

## Trading Calls

**RECL BUY 25th June 2019**

Scrip is moving in a well defined ascending channel with multiple touch point and appears to be having a strong support around 138- 142 levels as it bounced back couple of time from the demand line. It also maintained its uptrend on the long term chart and is trading well above its short and long term moving averages(20/ 50 /200 DMA). The momentum oscillator, RSI is also favors the price pattern. One can accumulate the stock around 155 and lower around 138-142 zone for an upside target of 220/260 and a stop loss should maintain 125 closing basis.

**GAIL BUY 10th July 2019**

Weekly chart of GAIL reveals that demand is increasing and supply is diminishing. Channel support line from lower levels is displaying trend reversal and creates buying opportunity at current juncture. As of now, stock is taking support from its ascending triangle resistance line on monthly chart which augur well for the Bulls and indicate surge on upside . Apart from this, rising Histogram in MACD daily signals optimism, which further suggest upside move in the counter in coming sessions. BUY GAIL AROUND 140-145, ON DIP 120-125 SL 110(CLOSING BASIS), TARGET 180-200

Market	Value	% Change
SGX Nifty (at 8.00 am IST)	11641.00	-0.49%

### Nifty Key Levels

Support	S1: 11600	S2 : 11580
Resistance	R1 : 11750	R2 : 11800

### Market Outlook

The market continued to trade higher and gave a closing above crucial resistance zone of 11600-11650. Bulls took the control on the Dalal Street; however market witnessed intensified buying in the last trading hour pushing Nifty towards previous swing high 11650 levels. Moreover, any decisive move above 11710 will push index higher towards next crucial resistance zone of 11750-11800 levels. On contrary side a close below 5 days EMA (11560) will change the current bullish sentiment.

### FII DERIVATIVES POSITION FOR 18-October-2019

Net (Amt. in crs)

INDEX FUTURES	(560)
INDEX OPTIONS	(377)
STOCK FUTURES	656
STOCK OPTIONS	57

### Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
18-Oct-19	5,424	5,387	37
Oct-19	62,348	62,420	(72)
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
18-Oct-19	5,071	4,484	587
Oct-19	49,638	42,849	6,789

### Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	0.84	4.86	5.93	(18.30)
Automobiles	1.14	8.36	16.25	(4.07)
Chemicals	1.04	2.01	9.06	19.04
Construction & Engineering	2.24	2.36	8.62	13.25
Construction Materials	1.63	5.05	4.93	9.30
Diversified Financial Services	1.24	4.23	8.10	20.32
Electrical Equipment	2.85	5.16	11.47	1.71
Energy	1.16	5.11	15.81	15.45
Financials	0.82	3.71	7.24	16.67
Health Care	0.87	3.81	(1.29)	(12.83)
Household Durables	0.78	2.68	11.93	19.21
Household & Personal Products	0.49	4.87	11.71	23.63
Information Technology	0.96	1.38	(2.77)	3.83
Metals/Mining/Minerals	2.41	5.59	2.86	(25.61)
Telecom	(0.06)	0.86	12.82	9.34
Utilities	2.25	3.03	0.61	(0.27)

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

	Long Position			
	DII	FII	Pro	Other
Future Index	56425	61199	19874	139885
Future Stock	21842	971071	167329	808314
Option Index Call	30955	212527	137398	415062
Option Index Put	94441	261946	150283	556765
Option Stock Call	0	25320	73709	313111
Option Stock Put	0	21995	71878	192949

	Short Position			
	DII	FII	Pro	Other
Future Index	11185	86049	32150	147999
Future Stock	1050929	563166	117332	237129
Option Index Call	0	138010	174291	483641
Option Index Put	0	128498	209364	725573
Option Stock Call	1863	27725	139157	243395
Option Stock Put	0	23712	92617	170493

## High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
509480	BERGEPAIN	36.2
500238	WHIRLPOOL	31.2
523598	SCI	26.4
500495	ESCORTS	21.3
500034	BAJFINANCE	21.1
505200	EICHERMOT	21.0
512599	ADANIENT	20.2
500825	BRITANNIA	19.7
500820	ASIANPAINT	19.5
532777	NAUKRI	18.5

