

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.)
29-Mar-19	9,045	9,131	(86)
Mar-19	143,578	111,206	32,371
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
29-Mar-19	7,108	5,384	1,724
Mar-19	74,638	88,569	(13,930)

Market	Value	% Change
SGX Nifty (at 8.15 am IST)	11720.00	0.38%

Nifty Key Levels

Support	S1: 11540	S2 : 11490
Resistance	R1 : 11650	R2 : 11700

Market Outlook

Market traded in an opening range on Friday, whereas the last hour buying helped it to close above confluence resistance zone of 11570-11600 on the last trading session of the last week. Nifty has formed a long body bullish candlestick pattern, suggesting bullish bias intact. Although Index is trading with a positive note, occurrence of negative divergence in RSI momentum oscillator on daily time frame indicates possibility of retracement towards 11540 marks. Moreover a decisive close only below 5 DMA placed around 11490 levels will change the current sentiment.

FII DERIVATIVES POSITION FOR 29-Mar-2019

	Net (Amt. in crs)
INDEX FUTURES	(667)
INDEX OPTIONS	638
STOCK FUTURES	388
STOCK OPTIONS	154

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	1.38	1.55	0.34	(14.94)
Automobiles	0.92	(0.11)	0.68	(23.10)
Chemicals	0.88	2.31	7.39	8.92
Construction & Engineering	(0.26)	1.29	11.94	(4.71)
Construction Materials	2.18	2.64	9.86	(4.69)
Diversified Financial Services	0.89	3.07	11.62	6.14
Electrical Equipment	1.43	2.28	8.74	(3.31)
Energy	0.59	2.49	10.66	19.58
Financials	0.42	3.18	13.19	15.42
Health Care	1.27	1.78	4.89	7.96
Household Durables	0.86	3.72	9.90	(6.46)
Household & Personal Products	0.67	0.64	(0.88)	15.53
Information Technology	0.27	0.26	(0.11)	25.47
Metals/Mining/Minerals	1.78	1.62	5.32	(14.10)
Telecom	0.14	(0.44)	4.45	(19.22)
Utilities	0.50	0.48	9.73	(5.18)

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

Long Position				
	DII	FII	Pro	Other
Future Index	33071	145204	16643	156929
Future Stock	12737	841847	155632	756880
Option Index Call	24360	210702	135394	329660
Option Index Put	89223	264440	147552	431686
Option Stock Call	0	19005	32628	134730
Option Stock Put	0	13020	32109	55464

Short Position				
	DII	FII	Pro	Other
Future Index	51639	70077	38373	191758
Future Stock	854467	537472	105984	269173
Option Index Call	0	91242	170879	437995
Option Index Put	0	188884	183571	560446
Option Stock Call	0	17574	65658	103131
Option Stock Put	0	10547	24248	65798

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
500163	GODFRYPHLP	26.9
500144	FINCABLES	26.1
500126	MERCK	25.9
524494	IPCALAB	22.8
505726	IFBIND	21.6
500173	GUJFLUORO	21.5
532509	SUPRAJIT	21.4
533228	BHARATFIN	20.8
500410	ACC	20.7
507488	GMBREW	20.4

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
511196	CANFINHOME	30.3
514043	HIMATSEIDE	30.2
533248	GPPL	27.6
532814	INDIANB	27.3
534690	LAKSHVILAS	26.6
535789	IBULHSGFIN	26.0
500110	CHENNPETRO	24.1
532659	IDFC	24.1
523405	JMFINANCIL	23.1
532622	GDL	22.7

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
532822	IDEA	(40.49)
531737	GREENCREST	(30.62)
522275	ALSTOMT&D	(6.23)
532524	PTC	(5.34)
507717	DHANUKA	(4.77)
512131	SIGNET	(4.76)
532179	CORPBANK	(3.69)
531508	EVEREADY	(3.39)
532505	UCOBANK	(1.83)
502742	SINTEX	(1.28)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
507685	WIPRO	(12.01)
517380	IGARASHI	(11.54)
500257	LUPIN	(4.83)
532638	SHOPERSTOP	(3.99)
500288	MOREPENLAB	(2.27)
532156	VAIBHAVGEM	(0.74)
532843	FORTIS	(0.11)
500411	THERMAX	1.13
500165	KANSAINER	1.35
531642	MARICO	1.53

* 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 01-04-2019 (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

After taking a breather in the previous week, domestic market resumed its uptrend. Despite having week start, Indian market made a comeback and shrugged off the sluggishness in Asian markets after US treasury yields sank to their lowest since late 2017 amid fears of a US recession. Bank Nifty propelled to a new high in expectation of rate cut from RBI in coming week and recapitalization of banks. Besides, the slide in 10 year's bond yield further raised the possibility of rate cut. Global economic growth concerns and Fed's dovish view on rates will give a positive impetus to emerging market like India. A firm trend in indices is likely to continue over the coming sessions after showing small percentage of retracement.

NIFTY-

- a) Nifty started with gap down amidst broad based selling pressure due to prevailing overbought condition but bounced back sharply in the later days of week
- b) It is 137 points away for making a new high
- c) As of now, it is sustaining above the earlier week high which will keep the momentum positive but prices are approaching near the channel resistance so trade cautiously.
- d) Cup and Handle breakout of hourly chart suggest target of 10780-10800 in coming sessions
- e) Weekly chart of index looking firm as upper band of Bollinger following the prices at higher side along with weekly RSI is trading in the range of 65-70 indicate bullish connotation
- f) However, occurrence of Hanging man with negative divergence in RSI imply dips can be utilized for buying
- g) As long as index sustains above 11400 level on closing basis, our Cup & Handle target will remain intact.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11780	TGT of Cup & Handle
Resistance 1	11780	All time peak high
Close	11623	
Support 1	11400	SL of Cup & Handle
Support 2	11310	Low of current week

Banknifty Weekly

1-Apr-19

VIEW

Banknifty opened with a negative session and fell to make a weekly low of 29156.25 on Monday. However a sharp pullback rally was witnessed from next day and the index continuously rose to make a weekly high of 30496 on Thursday of last week. At the end of the week Banknifty closed at 30426.80. It had a net gain of 2.7% over its previous week's close.

OBSERVATIONS:

- 1) Negative divergences were formed both in RSI & Stochastic.
- 2) Momentum indicators (RSI & Stochastic) reached at overbought zone.
- 3. Banknifty is trading above its recent breakout point (29550) as well as above all the major DMAs (50, 100 & 200).

According to the above observations it can be concluded that the short term and medium term trend of Banknifty is looking positive as it is trading above all the major DMAs. However, in the extreme short term some profit booking is expected in the index from the current level due to the formation of negative divergences both in Stochastic and RSI. In the profit booking process Banknifty may find some strong supports at 29725 and then 29120.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	30950
Resistance 1	30500
Close	30427
Support 1	29725
Support 2	29120

VIEW

Dollar swap put a ceiling on the strengthening of the rupee. This has to be done to generate demand for dollar and that will restrain the rupee from appreciating too rapidly. Probably this was the reason behind the declining strength of rupee which has been muted despite the market rally. On the other side, rose in oil prices pushed up by ongoing supply cuts led by producer club OPEC and US sanctions against Iran & Venezuela, putting the crude market on pace to post their biggest first quarter gain since 2009 and this became another reason to make halt in the ongoing rally of rupee. Market participants will take cues from the monetary policy of RBI on 4th april which are likely to dictate pair trend.

TECHNICAL FACTORS-

- a) Sequence of lower highs and lower lows has been intact from last seven weeks.
- b) Emergence of doji after the 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 which is still visible on chart
- 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	69.18
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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