

Trading Calls

IDFC BANK Long/Buy 27th July 2018

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

DLF Long/Buy 26th July 2018

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.

SUNPHARMA R-25 Long/Buy 25th July 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.

APOLLOHOSP Long/Buy 25th July 2018

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.

ENGINEERSIN Long/Buy 24th July 2018

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.

GLENMARK Long/Buy 24th July 2018

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.

| Market | Value | % Change |
|-----------|----------|----------|
| SGX Nifty | 11333.00 | -0.09% |

Nifty Key Levels

| | | |
|------------|------------|------------|
| Support | S1 : 11200 | S2 : 11170 |
| Resistance | R1 : 11350 | R2 : 11400 |

Market Outlook

Benchmark Indices continued with their stellar rally after undergoing strain of nearly five months.

Nifty achieved its pattern target of 11305 yesterday and extended its up move to 11328. The momentum indicators are reaching to their overbought zone. (Stochastic is at 95 & RSI is at 75). However the ADX line is currently at 30. So we believe some juice is still left in the market.

| Institutional Turnover | | | |
|------------------------|----------|-----------|----------|
| FII | Buy(cr.) | Sell(cr.) | Net(cr.) |
| 30-Jul-18 | 4,813 | 5,047 | (234) |
| Jul-18 | 95,278 | 99,825 | (4,546) |
| DII | Buy(cr.) | Sell(cr.) | Net(cr.) |
| 30-Jul-18 | 4,321 | 4,272 | 49 |
| Jul-18 | 74,351 | 69,847 | 4,199 |

| Sectoral Performance (%) | | | | |
|--------------------------------|--------|--------|---------|---------|
| | 1 Day | 1 Week | 1 Month | 1 Year |
| Auto Components | 0.53 | 4.20 | 6.29 | 6.16 |
| Automobiles | 0.37 | 0.20 | 0.89 | 2.07 |
| Auto Components | 0.53 | 4.20 | 6.29 | 6.16 |
| Construction & Engineering | (0.83) | 2.94 | 3.09 | 1.93 |
| Construction Materials | 0.63 | 7.66 | 8.87 | (5.11) |
| Diversified Financial Services | (0.11) | 3.98 | 9.24 | 11.19 |
| Electrical Equipment | 0.45 | 3.33 | 6.84 | (2.35) |
| Energy | 1.27 | 3.25 | 12.06 | 16.36 |
| Financials | 0.58 | 3.95 | 7.42 | 8.92 |
| Health Care | 0.87 | 3.30 | 1.55 | (0.64) |
| Household Durables | 0.22 | 2.14 | 2.93 | 11.50 |
| Household & Personal Products | 1.28 | 0.65 | 3.34 | 30.21 |
| Information Technology | (0.42) | (1.67) | 3.88 | 37.80 |
| Metals/Mining/Minerals | 0.60 | 4.56 | (2.09) | 3.00 |
| Telecom | 3.43 | 5.71 | (0.91) | (17.74) |
| Utilities | 1.33 | 3.11 | 2.39 | (7.91) |

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

| Long Position | | | | |
|-------------------|-------|--------|--------|--------|
| | DII | FII | Pro | Other |
| Future Index | 37077 | 143103 | 15916 | 209921 |
| Future Stock | 32479 | 664174 | 148287 | 912326 |
| Option Index Call | 31057 | 169341 | 137614 | 257751 |
| Option Index Put | 89214 | 235277 | 137537 | 593038 |
| Option Stock Call | 109 | 16995 | 38303 | 180450 |
| Option Stock Put | 0 | 15479 | 36819 | 81989 |

| Short Position | | | | |
|-------------------|--------|--------|--------|--------|
| | DII | FII | Pro | Other |
| Future Index | 77950 | 101747 | 48004 | 178316 |
| Future Stock | 915216 | 404793 | 78857 | 358400 |
| Option Index Call | 0 | 42873 | 126739 | 426151 |
| Option Index Put | 0 | 113194 | 232693 | 709179 |
| Option Stock Call | 0 | 19169 | 74689 | 141999 |
| Option Stock Put | 0 | 11935 | 32762 | 89590 |