## High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
500477	ASHOKLEY	24.1
532430	BFUTILITIE	22.0
500173	GUJFLUORO	21.6
506197	BLISSGVS	16.1
500408	TATAELXSI	7.1
513375	CARBORUNIV	6.2
520056	SUNCLAYLTD	2.5
500480	CUMMINSIND	0.9
532636	INDIAINFO	0.2
532155	GAIL	0.0

## Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
500219	JISLJALEQS	(51.9)
535789	IBULHSGFIN	(46.8)
500390	RELINFRA	(45.4)
509496	ITDCEM	(41.8)
523756	SREINFRA	(36.5)
532939	RPOWER	(31.2)
531508	EVEREADY	(30.9)
532839	DISHTV	(29.6)
532814	INDIANB	(25.2)
524804	AUROPHARMA	(25.2)

## Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
512529	SEQUENT	(15.2)
532810	PFC	(11.0)
500380	JKLAKSHMI	(9.5)
532259	APARINDS	(9.2)
532955	RECLTD	(9.0)
531599	FDC	(8.0)
535754	ORIENTCEM	(8.0)
532531	STAR	(6.9)
500440	HINDALCO	(6.5)
500125	EIDPARRY	(6.0)

\* 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 22-10-2019 (2)

### STDC (2)

No	Date	Type	Buy/Sell	Stock	Entry1	Entry2	SL	Tgt 1	Tgt 2
1	10-Jul-19	STDC	BUY	GAIL	142.5	122.5	110	180	200
2	25-Jun-19	STDC	BUY	RECLTD	158	140	125	220	260

### VIEW

Indian equity market sprints to over three month high on the back of globally improved sentiment on the back of Brexit deal and trade talks. Hopes of positive quarterly numbers and consistent buying from FII's kept investors' confidence high and pushed market on northward side. Not only we have seen buying in large cap stocks but also in mid cap & small cap stocks signaling universal participation in all direction which lifted the optimism of market participants. Consolidation is expected in the coming truncated week due to the absence of any major trigger. Quarterly earnings and global events can give direction to the market.

#### Technical Outlook-

- Index made a decent Bullish candle on weekly chart which have strengthened the prevailing bullish sentiment further.
- A decisive close above downward sloping line and sustainability above 61.8% retracement showing resumption of uptrend
- Nifty has been making higher highs and higher lows from last six consecutive days suggest further strength
- After conquering the level of 11700, index can extend rally towards 11795 and 11910 levels.
- While on downside 11540 level followed by 11400 level (100 DMA's) will act as key support and breach of this on closing basis can once again catapult the short term trend in favours of Bears.

### CHART ANALYSIS



### SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11795	Previous Swing High
Resistance 1	11700	Immediate Resistance
Close	11661	
Support 1	11540	61.8% Retracement
Support 2	11400	100 DMA

