

Trading Calls

ALBK BUY 05th March 2019

Stock bottomed out near the levels of 33 and has given breakout from its inverted Head and Shoulder pattern on weekly chart. Emergence of back to back bullish candle on daily chart showing upswing move towards upside. Sustainability of RSI above 50 and positive divergence adds the conviction of buying the scrip around 49-51 and on dip towards 45-46 for the target of 60 and 64 with stop loss of 41 marks.

TATAPOWER BUY 05th March 2019

Emergence of green candles near foot of the falling trend line indicate up side movement in the coming sessions. Recently, it gave a strong breakout above 68.15 levels with decent volume. Indicators and oscillators lending support to its price action. Key support is seen near 67 marks near its 20 DMA. Higher highs and higher lows on daily chart again signifying strength. Buy around 66.50-68.50 with stop loss of 64 target of 74 & 77.

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.

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
5-Mar-19	5,496	4,744	752
Mar-19	14,938	13,988	950
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
5-Mar-19	4,916	4,335	581
Mar-19	8,567	7,869	698

FII DERIVATIVES POSITION FOR 05-Mar-2019

	Net (Amt. in crs)
INDEX FUTURES	144
INDEX OPTIONS	482
STOCK FUTURES	559
STOCK OPTIONS	5

Market	Value	% Change
SGX Nifty (at 8.15 am IST)	11061.00	0.25%

Nifty Key Levels

Support	S1: 10880	S2 : 10800
Resistance	R1 : 11010	R2 : 11120

Market Outlook

Index is having a smooth ride after three consecutive days of peace to the market participants. The index has witnessed a stalwart rally after forming a 'Double Bottom' pattern on daily scale, which is a trend reversal pattern whose reliability is very high. In terms of the retracement, the pullback has reached near the 78.6% retracement of the February fall, which is at 11004. If the bulls manage to take out the hurdle, then the index can march further towards 11075 & 11120 levels. Support lies at 10880 followed by 10800 levels.

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	1.66	4.40	3.84	(16.34)
Automobiles	3.59	3.80	3.33	(22.34)
Chemicals	1.81	3.59	0.43	1.67
Construction & Engineering	1.73	4.91	1.74	(15.83)
Construction Materials	3.21	7.23	10.04	(12.75)
Diversified Financial Services	2.25	2.47	2.74	(2.72)
Electrical Equipment	3.07	5.27	(0.54)	(12.99)
Energy	2.00	3.09	2.67	3.58
Financials	2.06	2.16	1.89	3.00
Health Care	0.96	2.62	0.16	(1.76)
Household Durables	4.49	8.83	3.88	(11.29)
Household & Personal Products	(0.08)	(0.28)	(3.14)	18.05
Information Technology	(0.71)	(1.23)	(1.45)	21.58
Metals/Mining/Minerals	2.69	5.96	6.88	(23.25)
Telecom	0.75	(1.66)	(0.01)	(28.40)
Utilities	2.17	3.70	(0.80)	(14.05)

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

Long Position				
	DII	FII	Pro	Other
Future Index	33302	104695	18503	137956
Future Stock	15265	904583	129233	736168
Option Index Call	25457	171365	185321	316680
Option Index Put	86634	292426	155979	719939
Option Stock Call	0	21519	44830	142118
Option Stock Put	0	22513	33913	97220

Short Position				
	DII	FII	Pro	Other
Future Index	15341	99165	46389	133561
Future Stock	927865	504275	109010	244099
Option Index Call	0	53772	188427	456624
Option Index Put	0	151666	296104	807208
Option Stock Call	0	17713	62057	128697
Option Stock Put	0	21366	42634	89646

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
523367	DCMSHRIRAM	34.9
506820	ASTRAZEN	28.6
511288	GRUH	21.9
507488	GMBREW	20.9
532539	MINDAIND	18.0
500292	HEIDELBERG	15.8
503806	SRF	15.5
530813	KRBL	14.5
532511	EXCELCROP	14.0
532848	DELTACORP	13.0

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
505537	ZEEL	27.4
532648	YESBANK	22.1
532733	SUNTV	18.3
503310	SWANENERGY	17.8
517334	MOTHERSUMI	17.1
511196	CANFINHOME	17.1
517385	SYMPHONY	16.6
532622	GDL	14.9
505200	EICHERMOT	13.2
531795	ATULAUTO	11.8

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
512131	SIGNET	(16.60)
532149	BANKINDIA	(11.79)
523204	ABAN	(9.86)
532525	MAHABANK	(9.53)
531508	EVEREADY	(8.18)
533217	HMVL	(7.35)
523598	SCI	(7.25)
521248	KITEX	(6.16)
533171	UNITEDBNK	(4.05)
520056	SUNCLAYLTD	(3.72)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
517380	IGARASHI	(22.18)
500116	IDBI	(16.02)
500257	LUPIN	(10.86)
508869	APOLLOHOSP	(10.13)
500480	CUMMINSIND	(9.13)
531642	MARICO	(8.37)
532296	GLENMARK	(7.36)
500411	THERMAX	(7.25)
532642	JINDALSWHL	(6.57)
500085	CHAMBLFERT	(6.56)

* 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 06-Mar-2019 (2)

STDC (2)									
No	Date	Type	Buy/Sell	Stock	Entry1	Entry2	SL	Tgt 1	Tgt 2
1	05-Mar-19	STDC	BUY	ALBK	50	45.5	41	60	64
2	05-Mar-19	STDC	BUY	TATAPOWER	68.5	66.5	64	74	77

VIEW

Easing tension between India and Pakistan helped market to end higher. Although volatility at the peak as India VIX reached the mark of 20. A roller-coaster ride from the Nifty have affected the trend almost all indices but metals are still shining in the heavy rain. There was a tug of war between Bulls and Bears which has been continuing from last few weeks but in this tussle Bulls seems to prevail as Indices appears to have embarked on a multi-week upswing from their recent week lows. We expect Indices still to trade in a range bound manner in this coming week also due to the lack of any positive trigger.