High ES & High PS Stock Maintaining Strength

| BSE Code | NSE CODE | 1 Month Return % |
|----------|------------|------------------|
| 534758 | CIGNITITEC | 40.1 |
| 532511 | EXCELCROP | 37.5 |
| 500288 | MOREPENLAB | 29.2 |
| 500292 | HEIDELBERG | 19.3 |
| 500325 | RELIANCE | 19.1 |
| 532514 | IGL | 17.8 |
| 517334 | MOTHERSUMI | 17.1 |
| 533519 | L&TFH | 17.1 |
| 523367 | DCMSHRIRAM | 16.4 |
| 517354 | HAVELLS | 16.3 |

High ES & Low PS Stock Showing Strength

| BSE Code | NSE CODE | 1 Month Return % |
|----------|------------|------------------|
| 532134 | BANKBARODA | 31.8 |
| 532401 | VIJAYABANK | 27.2 |
| 532892 | MOTILALOFS | 23.3 |
| 532482 | GRANULES | 22.0 |
| 534139 | SCHNEIDER | 21.4 |
| 532856 | TIMETECHNO | 18.3 |
| 532149 | BANKINDIA | 16.7 |
| 502165 | OCL | 14.1 |
| 532331 | AJANTPHARM | 13.9 |
| 532810 | PFC | 12.8 |

Low ES & Low PS Stock Maintaining Weakness

| BSE Code | NSE CODE | 1 Month Return % |
|----------|------------|------------------|
| 530943 | SABTN | (42.31) |
| 521248 | KITEX | (31.33) |
| 532706 | INOXLEISUR | (25.11) |
| 511389 | VIDEOIND | (22.48) |
| 532662 | HTMEDIA | (22.47) |
| 532929 | BRIGADE | (13.62) |
| 532800 | TV18BRDCST | (12.99) |
| 538562 | SKIPPER | (6.70) |
| 532622 | GDL | (4.55) |
| 532430 | BFUTILITIE | (3.99) |

Low ES & High PS Stock Showing Weakness

| BSE Code | NSE CODE | 1 Month Return % |
|----------|------------|------------------|
| 507488 | GMBREW | (18.84) |
| 532654 | MCLEODRUSS | (10.96) |
| 500124 | DRREDDY | (9.84) |
| 532523 | BIOCON | (8.67) |
| 532755 | TECHM | (8.32) |
| 532300 | WOCKPHARMA | (7.72) |
| 532839 | DISHTV | (7.25) |
| 532819 | MINDTREE | (5.85) |
| 524000 | MAGMA | (4.75) |
| 500085 | CHAMBLFERT | (4.15) |

* 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.

Improved first quarterly results from Large cap stocks, sizzling performance by PSU and Pharma sectors coupled with the strength in rupee along with the smooth sailing of NDA govt in the non confidence motion aided the main indices to make a fresh high. Additionally, the prospects of consumption story on the back of reduction in GST rates and the best monsoon is restoring investors confidence in the market. Rally so far is triggered by robust domestic flows which have been consistent. It is massive enough to cushion any down turn due to FII outflows; by which our domestic market is insulated from external shock.

NIFTY-

- Index gave pole and flag breakout with spurt in volume on higher side and Nifty started trading in an uncharted territory.
- We mentioned in our previous report, "**Pole and Flag breakout** is expected to come above **11080** levels which can push Nifty towards its life time high of 11171," this happened.
- We also mentioned, "Above which Nifty will march towards uncharted territory and ready to give 4 to 5 % move on higher side", this is unfolding nicely
- Emergence of Bullish belt hold on weekly chart indicate that Index continues to retain its up move and it can extend its gain towards 10400-10500 zone
- Strong support is seen at **11080 followed by 11000** where market participants can adopt buy on dips strategy

BANKNIFTY-

This time Bank nifty outperform Nifty and gave breakout from our mentioned given levels. Next resistance is seen near **27655** above which it can extend gain up to **28000** levels. Key support lies at **26670** levels followed by **26130** levels.