### VIEW

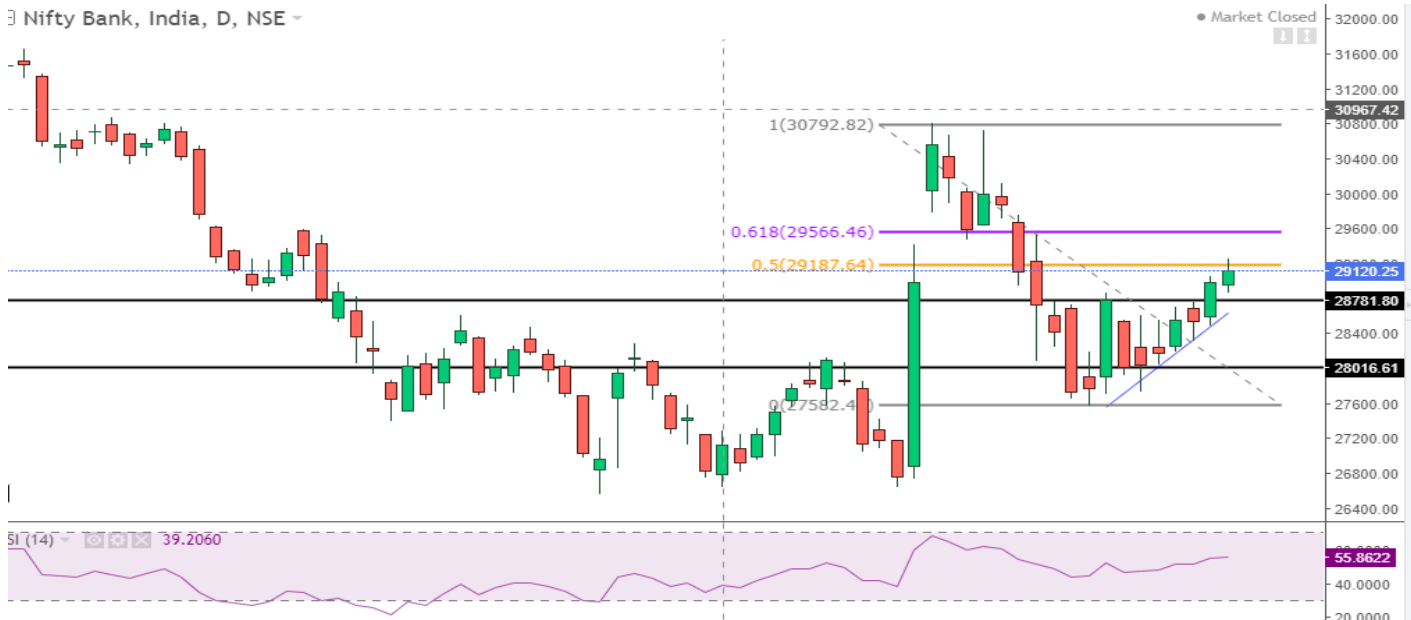
Banknifty extended gain further higher as it continued to make higher troughs and higher crests, however in larger time frame of chart it is still trading in range. Although it has been trading with positive bias from last few days and closed with 3.8% gain. It formed a strong base near at 28040 and surge higher till 29249 mark

#### **OBSERVATIONS:**

- 1) Banknifty has formed a strong bull candle suggest optimism in coming session
- 2) Support from rising trendline is giving cues for further upside move
- 3) Sustainability above 200 DMA (28860) and RSI above 50 on daily chart are looking conducive of price pattern
- 4) However, it may face stiff resistance near 100 DMA and 61.8 % retracement of the downside move from the high of 30801 to low of 27568 levels.

According to the above observations it can be concluded that the near term trend of Banknifty is looking positive. However near term resistance are quoting retracement from the current level. Fresh long position can be initiated (only for trading) by placing stop loss at 28860. However positional long should be initiated only after closing above 100 DMA (currently is at 29355) or near 29565 (61.8% retracement) from where it can extend gain till 29755 mark.

### CHART ANALYSIS



### SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	29565
Resistance 1	29355
Close	29120
Support 1	28860
Support 2	28485

VIEW

Long awaited Brexit deal and softening crude oil prices has strengthened Rupee further to some extent and over all development in global & domestic front is also looking favourable in near term also. The dollar index which gauges the greenback's strength against a basket of six currencies slipped 1.5 % and closed at 97.28. Persistent foreign fund inflows propped up the domestic currency in gains from last three days. Going forward, we maintain our cautious stance on Rupee . The near term movement is likely to be driven is likely to be driven by the upcoming state election, progress in Brexit voting and US existing home sale data.

**TECHNICAL FACTORS-**

- a) Formation of shooting star on weekly chart suggesting halt will continue in coming week also
- b) Prices took the form of inverted Cup & Handle which can act as reversal for this ongoing trend but breakdown is expected below 70.35 level from where Rupee can accumulate strength
- c) Downward sloping line will act as stiff resistance near 71.35 while sustainability above the same can weaken the rupee till 72 mark
- d) Failure to cross and sustain above the mentioned resistance, it can slip down till 70.35 levels
- e) A decisive breakdown below 70.35 level can take strength of Rupee towards 69.70 and 69.20 levels

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL	
Resistance 2	72.00
Resistance 1	71.35
Close	71.09
Support 1	70.35
Support 2	69.70

## STDC : Long / BUY

10-Jul-19

BSE Code	532155
NSE Symbol	GAIL
52wk Range H/L	200/144
Mkt Capital (Rs Cr)	69467.46
Av.Cash Volume(,000)	31955.03
Open Interest	NA

Buy Price	140-145 & 120-125
Stop Loss	110
Target Price1	180
Target Price2	200
Upside in Tgt1	20%-30%
Upside in Tgt2	30%-40%

