

Trading Calls

IDFC BANK Long/Buy 20th June 2018

After making a life time low of Rs 37.60 on 5th June 2018, IDFC Bank Ltd has been giving good pullback rally since last couple of weeks. The stock has also given trend line breakout above Rs 42.

Therefore we advise traders to initiate long position in the stock near Rs 42.20 with a stop loss of Rs 39. The upside targets are Rs 47 and Rs 51. RSI and Stochastic all are in oversold zone. So some fresh buying is likely to emerge in the stock at the current level.

POWER GRID Long/Buy 19th June 2018

Daily chart of Powergrid reveals that demand is increasing and supply is diminishing. Srip 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.

ITC Long/Buy 29th May 2018

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. Buy ITC around 270-275 OR ON DIP TOWARDS 255-260 SL -225 (Closing Basis) Target 310/330

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

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

Market	Value	% Change
SGX Nifty	10797.00	-0.53%

Nifty Key Levels

Support	S1 : 10750	S2 : 10720
Resistance	R1 : 10820	R2 : 10850

Market Outlook

Recently Nifty has taken resistance from 10830-10850 zone and trading lower. Repeated resistance from upper mentioned levels and support from 10700 levels indicates, range bound moment in this expiry week.

However looking at global market, Nifty should trade with negative bias for the day.

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
22-Jun-18	5,105	6,449	(1,343)
Jun-18	80,813	89,681	(8,868)
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
22-Jun-18	3,956	2,850	1,106
Jun-18	58,195	46,990	11,205

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	0.10	(1.30)	(3.33)	2.71
Automobiles	0.53	(0.81)	2.94	6.87
Auto Components	0.10	(1.30)	(3.33)	2.71
Construction & Engineering	(0.19)	(4.36)	(5.79)	3.28
Construction Materials	(0.79)	(4.41)	(7.61)	(11.59)
Diversified Financial Services	0.78	(0.91)	0.47	9.30
Electrical Equipment	0.32	(3.11)	(5.23)	(4.08)
Energy	0.62	(1.01)	2.35	12.69
Financials	0.88	(1.05)	2.17	7.70
Health Care	0.44	3.12	9.11	2.33
Household Durables	0.54	(1.75)	(5.94)	11.99
Household & Personal Products	0.02	(1.24)	1.55	29.37
Information Technology	(0.19)	(1.07)	2.89	35.69
Metals/Mining/Minerals	0.50	(3.80)	(1.77)	15.02
Telecom	0.04	(1.72)	1.02	(9.12)
Utilities	0.57	(1.90)	(4.23)	(3.61)

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

Long Position				
	DII	FII	Pro	Other
Future Index	31825	107464	20813	263175
Future Stock	39782	696020	194041	1100449
Option Index Call	53811	227522	149137	435920
Option Index Put	82291	421817	149924	661193
Option Stock Call	198	39159	57188	340156
Option Stock Put	0	32094	50482	144638

Short Position				
	DII	FII	Pro	Other
Future Index	45502	182362	33065	162348
Future Stock	956520	495127	129225	449420
Option Index Call	0	115004	211278	540107
Option Index Put	0	140004	262718	912503
Option Stock Call	655	45406	125707	264933
Option Stock Put	0	28068	54642	144504

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
500126	MERCK	27.1
511431	VAKRANSOFT	18.6
532313	MAHLIFE	16.2
532827	PAGEIND	15.8
532890	TAKE	15.0
530367	NRBBEARING	13.4
500490	BAJAJHLDNG	13.3
500034	BAJFINANCE	12.4
532830	ASTRAL	12.0
500325	RELIANCE	11.0

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
534758	CIGNITITEC	39.3
524715	SUNPHARMA	27.5
500257	LUPIN	23.3
534690	LAKSHVILAS	21.2
500660	GLAXO	16.5
532296	GLENMARK	16.4
524348	AARTIDRUGS	15.7
500087	CIPLA	15.3
500547	BPCL	14.1
532810	PFC	13.9

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
523204	ABAN	(23.47)
500185	HCC	(21.77)
532370	RAMCOSYS	(17.53)
500645	DEEPAKFERT	(16.84)
522205	PRAJIND	(14.14)
511389	VIDEOIND	(14.12)
509496	ITDCM	(13.12)
531768	POLYMED	(10.47)
532749	ALLCARGO	(10.17)
532430	BFUTILITIE	(9.55)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
522275	ALSTOMT&D	(19.91)
500378	JINDALSAW	(16.43)
500380	JKLAKSHMI	(16.08)
526521	SANGHIIND	(13.53)
519600	CCL	(11.42)
500116	IDBI	(10.80)
531344	CONCOR	(10.08)
524000	MAGMA	(9.96)
505533	WESTLIFE	(9.96)
522249	MAYURUNIQ	(9.61)

* 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

25-Jun-18

Last week, Market was in a roller-coaster mode. At the beginning, it slipped on the back of trade war news and then recovered on the news of crude oil price decline in the later part of week. Small cap and Mid cap sectors are dwindling but major Indices are looking relatively stronger. Medium term positive view remains intact as long as indices trade within an upward sloping channel.

