

Trading Calls

PHILIPCARB BUY 21st February 2019

Philips Carbon has corrected around 37% in a time span of just one month. Currently the leading indicators (RSI & Stochastic) have reached at their oversold zone as well as positive divergences were made on all the major indicators like Stochastic, RSI and MACD. Therefore some quick pullback rally is very likely in the stock in short term.

ALUMINIUM BUY 06th December 2018

In Aluminium Chinese production is expected to come down on smelters shutdown due to lower prices. However, demand weakness due to trade duties can provide some selling pressure. but prices will remain supported at lower levels. We expect MCX Aluminium prices will take support of 127-125 levels and move higher towards Rs 150-155 per kg in the short term.

Market	Value	% Change
SGX Nifty (at 8.15 am IST)	10857.00	-0.12%

Nifty Key Levels

Support	S1: 10750	S2 : 10640
Resistance	R1 : 10940	R2 : 11010

Market Outlook

There was a tug-of-war between the bulls and the bears around 200-DMA level where the bears seem to prevail as index formed Bearish Belt hold pattern on daily chart. But the index still looks range-bound on near and medium-term timeframes. Support for the index is at 10750 while it could face headwinds around 10940.

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
28-Feb-19	12,893	9,682	3,211
Feb-19	109,910	96,345	14,498
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
28-Feb-19	5,375	10,616	(5,241)
Feb-19	67,192	67,758	(566)

FII DERIVATIVES POSITION FOR 28-Feb-2019

	Net (Amt. in crs)
INDEX FUTURES	1,215
INDEX OPTIONS	2,009
STOCK FUTURES	609
STOCK OPTIONS	639

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	1.14	5.79	2.97	(18.89)
Automobiles	(1.17)	1.18	3.07	(25.64)
Chemicals	0.85	2.59	1.22	(1.12)
Construction & Engineering	1.02	(0.60)	(0.14)	(19.32)
Construction Materials	(0.65)	3.82	8.14	(17.01)
Diversified Financial Services	0.13	(0.32)	0.67	(6.11)
Electrical Equipment	1.16	2.04	(2.12)	(16.20)
Energy	1.06	0.78	0.93	1.14
Financials	0.10	(0.63)	0.14	(0.74)
Health Care	0.39	1.89	0.31	(4.04)
Household Durables	1.46	2.78	(0.29)	(16.59)
Household & Personal Products	0.33	0.17	(1.56)	18.34
Information Technology	(1.61)	1.87	2.62	21.28
Metals/Mining/Minerals	1.42	3.54	2.66	(27.16)
Telecom	(0.47)	0.42	3.20	(27.99)
Utilities	0.83	1.45	(2.79)	(17.05)

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

Long Position				
	DII	FII	Pro	Other
Future Index	34979	101694	15088	106878
Future Stock	7974	881849	111467	702749
Option Index Call	25397	137661	129616	230403
Option Index Put	105980	268553	128309	342770
Option Stock Call	0	3934	25108	85713
Option Stock Put	0	7454	29071	51996

Short Position				
	DII	FII	Pro	Other
Future Index	16069	98883	32562	111125
Future Stock	927067	489015	96042	191915
Option Index Call	0	47437	122269	353371
Option Index Put	0	135804	166919	542889
Option Stock Call	0	5991	36036	72728
Option Stock Put	0	7939	22164	58418

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
506820	ASTRAZEN	22.4
523367	DCMSHRIRAM	20.4
506197	BLISSGVS	18.9
511288	GRUH	14.8
512070	UPL	14.0
500470	TATASTEEL	13.7
509930	SUPREMEIND	13.6
532755	TECHM	12.7
533179	PERSISTENT	11.6
503806	SRF	11.5

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
503310	SWANENERGY	28.9
505537	ZEEL	22.8
524742	CAPPL	20.7
532648	YESBANK	12.6
532733	SUNTV	11.8
532706	INOXLEISUR	11.4
511243	CHOLAFIN	9.9
532622	GDL	9.3
517334	MOTHERSUMI	9.1
505200	EICHERMOT	7.8

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
532939	RPOWER	(60.49)
531737	GREENCREST	(31.86)
530943	SABTN	(25.20)
511072	DHFL	(24.70)
512131	SIGNET	(21.03)
523204	ABAN	(20.66)
502742	SINTEX	(17.73)
532149	BANKINDIA	(16.50)
521248	KITEX	(15.82)
532915	RELIGARE	(15.82)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
517380	IGARASHI	(27.94)
500116	IDBI	(25.80)
500288	MOREPENLAB	(15.23)
532642	JINDALSWHL	(13.22)
508869	APOLLOHOSP	(11.60)
514162	WELSPUNIND	(11.33)
500257	LUPIN	(11.04)
500411	THERMAX	(10.95)
524404	MARKSANS	(10.22)
500171	GHCL	(10.03)

* 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.

