

Trading Calls

BHEL BUY 26th March 2019

BHEL gave reversal from its downtrend. The stock has also given bullish breakout above 50, 100 & 200DMAs. Some delivery based buying was also witnessing in the stock since last four successive trading days. So some fresh upside is very likely in the stock from the current level. Therefore we recommend initiating fresh long position in the stock for a maximum target of RS 82.

HDFCLIFE BUY 06th March 2019

HDFCLIFE gave reversal from its downtrend. The stock has also given bullish breakout above 50, 100 DMAs. So some fresh upside is expected in the stock from the current level. Therefore we recommend initiating fresh long position in the stock for a maximum target of RS 454.

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.)
28-Mar-19	10,170	6,575	3,595
Mar-19	134,533	102,075	32,458
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
28-Mar-19	7,066	9,146	(2,080)
Mar-19	67,530	83,185	(15,655)

Market	Value	% Change
SGX Nifty (at 8.15 am IST)	11662.50	-0.06%

Nifty Key Levels

Support	S1: 11500	S2 : 11400
Resistance	R1 : 11600	R2 : 11650

Market Outlook

Bulls strengthen their base led by financial and IT stocks. Bank nifty zoomed to make new high in expectation of rate cut & recapitalization of Banks. We remain positive on the market and expect new highs soon for our benchmark Nifty as well. In an hourly chart, it gave cup & handle break out above 11545 which accelerated the momentum on higher side and as of now we can expect the target of 11780-11800 levels. On the flipside, 11500 followed by 11400 will be seen as key support.

FII DERIVATIVES POSITION FOR 28-Mar-2019

	Net (Amt. in crs)
INDEX FUTURES	1,815
INDEX OPTIONS	3,082
STOCK FUTURES	1,370
STOCK OPTIONS	213

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	0.57	(1.67)	(1.03)	(16.10)
Automobiles	0.18	(2.02)	(0.24)	(23.80)
Chemicals	0.88	1.67	6.45	7.97
Construction & Engineering	1.67	2.04	12.24	(4.46)
Construction Materials	0.66	0.65	7.52	(6.73)
Diversified Financial Services	1.65	1.58	10.63	5.20
Electrical Equipment	1.09	0.31	7.21	(4.67)
Energy	0.49	0.07	10.02	18.88
Financials	1.53	1.92	12.71	14.93
Health Care	0.93	(0.16)	3.57	6.60
Household Durables	0.65	1.66	8.97	(7.25)
Household & Personal Products	0.29	(0.49)	(1.54)	14.76
Information Technology	1.50	(0.37)	(0.38)	25.13
Metals/Mining/Minerals	0.20	(0.93)	3.47	(15.60)
Telecom	1.51	(1.94)	4.30	(19.33)
Utilities	(0.23)	0.68	9.19	(5.65)

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

Long Position				
	DII	FII	Pro	Other
Future Index	33067	152676	17600	152613
Future Stock	10816	829760	152847	753457
Option Index Call	26221	202935	110606	230602
Option Index Put	88518	245395	124557	374928
Option Stock Call	0	9568	24064	92796
Option Stock Put	0	6247	28428	45086

Short Position				
	DII	FII	Pro	Other
Future Index	46562	69063	43528	196803
Future Stock	846904	533409	107807	258760
Option Index Call	0	80807	124146	365411
Option Index Put	0	179800	149036	504562
Option Stock Call	0	8925	44698	72805
Option Stock Put	0	6766	19532	53463

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
500144	FINCABLES	27.3
532187	INDUSINDBK	24.4
533228	BHARATFIN	23.3
500173	GUJFLUORO	23.1
500163	GODFRYPHLP	22.9
500126	MERCK	22.5
507488	GMBREW	21.8
532509	SUPRAJIT	21.1
524494	IPCALAB	21.0
500670	GNFC	21.0

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
511196	CANFINHOME	27.9
514043	HIMATSEIDE	27.4
533248	GPPL	27.4
532659	IDFC	26.4
532814	INDIANB	25.3
532648	YESBANK	24.0
523405	JMFINANCIL	23.6
500110	CHENNPETRO	23.5
512573	AVANTI	23.2
511243	CHOLAFIN	21.9

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
531737	GREENCREST	(30.99)
522275	ALSTOMT&D	(8.50)
532939	RPOWER	(5.99)
532524	PTC	(4.96)
532822	IDEA	(4.61)
532179	CORPBANK	(4.46)
512131	SIGNET	(4.26)
505714	GABRIEL	(3.56)
507717	DHANUKA	(3.44)
531508	EVEREADY	(2.79)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
517380	IGARASHI	(10.96)
507685	WIPRO	(10.43)
500257	LUPIN	(6.71)
532638	SHOPERSTOP	(5.13)
500288	MOREPENLAB	(1.40)
531642	MARICO	(0.32)
532343	TVSMOTOR	(0.02)
500215	ATFL	0.42
532700	ENIL	0.48
532843	FORTIS	0.59

* 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 29-Mar-2019 (3)

STDC (3)									
No	Date	Type	Buy/Sell	Stock	Entry1	Entry2	SL	Tgt 1	Tgt 2
1	26-Mar-19	STDC	BUY	BHEL	70.75	66	63	76	82
2	06-Mar-19	STDC	BUY	HDFCLIFE	381	365	343	407	454
3	05-Mar-19	STDC	BUY	TATAPOWER	68.5	66.5	64	74	77

VIEW

Domestic market continued with its winning streaks but momentum was slow. It was not traded with the same velocity as that in the previous week as some of the sectors had witnessed profit booking. Index heavy weights are showing negative divergences on hourly chart which could minimize the upside in the coming week. Liquidity is increasing because of strength in Rupee which can become the cause of volatility. We believe domestic bourses would remain volatile till general elections result are out.

