

## Trading Calls

**TVSMOTOR BUY 12th April 2019**

TVSMOTOR has made an 'Inverted Hammer' pattern after downtrend on monthly chart. This is a strong reversal pattern. Apart from this, the formation of positive divergence on Stochastic is indicating some short term pullback from the current level. Therefore we recommend initiating fresh long position in the stock for trading as well as for short term investment.

**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)	11684.50	-0.06%

### Nifty Key Levels

Support	S1: 11550	S2 : 11520
Resistance	R1 : 11666	R2 : 11690

### Market Outlook

The Market breadth was positive throughout the last trading session whereas market witnessed strong buying in the second half of the session. Index has formed a hammer type candlestick pattern suggesting bulls are active on lower side; however one more follow up closing above Friday's high is required as a confirmation. A sustained trade above 5 days SMA placed around 11640 will accelerate up move taking the index higher towards last week's high placed around 11700 levels. Moreover, a decisive close below the strong support of previous day's low placed at 11580 marks will attract selling & prices can trade lower towards line of parity standing around 11540 marks.

### Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
12-Apr-19	3,986	3,088	897
Apr-19	51,467	46,148	5,319
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
12-Apr-19	3,157	3,173	(16)
Apr-19	33,021	34,575	(1,555)

### FII DERIVATIVES POSITION FOR 12-April-2019

	Net (Amt. in crs)
INDEX FUTURES	(436)
INDEX OPTIONS	1,060
STOCK FUTURES	(414)
STOCK OPTIONS	(202)

### Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	0.29	(1.05)	(3.70)	(21.63)
Automobiles	1.34	3.42	1.30	(21.59)
Chemicals	0.48	(1.86)	1.51	3.21
Construction & Engineering	0.05	(0.39)	0.57	(10.02)
Construction Materials	0.73	0.33	1.94	(4.40)
Diversified Financial Services	(0.18)	(1.40)	6.09	3.13
Electrical Equipment	0.67	1.78	2.50	(4.72)
Energy	(0.17)	(0.53)	0.64	14.63
Financials	0.25	(0.79)	5.90	10.62
Health Care	0.28	0.92	0.92	4.48
Household Durables	0.14	(0.68)	(2.77)	(13.13)
Household & Personal Products	0.72	2.23	(1.75)	12.03
Information Technology	0.05	(0.27)	2.63	20.83
Metals/Mining/Minerals	(0.02)	(1.45)	0.24	(17.25)
Telecom	(1.16)	(2.85)	(5.77)	(18.51)
Utilities	0.79	0.58	1.94	(6.92)

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

Long Position				
	DII	FII	Pro	Other
Future Index	33621	144220	22356	128301
Future Stock	19400	830308	165362	804036
Option Index Call	32387	241790	120615	409480
Option Index Put	97159	330713	145094	526876
Option Stock Call	0	32622	54916	338428
Option Stock Put	0	24713	63298	131309

Short Position				
	DII	FII	Pro	Other
Future Index	64906	84362	33665	145565
Future Stock	907209	544294	122691	244912
Option Index Call	0	78076	207707	518489
Option Index Put	0	222134	184614	693094
Option Stock Call	2021	35602	140609	247734
Option Stock Put	0	23112	53842	142366

## High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
532809	FSL	16.3
500331	PIDILITIND	14.0
530517	RELAXO	12.6
506820	ASTRAZEN	12.5
500126	MERCK	12.3
533228	BHARATFIN	10.9
532531	STAR	10.7
532187	INDUSINDBK	10.7
524208	AARTIIND	10.5
500163	GODFRYPHLP	9.8

## High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
534690	LAKSHVILAS	29.3
533150	GODREJPROP	27.1
535789	IBULHSGFIN	15.4
500135	ESSELPACK	15.2
532648	YESBANK	13.6
532218	SOUTHBANK	13.1
532892	MOTILALOFS	13.0
532622	GDL	12.9
500413	THOMASCOOK	11.9
511196	CANFINHOME	11.7

## Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
532822	IDEA	(53.14)
531737	GREENCREST	(27.93)
523204	ABAN	(24.30)
530943	SABTN	(22.26)
532939	RPOWER	(20.22)
502742	SINTEX	(13.46)
512131	SIGNET	(12.08)
520056	SUNCLAYLTD	(10.88)
531508	EVEREADY	(9.69)
507717	DHANUKA	(9.47)

## Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
517380	IGARASHI	(15.69)
522205	PRAJIND	(10.69)
514162	WELSPUNIND	(10.35)
506395	COROMANDEL	(10.20)
509496	ITDCEM	(8.62)
500288	MOREPENLAB	(8.48)
532638	SHOPERSTOP	(6.86)
500411	THERMAX	(6.10)
501425	BBTC	(5.94)
515030	ASAHIINDIA	(5.33)

\* 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 15-04-2019 (2)

STDC (2)									
No	Date	Type	Buy/Sell	Stock	Entry1	Entry2	SL	Tgt 1	Tgt 2
1	12-Apr-19	STDC	BUY	TVSMOTOR	493	475	448	530	574
2	06-Mar-19	STDC	BUY	HDFCLIFE	381	365	343	407	454

## VIEW

Domestic market indices pulled back smartly, after two days of fall and ended almost flat, in continuation to prevailing consolidation phase. Market participants have to become cautious due to rising VIX which is also known as 'Fear Gauge' index has gained 14.56 % to 21 and prices of crude oil which are trading at their five months high. As coming week is truncated short, we expect upside and downside remain capped. Though our bullish view is intact on Nifty, but it could test its lower level before giving any fresh move on upside. Additionally, general elections and beginning of Q4 earnings season is adding to the cautiousness.

## NIFTY-

- Nifty headed no where as it oscillated back & forth on each side in a defined range while it continued to **resist to the lower trend line** of the Rising channel
- Emergence of **Morning Doji Star** on daily chart suggest upside move but on a weekly basis, it formed **Hanging Man** like pattern indicate some consolidation is left on the cards
- On the other hand, it found support from its **20 DMA's** which comes at 11560 level and can act as strong support in coming session
- Moreover, % K crossed % D in stochastic oscillator which implies that Bulls can surpass over Bears
- Further more, formation of **Triple Bottom** on an hourly chart is also giving cues of bull move but breakout of this pattern is expected to come above 11680-11700 level from where intensity in buying will increase and Nifty will see upside movement till 11850-11900 zone
- As long as index sustains above 11400 level on closing basis, our Bullish view will remain intact.

## CHART ANALYSIS



## SUPPORT &amp; RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11780	TGT of Cup & Handle
Resistance 1	11680	Neckline of triple bottom
Close	11643	
Support 1	11560	20 DMA
Support 2	11400	SL of Cup & Handle

## Banknifty Weekly

15-Apr-19

VIEW

Banknifty gave a range bound and choppy movement throughout last week. At the end of the week the index closed at 29880.50. It had a net loss of 0.7% over its previous week's close. All the banking stocks remain subdued during the week.

**OBSERVATIONS:**

- 1) 'Hidden Positive Divergences' were made both in RSI & Stochastic on the daily chart of Banknifty.
- 2) Banknifty is trading above its recent breakout point (29120) 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 definitely positive as it is trading above all the major DMAs. The downside is likely to cap at 29120. Some sudden up move can also be possible from the current level due to the formation of hidden positive divergences both in RSI & Stochastic. Therefore we recommend initiating long position in every deep of Banknifty by placing stop loss at 29120 (closing basis)

## CHART ANALYSIS



## SUPPORT &amp; RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	30950
Resistance 1	30500
Close	29939
Support 1	29638
Support 2	29120

Despite soaring prices of crude oil which is encouraged by ongoing supply cuts led by OPEC and by US sanctions on petroleum exporter Iran and Venezuela, Rupee had not shown much depreciation. Its an eventful week so market participants should focus more on risk management aspects as volatility will remain high.

#### TECHNICAL FACTORS-

- From last four weeks, rangebound movement has been shown by pair
- Bullish crossover in MACD on daily chart still showing bullish implication
- Key support lies at 68.35 followed by 67.90 and as long as it sustains above the same rupee will remain under pressure
- 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	69.19
Support 1	69.35
Support 2	67.90

## STDC : Long / BUY

12-Apr-19

BSE Code	532343
NSE Symbol	TVSMOTOR
52wk Range H/L	448.50/693.40
Mkt Capital (Rs Cr)	23754
Av.Cash Volume(,000)	895
Open Interest	7079000

Buy Price	475-493
Stop Loss	448
Target Price1	530
Target Price2	574
Upside in Tgt1	9.50%
Upside in Tgt2	18.60%

### Technical Chart



STDC BUY BHEL @ 475-493 SL-448 (CLOSING BASIS) TGT-530,574

TVSMOTOR has made an 'Inverted Hammer' pattern after downtrend on monthly chart. This is a strong reversal pattern. Apart from this, the formation of positive divergence on Stochastic is indicating some short term pullback from the current level. Therefore we recommend initiating fresh long position in the stock for trading as well as for short term investment.

## 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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