

Trading Calls

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.

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)	11657.00	0.05%

Nifty Key Levels

Support	S1: 11550	S2 : 11500
Resistance	R1 : 11650	R2 : 11680

Market Outlook

Market opened with subdued note & traded in a tight range in the first half of the last trading session whereas it was unable to sustain on higher level and market witnessed intensified selloff in the last trading hour yesterday. Nifty played hide & seek game, just by hiding or missing Tuesday's high by only two points yesterday while missing Tuesday's low again only by 2 points. Although Index could not breach Tuesday's trading range, bearish candlestick pattern with lower closing indicate selling pressure on higher side. At the same time Nifty is trading in a zone of 11550-11700 from last few days and decisive price action is required to get further direction. A sustained trade above yesterday's pivot point placed around 11640 will accelerate up move taking the index higher towards life high placed around 11760 levels. Moreover, an aggressive trade below the strong support line of parity 11540 can push prices lower towards 11400 marks.

FII DERIVATIVES POSITION FOR 10-April-2019

Net (Amt. in crs)

INDEX FUTURES	(1,170)
INDEX OPTIONS	307
STOCK FUTURES	(689)
STOCK OPTIONS	5

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
10-Apr-19	6,434	5,004	1,430
Apr-19	42,802	38,857	3,945
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
10-Apr-19	3,174	2,713	461
Apr-19	26,984	28,506	(1,522)

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	(0.23)	(0.64)	(1.43)	(21.21)
Automobiles	0.30	2.42	1.86	(22.78)
Chemicals	(0.68)	(1.77)	3.24	2.46
Construction & Engineering	(0.04)	(0.71)	4.91	(10.74)
Construction Materials	(0.56)	1.27	3.60	(6.23)
Diversified Financial Services	(0.84)	(0.38)	7.76	2.53
Electrical Equipment	0.11	0.19	4.63	(6.18)
Energy	(0.30)	(2.06)	3.86	12.31
Financials	(0.93)	(0.82)	7.80	9.71
Health Care	0.45	1.38	3.27	4.16
Household Durables	(0.01)	(1.27)	0.43	(11.91)
Household & Personal Products	0.36	0.63	(0.82)	11.87
Information Technology	(1.03)	(0.19)	3.33	27.53
Metals/Mining/Minerals	(0.67)	0.54	3.90	(16.66)
Telecom	(2.34)	(1.47)	2.84	(19.09)
Utilities	(0.85)	(0.52)	3.31	(8.38)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	33063	149783	26335	125048
Future Stock	17884	844408	162523	790099
Option Index Call	32385	262942	148014	703091
Option Index Put	97137	339567	170589	565594
Option Stock Call	0	33106	50935	311906
Option Stock Put	0	24256	63600	112862

	Short Position			
	DII	FII	Pro	Other
Future Index	66327	86646	36433	144823
Future Stock	901909	538749	123165	251091
Option Index Call	0	101341	360485	684606
Option Index Put	0	245974	211752	715161
Option Stock Call	1955	34255	130778	228959
Option Stock Put	0	21145	45258	134315

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
500163	GODFRYPHLP	23.0
533228	BHARATFIN	15.7
500670	GNFC	15.3
532187	INDUSINDBK	15.2
501455	GREAVESCOT	14.3
532531	STAR	14.3
500331	PIDILITIND	13.9
532809	FSL	13.7
500126	MERCK	13.2
532921	ADANIPTS	11.9

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
533150	GODREJPROP	33.1
532636	INDIAINFO	24.3
534690	LAKSHVILAS	23.0
514043	HIMATSEIDE	22.0
511196	CANFINHOME	20.8
532659	IDFC	18.7
535789	IBULHSGFIN	17.4
532218	SOUTHBANK	16.6
500413	THOMASCOOK	15.5
532648	YESBANK	15.4