NIFTY-

- Nifty took a breather and formed gravestone doji on weekly chart suggest indeciveness at higher levels
- Prices are still sustaining above the rising channel breakout
- Minor correction can not ruled as Index formed Bearish Engulfing candlestick pattern on daily chart although this pattern failed many times in the past
- RSI seems to be overbought on daily chart indicate sellers can make their impact in coming sessions
- However, as long as index trades above 11400 level there will be a ray of hope for bulls and index can approach for making a new high above 11760 levels.
- On a decisive close below 11400 level, it can take a dip towards 11335 and 11225 level on downside.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11760	Previous Top of Index
Resistance 1	11500	Psychological Level
Close	11456	
Support 1	11335	23.6 Fibonacci Retracement
Support 2	11225	Low of Gap up opening

Banknifty Weekly

25-Mar-19

VIEW

After opening with a green session, Banknifty continuously rose to make a weekly high of 30008.10. However some profit booking was witnessed on Friday and the index fell nearly 1% on that day. At the end of the week Banknifty closed at 29582.50. It had a net gain of 0.7% over its previous week's close.

OBSERVATIONS:

- 1) A 'Bear Engulfing' pattern was formed on daily candlestick chart of Banknifty.
- 2) A Gap was made in between 28035 & 28142 on 12th March 2019.
3. Negative Divergence persists on Stochastic.

According to the above observations it can be concluded that some profit booking is expected in Banknifty from the current level due to the occurrence of negative divergence in Stochastic as well as formation of a bear engulfing pattern on daily chart. In the profit booking process Banknifty may fill the gap which was made in between 28035 & 28142. However we should use the profit booking process as a buying opportunity as the short term / medium term trend of Banknifty is positive.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	30010
Resistance 1	29825
Close	29583
Support 1	28970
Support 2	28320

VIEW

Improvement in the macro outlook as well as improved chances of NDA's winning a second term election has increased optimism in the domestic currency. Weakness in dollar as well as huge inflows in equities and debt market have aided rupee gains. A dovish tilt by major central banks in the face of a faltering global expansion could also prompt FPI's to invest in Indian market which has given further strength to rupee. For longer term, we expect the rupee to remain resilient but for shorter term we can see a pullback as it bounced back from our mentioned support of 68.30 mark.

TECHNICAL FACTORS-

- a) Sequence of lower highs and lower lows has been intact from last six weeks.
- b) But formation of Hammer on weekly chart showing halt in the rally of rupee for a while
- c) Prices reached towards lower boundary of falling channel indicates some sort of pullback
- d) RSI has also mirrored the prices of USDINR pair and turned up from its lower line of falling wedge, hinting a pause in the downswing of USDINR pair
- e) However, as long as it sustains below 69.65 followed by 70.75 mark (Key Resistances), selling pressure will continue to exist for USDINR pair
- f) Strong support lies at 68.35 followed by 67.90 mark on the downside.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	70.00
Resistance 1	69.65
Close	69.17
Support 1	68.35
Support 2	67.90

STDC : Long / BUY

26-Mar-19

BSE Code	500103
NSE Symbol	BHEL
52wk Range H/L	91.10/56.25
Mkt Capital (Rs Cr)	24722.65
Av.Cash Volume(,000)	9134
Open Interest	35565000

Buy Price	70-71.50 & 65-67
Stop Loss	63
Target Price1	76
Target Price2	82
Upside in Tgt1	7%-15%
Upside in Tgt2	16%-24%

Technical Chart



STDC BUY BHEL @ 70-71.50 & 65-67 SL-63 (CLOSING BASIS) TGT-76,82

BHEL gave reversal from its downtrend. The stock has also given bullish breakout above 50, 100 & 200DMAs. Some delivery based buying was also witnessing in the stock since last four successive trading days. So some fresh upside is very likely in the stock from the current level. Therefore we recommend initiating fresh long position in the stock for a maximum target of RS 82.

STDC : Long / BUY

6-Mar-19

BSE Code	540777
NSE Symbol	HDFCLIFE
52wk Range H/L	547.25/345
Mkt Capital (Rs Cr)	77853.5
Av.Cash Volume(,000)	740
Open Interest	NA

Buy Price	379-383 & 363-367
Stop Loss	343
Target Price1	407
Target Price2	454
Upside in Tgt1	7%-9%
Upside in Tgt2	19%-22%

Technical Chart



STDC BUY HDFCLIFE @ 379-383 & 363-367 SL-343 (CLOSING BASIS) TGT-407,454

HDFCLIFE gave reversal from its downtrend. The stock has also given bullish breakout above 50, 100 DMAs. So some fresh upside is expected in the stock from the current level. Therefore we recommend initiating fresh long position in the stock for a maximum target of RS 454.

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.

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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