STDC / R25 Open Calls for 01-Mar-2019

STDC									
No	Date	Type	Buy/Sell	Stock	Entry1	Entry2	SL	Tgt 1	Tgt 2
1	21-Feb-201	STDC	BUY	PHILIPCARB	145.5	138	130	164	180

VIEW

After giving a sharp fall below key supports, Domestic market bounced back smartly as investor sentiment has been boosted owing to recapitalization of PSU banks and Fed's affirmation of slow pace in rate hikes. Accumulation is seen on heavyweights after recent fall while mid and small cap outperformed. Undercurrent in the market is yet to stabilise due to caution on global trade and growth while falling interest rates and reforms by government will give impetus to consumption led stocks.

NIFTY-

- Short covering and positive global sentiment helped nifty for smart recovery
- Formation of Double bottom on daily chart suggest this bounce back can pull higher
- Moreover, appearance of Hammer on weekly chart augur well for Bulls
- Sustainability of RSI above 50 lending support to the price action
- Real acid test for the bulls lies in giving decisive close above the critical resistance of 10890- 10915 then this pullback swing can get extended further up to the 11010 level
- Technically, support appear to close to the 10640 levels followed by 10580 levels.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11010	Previous swing high
Resistance 1	10890	Daily swing high
Close	10791	
Support 1	10640	Channel support
Support 2	10580	Line of Parity

Banknifty Weekly

25-Feb-19

VIEW

Last week Bank Nifty started to trade with a red session and made a weekly low of 26617.70. However it found a strong support at 200 DMA and thereafter gave a smart pullback rally from that level. At the end of the week the index closed at 26867.55. It had a net gain of 0.3% over its previous week's close.

OBSERVATIONS:

- 1) Bank Nifty is getting a strong support at 200 DMA and a stiff resistance at 50 DMA.
- 2) Bank Nifty has breached its upward rising channel and currently trading below the lower- band of the channel.
3. Bank Nifty is trading above 100 & 200 DMAs

It is observed Bank Nifty is consolidating in a tight range of 50 DMA (currently is at 27148) & 200 DMA (currently is at 26632). A fresh momentum on either side is expected only after breaching the said range. So we believe trading would be best strategy in the current week. One should initiate long position near 200 DMA and book the profit near 50 DMA.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	27690
Resistance 1	27150
Close	26868
Support 1	26602
Support 2	26335

VIEW

Dollar index has shown retracement after FOMC meeting minutes which states that FED may pause increasing rates. The rollover impact was buying seen in equity and precious metals. If we observe the chart of indian rupee, it is expected to trade in the range of 71.85-70.40. If currency manage to sustain below its key support levels then we may see some more bullish trend. Other wise we expect the currency to remain sideways.

TECHNICAL FACTORS-

- From last three weeks, pair has been seeing selling pressure near the zone of falling trend line
- As long as pair sustain below the falling line, selling pressure will remain exist
- Small red candle on weekly chart indicate bullishness for Rupee
- Negative crossover in MACD suggest upside is capped in coming sessions
- On sustaining below 70.90, pair can extend down till 70.40 and 70.00 marks
- Resistance stands at 71.60 followed by 71.85 mark.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	71.85
Resistance 1	71.6
Close	71.03
Support 1	70.9
Support 2	70.40

