest	NA	Upside in Tgt2	17%

Technical Chart



STDC : Buy AXIS BANK baround 540-545 and 520-525 sl 472 target 585/630

Axis bank trading above 200 wsma and given breakout of Triangle pattern, All Oscillator are in uptrend. it has stock resistance zone at 630 level.

VIEW

IRB Infrastructure Developers Limited:

Recently **IRB Infrastructure Developers Limited** moved from 220 to 280 levels while making higher top and higher bottom formations. We continue to maintain our positive stance on IRB henceforth for at least period of a year. As long as it holds recent support zone which should act as crucial support. For a strong breakout close above 292 would lead prices to higher levels with faster pace.

Some of the technical reasons supporting our view are mentioned here-

A) Formation of **cup and Handle pattern** as indicated in above chart, should push prices upside towards 350-400 levels as long as it holds 214 levels.

B) Recent **Breakout of strong resistance line** indicates prices would move higher levels.

C) Close above 260 levels which was a **strong resistance zone** shows bullishness.

D) **Strong support zone around 200-220**, would definitely act as a strong support to prices.

Looking at all technical, fundamental and derivatives aspects, we maintain our bullish view intact. We expect prices to trader higher levels towards 350-400 levels.

Concluding:- R25 CALL

Buy IRB Infra around 260-270 and 230-240 with a stop loss of 214(closing basis) for target of 360 and 400.

CHART ANALYSIS



IRB INFRASTRUCTURE DEVELOPERS LTD.

Industry
Bloomberg
BSE Code
NSE Code

Con. & Eng.
IRB IN
532947
IRB

07 May 2018

RATING	BUY
CMP	266
Price Target	320
Previous Target	231
Potential Upside	20%

Stock Info

52wk Range H/L	286/193
Mkt Capital (Rs Cr)	9364
Free float (%)	43%
Avg. Vol 1M (,000)	4168
No. of Shares (Crore)	35
Promoters Pledged %	0.3%

Strong Order book support 30-35% CAGR EPC revenue growth over FY18-20

Key Highlights

- ☑ IRB is the largest road developer of the country with 13400 lane km of projects completed or under construction or development. With entry into HAM segment will ensure continuous order book growth. IRB has secured Rs.55 bn worth of new HAM projects in last quarter.
- ☑ Company has added 5 new toll streams in FY18: 3 Rajasthan projects started construction and tolling and commissioning of Solapur Yedeshi & Kaithal Rajasthan. Tolling on these projects will keep toll revenue/profit sustainable.
- ☑ Overhang of CBI Investigation Cleared as CBI has virtually given a clean chit to top management of the company in connection with murder case of RTI activist Satish Shetty in 2010.

4Q FY18 Result:

IRB has reported Q4FY18 numbers largely in line with our estimates. Revenue was down by 15% YoY to Rs.1382 Cr v/s our estimate of Rs.1352 Cr. Revenue was down mainly due to transfer of 7 BoT assets to IRB InvIT. As result of assets transfer bottom line has improved by 15.7% YoY to Rs.240 Cr v/s our estimate of Rs.247 Cr. Till Q3FY18 IRB was struggling to get new orders but in Q4FY18 company has secured new orders worth Rs.8900 Cr. With this the current order book stands at Rs.15000 Cr, i.e 3.8x of TTM EPC revenue. Also, the CBI has virtually given a clean chit to top management of the company in connection with murder case of RTI activist Satish Shetty in 2010.

View and Valuation

IRB was struggling to get new orders but once the management has started focusing on HAM projects company has witness Rs.8900 Cr of order inflow in just 2 months. With this strong order inflow order book stands at Rs.15000 Cr, which is highest in last 30 quarters and support 30-35% CAGR EPC revenue growth over FY18-20. However the EBITDA margin is lower on HAM projects but at bottom line is at par with BoT projects. IRB has completed construction on Solapur Yedeshi & Kaithal Rajasthan and subsequently tooling has commenced. Mumbai Pune toll concession period expire in Aug 2019 which currently contributes highest in toll revenue. However, tolling on new projects will keep Toll revenue/profit sustainable. **We value IRB at 1.5x (Avg. of last 5 years) BVPS of FY20E and arrived at target price of Rs.320 and recommend "BUY".**

Key Risks to our rating and target

- ◆ Delay in appointment date
- ◆ Slow down in execution due to external factors

KEY FINANCIAL/VALUATIONS	FY16	FY17	FY18E	FY19E	FY20E
Net Sales	5128	5846	5618	7285	9359
EBITDA	2660	3048	2679	3440	3480
EBIT	1807	2193	2135	2842	3027
PAT	639	715	875	1025	968
EPS (Rs)	18	20	25	29	28
EPS growth (%)	18%	12%	22%	17%	-6%
ROE	13%	14%	15%	15%	13%
ROCE	9%	12%	11%	13%	10%
BVPS	138	156	174	195	216
P/B (X)	1.7	1.4	1.6	1.4	1.3
P/E (x)	13.0	10.8	10.8	9.3	9.8