### Technical Chart



**STDC BUY GAIL AROUND 140-145, ON DIP 120-125 SL 110(CLOSING BASIS), TARGET 180-200**

Weekly chart of GAIL reveals that demand is increasing and supply is diminishing. Channel support line from lower levels is displaying trend reversal and creates buying opportunity at current juncture. As of now, stock is taking support from its ascending triangle resistance line on monthly chart which augur well for the Bulls and indicate surge on upside. Apart from this, rising Histogram in MACD daily signals optimism, which further suggest upside move in the counter in coming sessions. BUY GAIL AROUND 140-145, ON DIP 120-125 SL 110(CLOSING BASIS), TARGET 180-200

## STDC : Long / BUY

25-Jun-19

BSE Code	532955
NSE Symbol	RECLTD
52wk Range H/L	169/89
Mkt Capital (Rs Cr)	27066
Av.Cash Volume(,000)	33489
Open Interest	NA

Buy Price	155-161 & 138-142
Stop Loss	125
Target Price1	220
Target Price2	260
Upside in Tgt1	25%-34%
Upside in Tgt2	25%-47%

### Technical Chart



**STDC : BUY RECL AROUND 161-155 AND 138-142 SL 125 TARGET 220/ 260**

Scrip is moving in a well defined ascending channel with multiple touch point and appears to be having a strong support around 138- 142 levels as it bounced back couple of time from the demand line. It also maintained its uptrend on the long term chart and is trading well above its short and long term moving averages(20/ 50 /200 DMA). The momentum oscillator, RSI is also favors the price pattern. One can accumulate the stock around 155 and lower around 138-142 zone for an upside target of 220/260 and a stop loss should maintain 125 closing basis.



Last week, base metal prices were hit badly after US President Trump announced to impose additional tariffs on further \$300bn of Chinese imports stating that the 10% tariffs, due to take effect on 1 September which means it will tax all the Chinese imports. This states the trade war has reached on another level slowly damaging the health of the economy and thereby reducing the demand for industrial commodity.

Lead prices started to rise towards \$2100/tonne in June 2019 on the back of supply disruption and environmental crackdowns on smelters in China with additional support coming due to falling inventories. However, looking at the current scenario we believe this upside in prices is unlikely to sustain.

Looking at the demand supply scenario, global lead market shifted to surplus of 13,000 tonnes in May 2019 after showing a deficit of 31,000 tonnes in the month of April 2019. In the coming months, we believe this surplus will expand on account of fall in demand from the auto sector and lower manufacturing activity weakening demand for the metal worldwide.

#### Demand-Supply Scenario:

According to the ILZSG, the Group anticipates that global lead supply will exceed demand by 71,000 tonnes in 2019. The production is mainly anticipated to expand in China and Australia in 2019. China's lead production expanded 16.6 percent to 2.87 million tonnes in the first six months of 2019 according to the National Development and Reform Commission (NDRC).

	2016	2017	2018	2019*
Mine Production*	4689	4713	4671	4750
World Refined Production	11169	11589	11642	11940
World Refined Consumption	11141	11740	11721	11870
Surplus/Deficit	28	-151	-79	70
<i>Source: ILZSG, Narnolia Research</i>				(Figs in tonnes)

**Current Scenario:** Three days ago, Nyrstar announced that it has restarted the blast furnace at its Port-Pirie lead smelter in Australia after two months shutdown due to an unplanned outage in late May resulting into a production loss of around 30,000 tonnes. On the London Metal Exchange, the benchmark spread i.e. the difference between the cash price and that for three-month delivery remains at discount of \$13 per tonne. This shifted the current premium of Lead into discount.

**Inventory:** The rising LME inventory is a cause for concern for the traders. LME warehouses saw an inflow of 27,625 tonnes of lead in a span of one week, taking total LME lead stocks to a one-month high of 85,375 tonnes, although total LME Lead inventories are still down significantly from the 107,000 tonnes held at the start of the year.

**Conclusion:** The restart of lead plant, rising inventories and increasing production together are pushing the LME forward contract into contango pointing us towards slowing demand for the metal in the coming months. Also the global economy is expected to remain subdued due to rising trade worries between US and China. If the China retaliates with more tariffs on United States we believe LME Lead prices will fall towards \$1770 per tonne in the coming three month time frame. Therefore, one can follow sell on rise strategy in LME Lead at \$2040/tonne.

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