CHART ANALYSIS**SUPPORT & RESISTANCE LEVELS**

| RESISTANCE/SUPPORT | NIFTY LEVEL | JUSTIFICATION |
|--------------------|-------------|--------------------------|
| Resistance 2 | 11400 | Psychological level |
| Resistance 1 | 11300 | Psychological level |
| Close | 11278 | |
| Support 1 | 11170 | Point of polarity |
| Support 2 | 11010 | Low of Bullish Belt Hold |

Technical Chart



In line with our expectation, Pair continuously trading on a bearish mode as it was unable to breach our mentioned resistance zone of 69.10-69.15 mark. Multiple bearish candlestick formation is seen near crucial resistance zone of 69 - 69.15 from where it reversed from four to five times earlier. Sustainability below Evening star along with the formation of Double top on daily chart indicate a reversal is likely. Indicators are losing momentum- RSI showing Negative Divergence on weekly charts clubbed with Negative crossover in daily MACD suggests upside is likely to be capped for the time being. With resistance at 69- 69.15 zone it is likely to come under pressure and can slip back till 68 followed by 67.70 levels (23.6% retracement of the up move from 63.25 to 69.10) which is a key support. A break below 67.70 is required for further downside in the pair from where it can slip till 67.20 and 66.85 levels. Conversely, A sustained breakout above 69-69.15 zone can lead to massive upside in the pair in the medium term which can be a tune of 70 followed by 72.50 mark.

STDC- BUY IDFC BANK

27-Jul-18

| | |
|----------------------|-----------|
| BSE Code | 539437 |
| BSE Symbol | IDFC BANK |
| 52wk Range H/L | 70/35 |
| Mkt Capital (Rs Cr) | 5,201.48 |
| Av.Cash Volume(,000) | 4725870 |
| Open Interest | NA |

| | |
|----------------|-------|
| Buy Price | 38.35 |
| Stop Loss | 35.4 |
| Target Price1 | 43 |
| Target Price2 | 45 |
| Upside in Tgt1 | 12% |
| 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

31/07/2018

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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) | 6,391,615.00 |
| 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



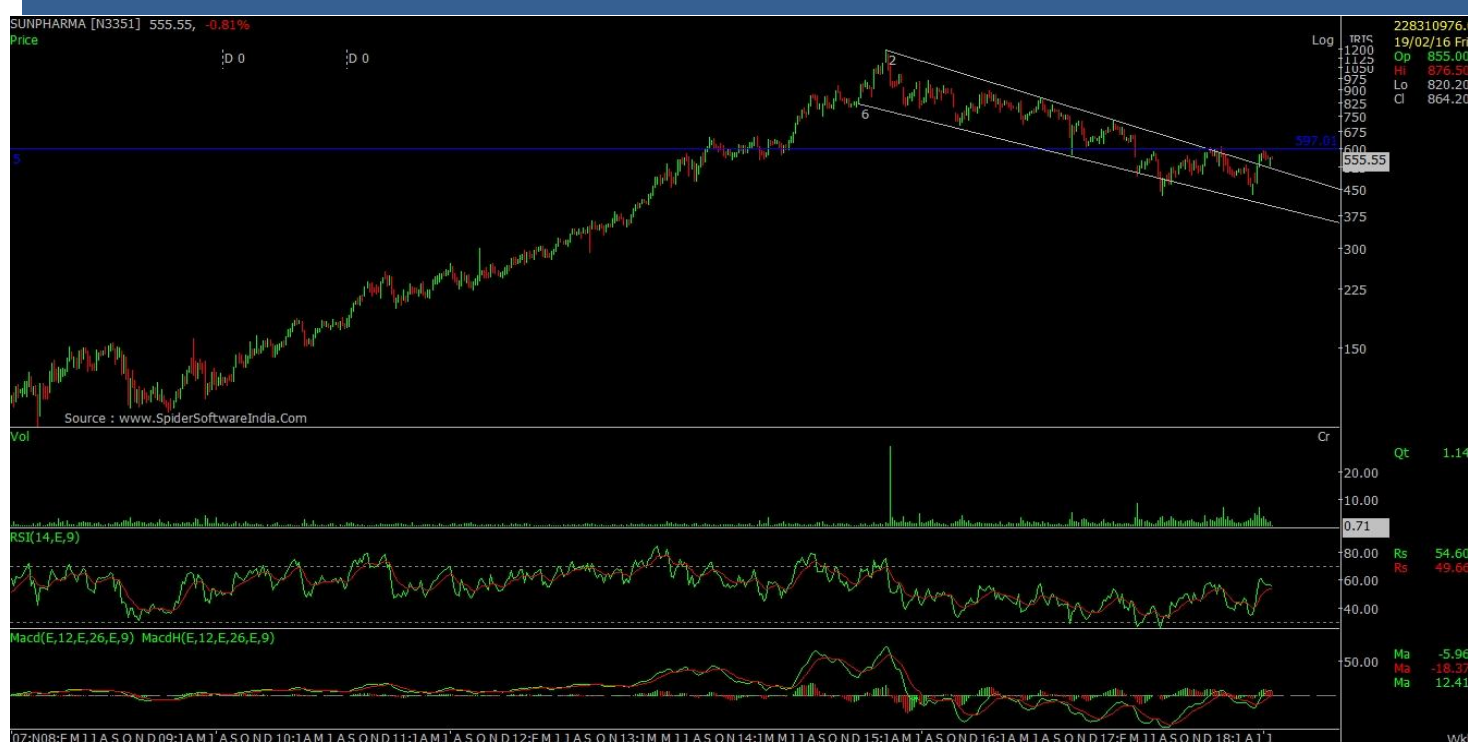
STDC- BUY DLF AT 187-190 OR ON DIP TOWARDS 177-180, SL BELOW 167 (CLOSING BASIS), T1- 215, T2-225