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
532822	IDEA	(49.54)
531737	GREENCREST	(28.11)
523204	ABAN	(21.58)
532939	RPOWER	(17.63)
502742	SINTEX	(14.86)
507717	DHANUKA	(11.18)
530943	SABTN	(10.84)
523598	SCI	(10.22)
531508	EVEREADY	(9.78)
512131	SIGNET	(9.63)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
517380	IGARASHI	(14.94)
506395	COROMANDEL	(10.71)
523457	LINDEINDIA	(6.69)
515030	ASAHIINDIA	(6.68)
532638	SHOPERSTOP	(5.59)
522205	PRAJIND	(5.46)
500288	MOREPENLAB	(4.86)
514162	WELSPUNIND	(2.63)
532156	VAIBHAVGEM	(2.19)
511218	SRTRANSFIN	(1.95)

* 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 11-04-2019 (1)**STDC (1)**

No	Date	Type	Buy/Sell	Stock	Entry1	Entry2	SL	Tgt 1	Tgt 2
1	06-Mar-19	STDC	BUY	HDFCLIFE	381	365	343	407	454

VIEW

Domestic market failed to capitalize gain after kissing all time high and faced stiff resistance at top. Any consolidation near the previous top in Nifty can provide upward thrust with momentum although prices are sustaining near previous life time high are giving the cues for the formation of Double top but the confirmation of the same is yet to come. We predict that market action can take indication from the upcoming quarterly four earning season and volatility will continue to haunt the market till election result finalize.

NIFTY-

- a) Index retraced after reaching all time high but friday session had seen a pull back suggest bulls will able to maintain its positive rhythm
- b) Formation of doji suggest indecisiveness but sustainability of prices above upper band of Bollinger implying power for Bulls
- c) Weekly MACD continues to remain bullish while trading above its signal line
- d) Weekly RSI stood above 65 mark without showing any divergence
- e) As of now, Index has to hold above 11600 level to witness an upmove towards 11760 and 11850 levels
- f) Support lies at 11550 level followed by 11400 level
- g) As long as it sustains above 11400 level, dips can be utilized for buying.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11800	Psychological Level
Resistance 1	11760	Previous Top of Index
Close	11665	
Support 1	11550	Low of doji
Support 2	11400	Line of Parity

VIEW

After opening with a negative session, Banknifty fell to make a weekly low of 29809.90 on Thursday and closed the week with a net loss of 1.12% over its previous week's close. The profit booking was witnessed both in PSU & Private banking stocks during the week and the indices closed after losing 1% each.

OBSERVATIONS:

- 1) Banknifty is trading above its recent breakout point (29150) as well as above all the major DMAs (50, 100 & 200).
- 2) Momentum indicators (RSI & Stochastic) are approaching towards their normal levels.

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. The current position of momentum indicators are also indicating that the recent consolidation process (price / time correction) is likely to end very soon. Therefore traders should initiate fresh long positions (for some speculation profit) in Banknifty by keeping stop loss at 29725 while the investors should wait for the level of 29200-29300.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	30950
Resistance 1	30500
Close	30084
Support 1	29725
Support 2	29120

VIEW

Rupee skidded 19 paise to finish at 69.17 per US dollar on Friday due to increase demand for the greenback from the importer. Rupee remain under pressure in the consecutive week due to strengthening of the dollar against key currencies, though persistent foreign fund inflow restricted the fall. Dollar index which gauges the greenback's strength against a basket of six currencies, rose up to 0.01% to 97.31 suggest negative bias in coming sessions

TECHNICAL FACTORS-

- a) Formation of double bottom suggest upside move for pair but breakout has yet to come
- b) Bullish crossover in MACD on daily chart showing bullish implication
- c) Key support lies at 68.35 followed by 67.90 and as long as it sustains above the same rupee will remain under pressure
- d) Upside breakout is expected above 69.45 from where it can extend up to 70.05 where it can face its next resistance.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	70.05
Resistance 1	69.45
Close	69.17
Support 1	69.35
Support 2	67.90

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.

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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