NIFTY-

- a) **Successive higher close of last four weeks** in Nifty showing strength
- b) Sustainability of **RSI near 60** mark is indicating upward biasness
- c) **Bullish Engulfing** on daily chart having bullish connotation
- d) Confluence of Fibonacci retracements of various leg at single point imply robust support at **10700 level** and Nifty will remain strong till it hold above this level.
- d) Volatility remain subdued indicating the positivity in the consolidating market

On the flip side, Nifty has to **surpass a falling trend line** which joins the high of 11170 with the subsequent lower tops. Unless this happens, it will vulnerable to some more consolidation.

-A decisive breakout above 10930 can witness an upmove till 11075 levels while a close below 10700 can lead to correction till 10550 levels

BANK NIFTY-

Bullishness will continue till it sustains above rising trend line. Resistance is seen at **26810 followed by 27050** and Support lies at **26360 followed by 26000 levels**.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	NIFTY LEVEL	JUSTIFICATION
Resistance 2	10930	Peak of Gravestone Doji
Resistance 1	10840	Current week peak
Close	10821	
Support 1	10700	Confluence of Fibonacci retracement
Support 2	10550	Low of Dragon Fly Doji

Spread View: Sell Zinc Buy Lead

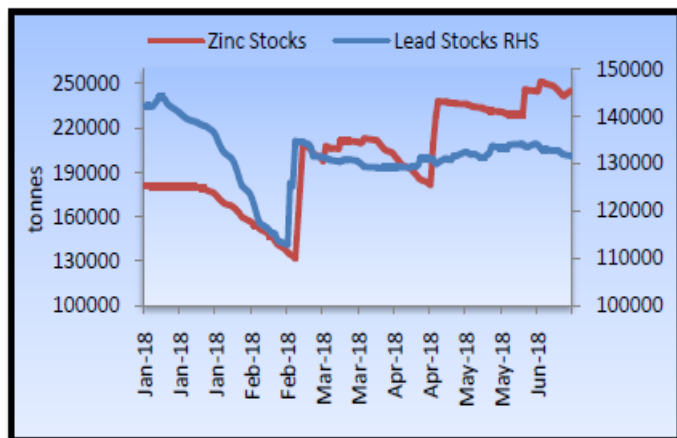


Lead Zinc ratio had turnaround drastically on expectation of huge deficit in Zinc reversing from 20 in the year 2013 to -20 during the end of 2014. However, lead is also a by-product in zinc mines. Similarly, the situation seems to have turned around. As the supply crunch situation in China is increasing, we believe Lead prices to remain fundamentally stronger than Zinc prices.

Lead prices are expected to remain strong on concerns over potential shortage of Lead mine supply. Environmental inspections at secondary

lead smelters in China have reduced lead scrap supply in recent months which contributes nearly 60 percent to the lead primary supply. "Tighter lead market, expectation of new zinc mine supply, rising LME Zinc stocks and on low cancelled warrants zinc ratio makes us to come to a conclusion to actively short zinc and buy lead." Therefore, we expect the ratio Sell Zinc and Buy Lead to become narrow towards -35 to -30. At present the ratio is trading at -45 as on 19th June 2018.

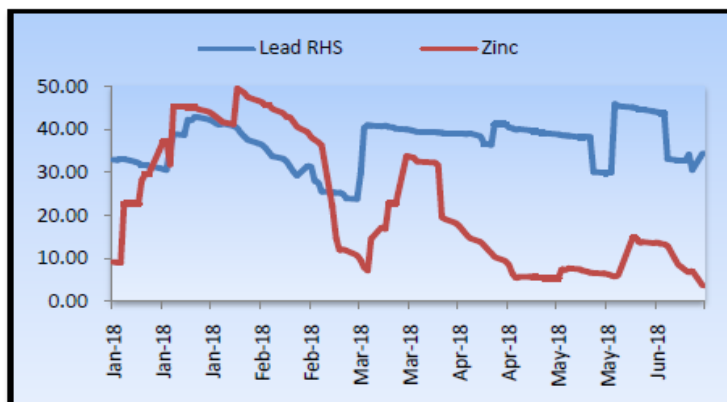
Inventory Scenario



Source: Bloomberg, Narnolia Research

LME Zinc stocks have stalled the falling trend and its slowing rising while LME Lead has maintained its falling trend for the past six months. Similarly Shanghai stocks of both the metal indicates us that the Zinc stocks have started to rise while Lead stocks are still in the downtrend.