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.

R-25: BUY SUNPHARMA**25-Jul-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 | 540 |
| Stop Loss | 468 |
| Target Price1 | 650 |
| Target Price2 | 690 |
| Upside in Tgt1 | 20% |
| Upside in Tgt2 | 47% |

Technical Chart

STDC- BUY SUNPHARMA AT 550-555 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.

31/07/2018

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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**

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.

31/07/2018

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STDC- BUY ENGINEERSIN

24-Jul-18

| | |
|----------------------|------------|
| BSE Code | 532178 |
| BSE Symbol | ENGINEERIN |
| 52wk Range H/L | 117/206 |
| Mkt Capital (Rs Cr) | 8,148.50 |
| Av.Cash Volume(,000) | 39118 |
| 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 ENGINEERSIN 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.

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

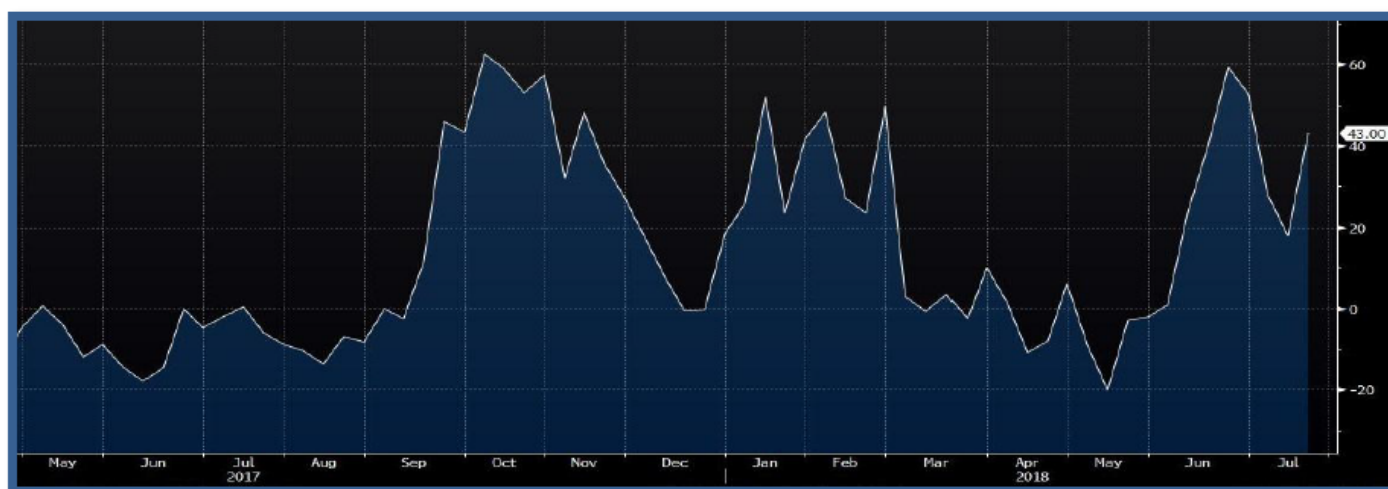
Scrip has been running in the falling channel since long and it gave break out before few week. As of now, it is again testing its upper base line of falling channel from where possibility of bounce back arises. Declining MACD histogram in negative territory also showing bullishness in coming sessions. 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