NIFTY-

- From last few days, Nifty is running in an upward rising channel in the mid-term range.
- It has been still waiting for the direction on either of side for opening of gate where it can move further
- Lack of enthusiasm in buying is still missing but Bulls were able to capture the lost ground
- However, short term oscillator are in buying mode with bullish crossover in MACD and sustainability of RSI above 9 day EMA.
- Index can gain momentum if it sustains above 10930 from where it can extend up to 11120 level
- Strong support is seen near 10580 level and as long as it sustains above the same upward bias will continue.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11120	Line of parity
Resistance 1	10940	Immediate resistance
Close	10863	
Support 1	10580	Immediate Support
Support 2	10430	61.8% retracement

Banknifty Weekly

5-Mar-19

VIEW

Bank Nifty gave a range bound movement in between 50 & 200 DMA throughout last week and closed the week with a net gain of 0.6% over its previous week's close. Some fresh buying was witnessed in PSU banking stocks while the private banking stocks remain subdued during the last week.

OBSERVATIONS:

- Bank Nifty is getting a strong support at 200 DMA and a stiff resistance at 50 DMA.
- Bank Nifty has breached its upward rising channel and currently trading below the lower- band of the channel.
- 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 27131) & 200 DMA (currently is at 26649). A fresh momentum on either side is expected only after breaching the said range. So we believe trading would be best strategy at this juncture. However positional long or short can be initiated after closing above 50 DMA or closing below 200 DMA respectively.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	27690
Resistance 1	27230
Close	27044
Support 1	26649
Support 2	26335

VIEW

Release of IAF officer from Pak helped rupee to surge higher due to this sharp rally was seen in an indian rupee. This is seen as a first step towards de-escalating tensions on the border, which had spooked the rupee. With FPIs pumping money aggressively into india in the last week, INR got strength from this news. The dollar rose, hitting 10-week-highs against the yen, as risk appetite improved amid a more upbeat outlook on the euro and on the prospect of a U.S.-China trade deal. Softening crude oil prices as US data stokes demand worries and balanced GDP data aided further positive outlook.

TECHNICAL FACTORS-

- Pair has taken the form of symmetrical triangle on daily fut chart of USDINR.
- RSI is still sustaining below 9 day EMA which is giving cues of optimism among market participants
- Small bull candle near upward sloping line may halt the uptrend of rupee
- Next support is seen near 70.70 and sustainability below the same can extend down till 70.30 mark
- Failure to breach and sustain below 70.70 can see a bounce back towards 71.50 and 71.85 levels where major resistance is seen.

CHART ANALYSIS**SUPPORT & RESISTANCE LEVELS****USDINR LEVEL**

Resistance 2	72.85
Resistance 1	71.5
Close	71.12
Support 1	70.7
Support 2	70.35

STDC : Long / BUY

5-Mar-19

BSE Code	500400
NSE Symbol	TATAPOWER
52wk Range H/L	89.50/59.90
Mkt Capital (Rs Cr)	18663
Av.Cash Volume(,000)	13327374
Open Interest	NA

Buy Price	66.50-68.50
Stop Loss	64
Target Price1	74
Target Price2	77
Upside in Tgt1	11%-18%
Upside in Tgt2	22%-30%

Technical Chart



STDC- BUY TATAPOWER @ 66.50-68.50 SL- 64 TGT- 74, 77

Emergence of green candles near foot of the falling trend line indicate up side movement in the coming sessions. Recently, it gave a strong breakout above 68.15 levels with decent volume. Indicators and oscillators lending support to its price action. Key support is seen near 67 marks near its 20 DMA. Higher highs and higher lows on daily chart again signifying strength. Buy around 66.50-68.50 with stop loss of 64 target of 74 & 77.

STDC : Long / BUY

5-Mar-19

BSE Code	532480
NSE Symbol	ALBK
52wk Range H/L	55.75/33.25
Mkt Capital (Rs Cr)	7530
Av.Cash Volume(,000)	11316869
Open Interest	NA

Buy Price	49-51 & 45-46
Stop Loss	41
Target Price1	60
Target Price2	64
Upside in Tgt1	11%-18%
Upside in Tgt2	22%-30%

Technical Chart



STDC- BUY ALBK @ 49-51 AND ON DIP TOWARDS 45-46 SL- 41 (CLOSING BASIS) TGT- 60, 64

Stock bottomed out near the levels of 33 and has given breakout from its inverted Head and Shoulder pattern on weekly chart. Emergence of back to back bullish candle on daily chart showing upswing move towards upside. Sustainability of RSI above 50 and positive divergence adds the conviction of buying the scrip around 49-51 and on dip towards 45-46 for the target of 60 and 64 with stop loss of 41 marks.

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