Cancelled Warrants (% of LME stocks)



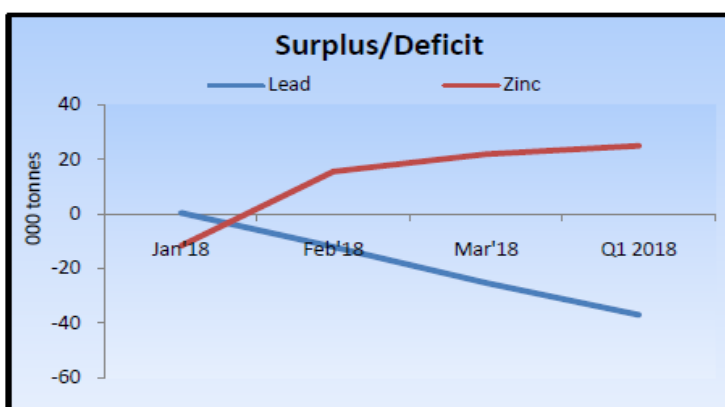
Source: Bloomberg, Narnolia Research

COMMODITY

Cancelled Warrants to LME stocks indicates the amount of inventory actually marked for delivery on daily basis. If the ratio is high, it is a bullish signal and vice versa.

Looking at the chart, we can conclude the Lead Cancelled warrant ratio is higher than the Zinc which means Lead prices are expected to remain stronger than the zinc prices.

Global Demand-Supply



According to the data released by the ILZSG, the global market for refined zinc metal was in surplus by 25000 tonnes over the first quarter of 2018 with total reported inventories rising by 118000 tonnes over the same period, While world refined lead metal demand exceeded supply by 37000 tonnes during the first quarter of 2018 and total reported stock levels decreased by 26000 tonnes.

Various Possible Outcome of Spread Call:

1. Both Lead and zinc prices rise, but lead outperform
2. Both Lead and zinc prices fall, but zinc to fall more
3. Lead price to rise, zinc price fall
4. Lead prices unchanged, while zinc prices fall
5. Lead rise, while zinc prices unchanged

Conclusion:

"Tighter lead market, expectation of new zinc mine supply, rising LME Zinc stocks and on low cancelled warrants zinc ratio makes us to come to a conclusion to actively short zinc and buy lead." Therefore, we expect the ratio Sell Zinc and Buy Lead to become narrow towards -35 to -30. At present the ratio is trading at -45 as on 19th 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.

COMMODITY

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.



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.

Rating : Long / BUY

20-Jun-18

BSE Code	539437
NSE Symbol	IDFCBANK
52wk Range H/L	71.15/37.60
Mkt Capital (Rs Cr)	14364
Av.Cash Volume(,000)	10709
Open Interest	186399000

Buy Price	42.2
Stop Loss	39
Target Price1	47
Target Price2	51
Upside in Tgt1	11%
Upside in Tgt2	21%



After making a life time low of Rs 37.60 on 5th June 2018, IDFC Bank Ltd has been giving good pullback rally since last couple of weeks. The stock has also given trend line breakout above Rs 42.

Therefore we advise traders to initiate long position in the stock near Rs 42.20 with a stop loss of Rs 39. The upside targets are Rs 47 and Rs 51.

RSI and Stochastic all are in oversold zone. So some fresh buying is likely to emerge in the stock at the current level.

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

Daily chart of Powergrid reveals that demand is increasing and supply is diminishing. Scripe 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

25/06/2018

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LTDC

29-May-18

BSE Code	500875
BSE Symbol	TATAMOTORS
52wk Range H/L	353/250
Mkt Capital (Rs Cr)	235,094.00
Av.Cash Volume(,000)	8829841
Open Interest	NA

Buy Price	273
Stop Loss	225
Target Price1	310
Target Price2	330
Upside in Tgt1	14%
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.

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 .

25/06/2018

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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)	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 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.

25/06/2018

Narnolia Securities Ltd Retail Technical Research

VIEW

15-May-18

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

Wednesday, May 16, 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 cutomers.
- ☒ 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
BSE Symbol	NIITLTD
52wk Range H/L	125/82.30
Mkt Capital (Rs Cr)	1,705.15
Av.Cash Volume(,000)	851.24
Open Interest	NA

Buy Price	108
Stop Loss	83.9
Target Price1	127
Target Price2	149
Upside in Tgt1	18%
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.

25/06/2018

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BSE Code	INE238A01034
BSE Symbol	AXISBANK
52wk Range H/L	627.50/447.80
Mkt Capital (Rs Cr)	1,40,614.79
Av.Cash Volume(,000)	62574.37
Open Interest	NA

Buy Price	540
Stop Loss	472
Target Price1	585
Target Price2	630
Upside in Tgt1	8%
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 trade 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

Monday, May 07, 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

Research Analyst

Sandip Jabuani

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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



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 service s(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)

Research Analyst

NIHARIKA OJHA
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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 inital 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

25/06/2018

Narnolia Securities Ltd | Retail Technical Research

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