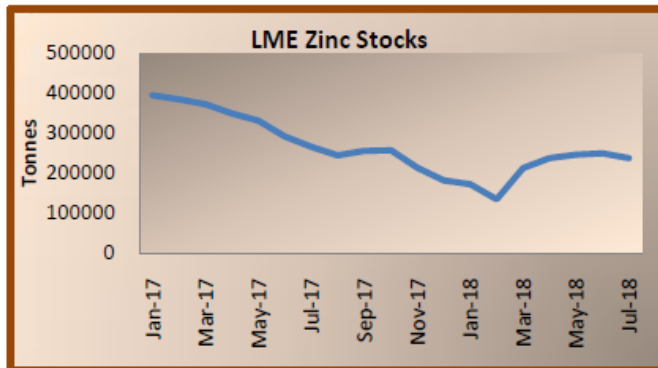
LME Zinc Cash to 3Month reversed its recent downfall and moved higher towards \$43 suggest the backwardation still in play and therefore, this scenario indicates supply tightness in the refined metal that will likely keep the short sellers away and prices supportive.

Zinc Still A Deficit Market

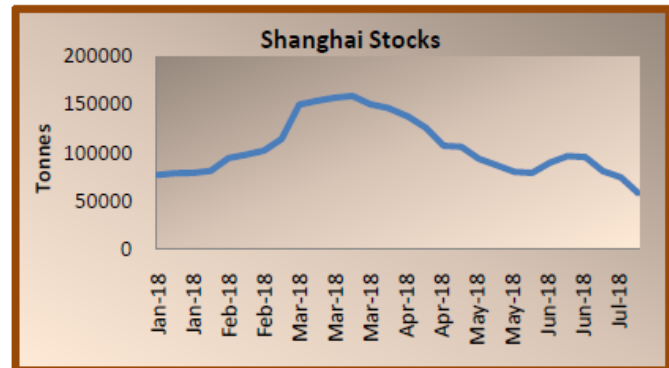
Zinc market is still in deficit, however the deficit this year is expected to be much smaller than the last year. As per ILZSG, Global zinc market balance continues to remain in deficit this year. The group expects the demand to exceed supply by 239,000 tonnes in 2018, although a lower deficit figure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

STDC- BUY CADILA

17-Jul-18

| | |
|----------------------|-----------|
| BSE Code | 532321 |
| BSE Symbol | CADILA |
| 52wk Range H/L | 341/554.9 |
| Mkt Capital (Rs Cr) | 40,721.89 |
| Av.Cash Volume(,000) | 10712428 |
| Open Interest | NA |

| | |
|----------------|-------------|
| Buy Price | 351 |
| Stop Loss | 329 |
| Target Price1 | 384 |
| Target Price2 | 400 |
| Upside in Tgt1 | 9% |
| 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 **Gartley 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.

STDC- BUY JINDAL STEEL

12-Jul-18

| | |
|----------------------|--------------|
| BSE Code | 532286 |
| BSE Symbol | JINDAL STEEL |
| 52wk Range H/L | 294/112 |
| Mkt Capital (Rs Cr) | 21,193.19 |
| Av.Cash Volume(,000) | 9368740 |
| Open Interest | NA |

| | |
|----------------|-------|
| Buy Price | 212.5 |
| Stop Loss | 170 |
| Target Price1 | 265 |
| Target Price2 | 280 |
| Upside in Tgt1 | 25% |
| Upside in Tgt2 | 65% |