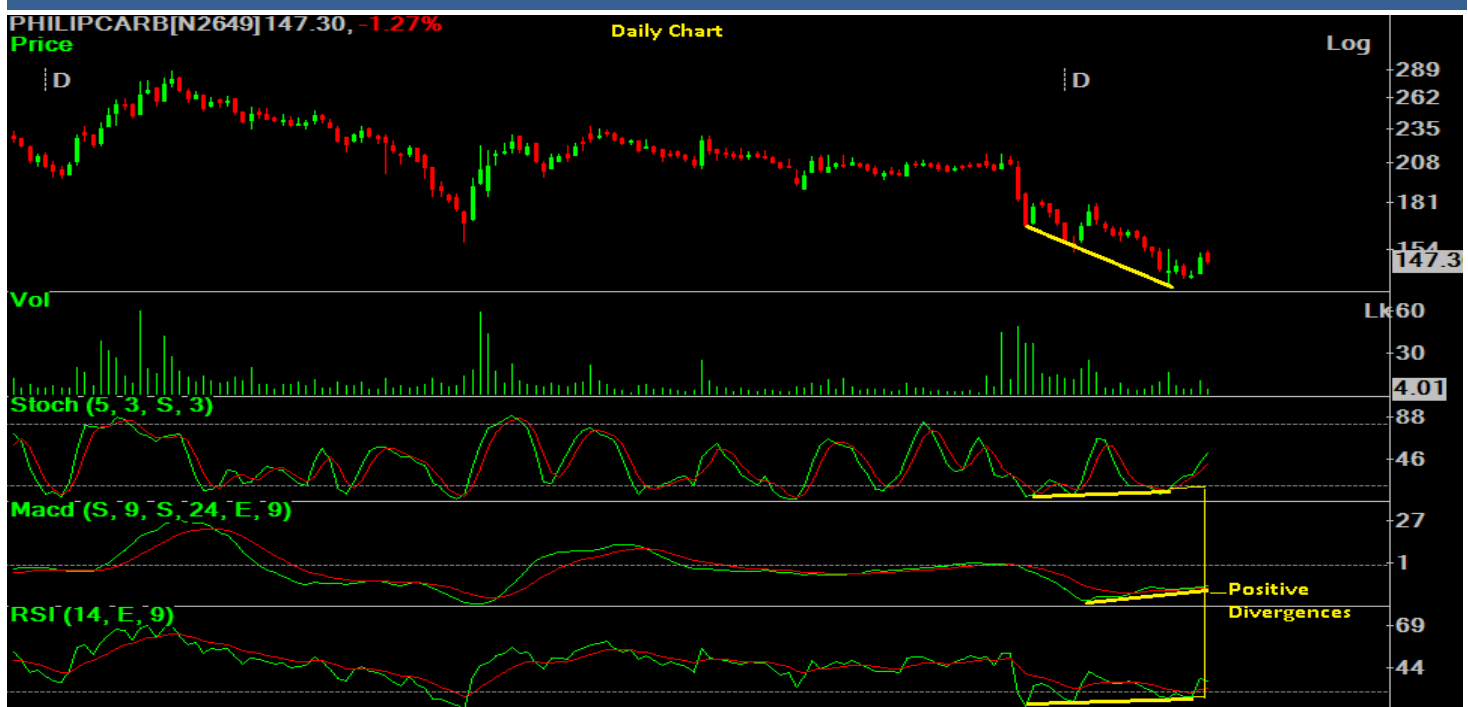
STDC : Long / BUY

1-Mar-19

BSE Code	506590
NSE Symbol	PHILIPCARB
52wk Range H/L	287/135.55
Mkt Capital (Rs Cr)	2533.36
Av.Cash Volume(,000)	532
Open Interest	NA

Buy Price	144-147 & 136-140
Stop Loss	130
Target Price1	164
Target Price2	180
Upside in Tgt1	12%-18%
Upside in Tgt2	23%-30%

Technical Chart



STDC BUY PHILIPCARB @ 144-147 & 136-140 SL-130 (CLOSING BASIS) TGT-164,180

Philips Carbon has corrected around 37% in a time span of just one month. Currently the leading indicators (RSI & Stochastic) have reached at their oversold zone as well as positive divergences were made on all the major indicators like Stochastic, RSI and MACD. Therefore some quick pullback rally is very likely in the stock in short term.

LME Aluminium prices have fallen towards two year low at \$1920 per tonne after the supply tightness eased in the raw material sector and after United States decided to delay the sanctions on Russia, one of the world's largest producer of the metal. Prices have moved below its cost of production in China pressurizing the margins of the producers.

Globally, aluminium production has remained flat as the major producers like China is unable to increase the output as the current prices are unprofitable. While, US on the other side is starting to start its smelters but the outages at Canada, Brazil have offset the rise in production. China contributes almost 56% to the global production. And saying if China slows down its production rate, the world would be in huge shortfall in the coming year.

China Supply Concerns:

China's aluminium production has been falling since last three months despite of no winter output curtailments in place. China's capacity growth rate is slowing as old capacity is been shut down by the local government following strict targets set by China and the rate of new smelter capacity is falling. Although, the key ingredient, bauxite is restricted to produce during winter period on China's environmental crackdown.

Aluminum Corp of China Ltd also known as Chalco, China's largest producer, is cutting output on some of its aluminum production lines in northern China. The company is set to reduce some 470,000 tonnes of production, nearly 12% of company's output. Two smelters in Qinghai province of China of 270,000 tonnes capacity have gone off line in the last couple of weeks. These cuts have been inculcated as prices are trading below cost of production driven by reducing demand and ample of supply, forcing smelters to either partially or fully shut down its production.

US Sanctions Tensions

US sanctions on Russia will continue add upside volatility in global aluminium prices. The U.S. Treasury Department last month postponed a Dec. 12 deadline for Deripaska to reduce his holdings in the companies, giving the Russian tycoon until Jan. 7.

Outlook

Overall, aluminium prices have declined drastically fell by almost 20% since April 2018 on extension of US sanction on Rusal and easeness in raw material supply. But we believe still some tightness in alumina market persists, as the Alunorte refinery is partially shut. Furthermore, Chinese production is expected to come down on smelters shutdown due to lower prices. However, demand weakness due to trade duties can provide some selling pressure. but prices will remain supported at lower levels. We expect MCX Aluminium prices will take support of 127-125 levels and move higher towards Rs 150-155 per kg in the short term.

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Disclosure of Interest Statement-

Analyst's ownership of the stocks mentioned in the Report	NIL
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