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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



RATING	BUY
CMP	1173
Price Target	1350
Previous Target	1233
Potential Upside	15%

Stock Info

52wk Range H/L	1220/862
Mkt Capital (Rs Cr)	256176
Free float (%)	87%
Avg. Vol 1M (,000)	377
No. of Shares (Crore)	229
Promoters Pledged %	0%

Key Highlights

- ☑ Infosys shared the four pillars of its strategic plan for strong FY19 & FY20 performance [1] scaling agile digital, [2] energizing the core, [3] reskilling people and [4] expanding localization of talent.
- ☑ Infosys 's strategy has been progressing well with 11.1% contribution from new services (Cloud Ecosystem, Big data and Analytics , API and Micro service , Data and Mainframe modernization , Cyber)
- ☑ With continued investments in sales & marketing plan for Branding, Injecting digital specialists into accounts, Scaling large accounts, Shaping large deals, Acquiring new accounts and Enabling sales via continuous anytime-anywhere learning will improve the performance going forward.

4QFY18 Result: Strong performance in Revenue and Margin

Revenue for the quarter were Rs 18083 crore vs Rs 17794 crore with a sequential growth of 1.6% QOQ and 5.8% YOY. Revenue from Digital offerings was at \$ 2.79 billion (25.5% of total revenue) for FY18 which grew at 3.6% sequentially in 4QFY18. Operating margin for the quarter was at 24.7% which was impacted by higher variable pay and declined utilization, but the impact was more than offset by benefit from currency, onsite reduction and expenses reduction. PAT declined 28% QOQ led by impairment loss in respect of panaya. The board of directors recommended a final dividend of Rs 20 .50 per share amounting to Rs 5349 crores including DDT. Management expected to achieve 6% to 8% in constant currency terms excluding the revenue from current acquisition. Also, BFS is expected to be better for FY19 . The traction in faster-growing segments such as E&U, Communications and Insurance remains intact.

View and Valuation

The recent quarterly result, strong growth in New service (now contributes 11.1% of total revenue) and focus on digital business has showed positive performance for FY18. With the new management strategy for Scaling the Agile digital business, energizing the client's core technology landscape via AI and automation , Re -skilling other employees , and expanding the localization in markets as US , Europe and Australia has filled us with confidence for growth in FY19.

Thus we recommend BUY on the stock with the target price at Rs 1350(15x FY20EPS)

KEY FINANCIAL/VALUATIONS	FY15	FY16	FY17	FY18	FY19E
Net Sales	53319	62441	68485	70522	75729
EBITDA	14871	17120	18605	19010	19874
EBIT	17284	18982	19981	20341	20447
PAT	12372	13678	14353	16028	15069
EPS (Rs)	108	60	63	74	69
EPS growth (%)	-42%	-45%	5%	17%	-6%
ROE (%)	26	24	22	24	22
ROCE (%)	29	28	26	25	26
BV	444	253	302	298	337
P/B (X)	5	5	3	4	3
P/E (x)	20	20	16	16	17

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BSE Code	513599
NSE Symbol	HINDCOPPER
52wk Range H/L	110/56
Mkt Capital (Rs Cr)	1771.98
Av.Cash Volume(,000)	3590.42
Open Interest	NA

Buy Price	77
Stop Loss	61.9
Target Price1	98
Target Price2	115
Upside in Tgt1	27%
Upside in Tgt2	49%

Technical Chart



STDC - BUY HINDCOPPER AT 77-79 and 70-72, SL 61.90, TARGET 98,115

Lower band of andrew pitch fork showing support of inatial level from where bounce back can be expect to its Center band, RSI is trading above 50 showing up move in coming session and price can extend upto 99 levels, view may remain intact till it sustain above the level of 67

25th May 2018

Market Segment	Date	Day	Description
MCX	1-Jan-18	Monday	New Year Day
MCX	26-Jan-18	Friday	Republic Day
MCX	13-Feb-18	Tuesday	Mahashivratri
MCX	2-Mar-18	Friday	Holi
MCX	29-Mar-18	Thursday	Mahavir Jayanti
MCX	30-Mar-18	Friday	Good Friday
MCX	1-May-18	Tuesday	Maharashtra Day
MCX	15-Aug-18	Wednesday	Independence Day
MCX	22-Aug-18	Wednesday	Bakri ID
MCX	13-Sep-18	Thursday	Ganesh Chaturthi
MCX	20-Sep-18	Thursday	Moharram
MCX	2-Oct-18	Tuesday	Mahatama Gandhi Jayanti
MCX	18-Oct-18	Thursday	Dasera
MCX	7-Nov-18	Wednesday	Diwali-Laxmi Pujan*
MCX	8-Nov-18	Thursday	Diwali-Balipratipada
MCX	23-Nov-18	Friday	Gurunanak Jayanti
MCX	25-Dec-18	Tuesday	Christmas

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