Technical Chart



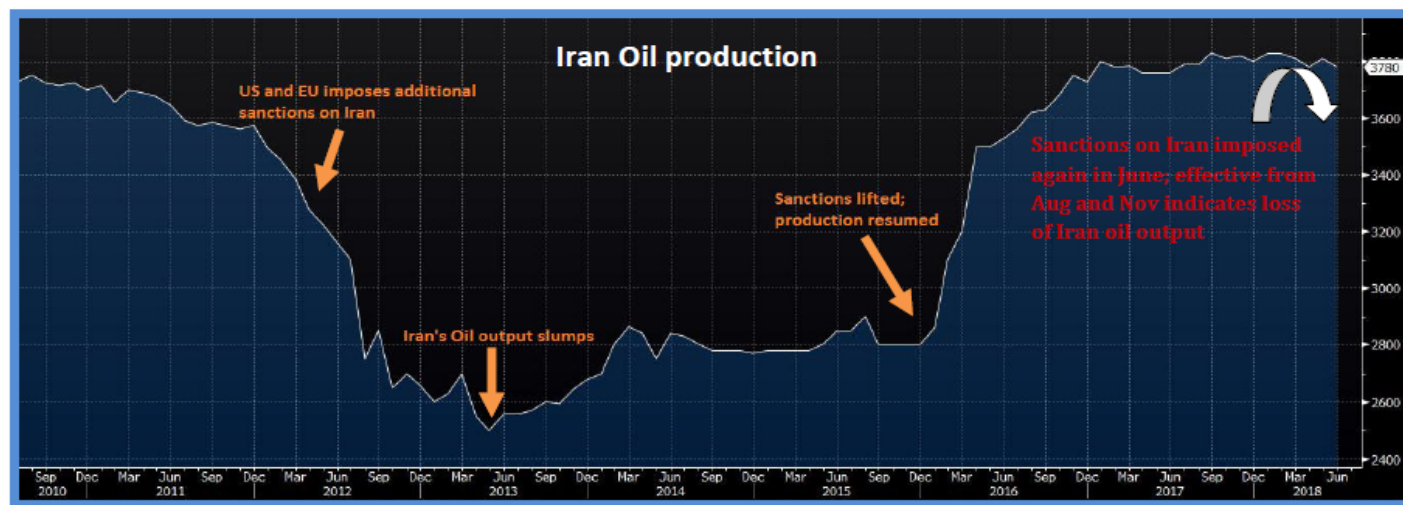
STDC- BUY JSPL AT 220-225 OR DIP TOWARDS 195-200, SL BELOW 170 (CLOSING BASIS), T1- 265, T2-280

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.

31/07/2018

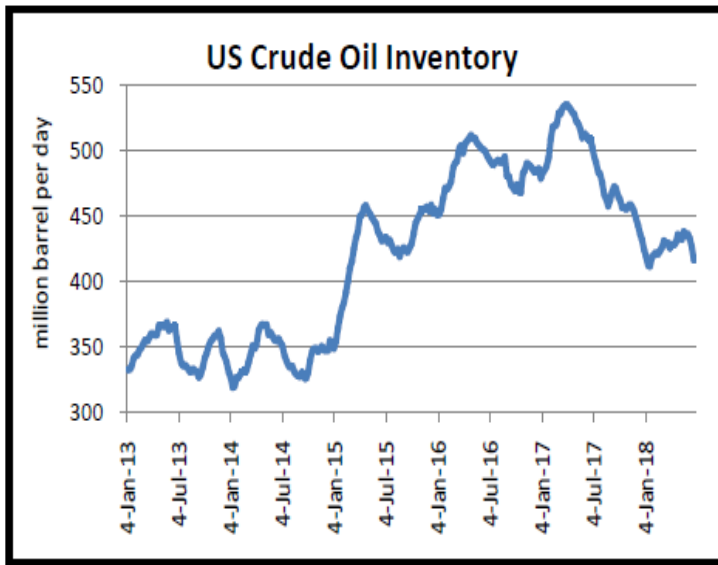
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Oil prices have remained steady at \$74 due to supply disruption in Libya, Canada and impending sanction on Iran, all of which increases the likelihood of big shortfall in the oil market. Bullish oil factors are ruling over Bearish factors as investors 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.



“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.

STDC- BUY VEDL

9-Jul-18

| | |
|----------------------|-----------|
| BSE Code | 500295 |
| BSE Symbol | VEDL |
| 52wk Range H/L | 355/270 |
| Mkt Capital (Rs Cr) | 40,721.89 |
| Av.Cash Volume(,000) | 10712428 |
| Open Interest | NA |

| | |
|----------------|-------|
| Buy Price | 207.5 |
| Stop Loss | 183 |
| Target Price1 | 270 |
| Target Price2 | 300 |
| Upside in Tgt1 | 30% |
| Upside in Tgt2 | 64% |

Technical Chart



STDC- BUY VEDL AT 220-226 OR DIP TOWARDS 195-200, SL BELOW 183 (CLOSING BASIS), T1- 270, T2-300

Scrip has witnessed a decent correction from the peak of 355 to show signs of bottoming out at around 215-220 levels and currently has produced a **Morning star candlestick pattern** on daily chart to show strength and is poised for an upward move in coming days with bias improving and turning out to positive. Occurrence of **BULLISH SHARK PATTERN** is also giving cues for going long in the stock. **Positive Divergence in RSI** and **Positive crossover in MACD** also conducive for its upmove. With decent volume participation, we recommend buy in this stock.

31/07/2018

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| | |
|----------------------|--------------------|
| BSE Code | 540743 |
| BSE Symbol | Godrej Agrovet Ltd |
| 52wk Range H/L | 738/522.15 |
| Mkt Capital (Rs Cr) | 2,006.35 |
| Av.Cash Volume(,000) | 640.69 |
| Open Interest | NA |

| | |
|----------------|-----|
| Buy Price | 612 |
| Stop Loss | 540 |
| Target Price1 | 700 |
| Target Price2 | 740 |
| Upside in Tgt1 | 14% |
| Upside in Tgt2 | 21% |

Technical Chart

Godrej Agrovet: weekly



STDC: BUY GODREJ AGROVET AROUND 610-614 AND 580-85 SL 540 TARGET 700/ 740

Occurrence of double bottom formation on lower time frame & having positive divergence in RSI, shows limited downside and possibility of reversal in coming sessions. **Godrej Agrovet** is trading near it's demand zone 590-610, projecting demand overruling supply ahead. Majority of the oscillators are trading in oversold zone too, expecting some pull back rally. As well as prices have taken support from strong trendline (touching points 529-567), anticipating turned back from current levels. Looking all technical factors, it should trade with positive tone and we expect Godrej Agrovet to trade higher in coming weeks by taking support from 600 levels.

RECOS

6-Jul-18

| | | | |
|----------------------|----------|----------------|-----|
| BSE Code | 538480 | Buy Price | 41 |
| BSE Symbol | ALBK | Stop Loss | 37 |
| 52wk Range H/L | 37/89 | Target Price1 | 47 |
| Mkt Capital (Rs Cr) | 4,477.43 | Target Price2 | 50 |
| Av.Cash Volume(,000) | 5367.86 | Upside in Tgt1 | 15% |
| Open Interest | NA | Upside in Tgt2 | 22% |

Technical Chart



STDC- BUY ALBK AT 42.5 OR DIP TOWARDS 39.5-40, SL – 37 (CLOSING BASIS), T1- 47,50

Daily chart of ALBK reveals that demand is increasing and supply is diminishing. **Rising trendline** from lower levels is displaying trend reversal and creates buying opportunity at current juncture. Emergence of **Hammer** above rising trend line on weekly chart augur well for the Bulls and indicate surge on upside. Apart from this, **Declining MACD Histogram** along with **positive crossover** signals optimism, suggest upside move in the counter in coming

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.

| | |
|----------------------|------------|
| 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.

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. 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

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Narnolia Securities Ltd | Retail Technical Research

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. Script 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.

VIEW

16-May-18

| | |
|----------------------|------------|
| BSE Code | 532454 |
| BSE Symbol | BHARTIARTL |
| 52wk Range H/L | 565/361 |
| Mkt Capital (Rs Cr) | 49514 |
| Av.Cash Volume(,000) | 22,979.56 |
| Open Interest | NA |

| | |
|----------------|-----|
| Buy Price | 371 |
| Stop Loss | 337 |
| Target Price1 | 435 |
| Target Price2 | 489 |
| Upside in Tgt1 | 17% |
| 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.

31/07/2018

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 |

Research Analyst

ADITYA GUPTA

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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.

31/07/2018

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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.

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 progresssing 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 Magin

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

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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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