

## 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)	11620.00	0.02%

### Nifty Key Levels

<b>Support</b>	S1: 11550	S2 : 11430
<b>Resistance</b>	R1 : 11630	R2 : 11715

### Market Outlook

Nifty stumbled while giving breakout above 11700 after six days of winning move. It may enter contraction phase as Bears has kicked the Bulls from crucial juncture. Resumption of uptrend is possible if nifty will give decisive close above 11715 mark. While a close below 11550, will push index down towards 11430 mark.

### Institutional Turnover

	Buy(cr.)	Sell(cr.)	Net(cr.)
<b>FII</b>			
22-Oct-19	7,879	8,436	(558)
Oct-19	70,227	70,856	(629)
<b>DII</b>			
22-Oct-19	5,137	6,122	(985)
Oct-19	54,774	48,971	5,803

### FII DERIVATIVES POSITION FOR 22-October-2019

	Net (Amt. in crs)
INDEX FUTURES	1,328
INDEX OPTIONS	198
STOCK FUTURES	318
STOCK OPTIONS	(316)

### Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	(0.21)	3.51	0.47	(17.77)
Automobiles	(0.47)	6.14	6.42	(2.91)
Chemicals	(0.57)	1.27	3.74	21.59
Construction & Engineering	(0.04)	2.72	2.76	14.46
Construction Materials	(0.19)	3.25	(1.77)	15.48
Diversified Financial Services	(0.27)	4.43	2.76	24.83
Electrical Equipment	(0.08)	5.41	4.87	3.68
Energy	0.35	4.53	11.85	22.17
Financials	0.48	4.21	1.64	19.57
Health Care	1.29	4.10	(0.97)	(11.07)
Household Durables	1.31	3.82	7.65	22.84
Household & Personal Products	0.45	4.58	6.84	22.98
Information Technology	(3.70)	(2.60)	(4.19)	2.75
Metals/Mining/Minerals	(0.74)	4.04	(1.14)	(25.82)
Telecom	(2.11)	(3.66)	4.26	8.00
Utilities	0.18	3.05	1.63	0.21

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

	Long Position			
	DII	FII	Pro	Other
Future Index	56416	75539	19675	144604
Future Stock	25213	971446	175256	816787
Option Index Call	34016	206496	142654	541360
Option Index Put	94441	271852	156637	607504
Option Stock Call	0	25705	77002	337570
Option Stock Put	0	25937	71701	204159

	Short Position			
	DII	FII	Pro	Other
Future Index	16966	87290	35342	156636
Future Stock	1062730	560068	124211	241693
Option Index Call	0	141547	230542	552437
Option Index Put	0	126690	228079	775665
Option Stock Call	1863	31274	148690	258450
Option Stock Put	0	28236	98571	174990

## High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
509480	BERGEPAIN	31.3
500495	ESCORTS	28.1
532777	NAUKRI	24.8
512599	ADANIEN	24.3
505200	EICHERMOT	22.6
500825	BRITANNIA	20.5
506820	ASTRAZEN	19.9
500034	BAJFINANCE	19.8
532706	INOXLEISUR	19.6
532733	SUNTV	18.8

## High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
532430	BFUTILITIE	32.9
500477	ASHOKLEY	26.9
506197	BLISSGVS	25.4
500173	GUJFLUORO	17.1
500408	TATAELXSI	10.6
500530	BOSCHLTD	6.7
513375	CARBORUNIV	4.9
532374	STRTECH	4.7
500480	CUMMINSIND	3.1
532636	INDIAINFO	2.9

## Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
500219	JISLJALEQS	(51.0)
535789	IBULHSGFIN	(49.1)
509496	ITDCEM	(37.3)
500390	RELINFRA	(37.1)
523756	SREINFRA	(35.4)
532839	DISHTV	(33.4)
531508	EVEREADY	(24.2)
524804	AUROPHARMA	(22.6)
523204	ABAN	(21.5)
532814	INDIANB	(20.7)

## Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
512529	SEQUENT	(11.3)
535754	ORIENTCEM	(9.8)
532259	APARINDS	(6.2)
500440	HINDALCO	(6.1)
505744	FMGOETZE	(6.0)
505714	GABRIEL	(5.8)
502865	FORBESGOK	(5.8)
531599	FDC	(4.9)
500380	JKLAKSHMI	(4.6)
532531	STAR	(4.3)

\* 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 23-10-2019 (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

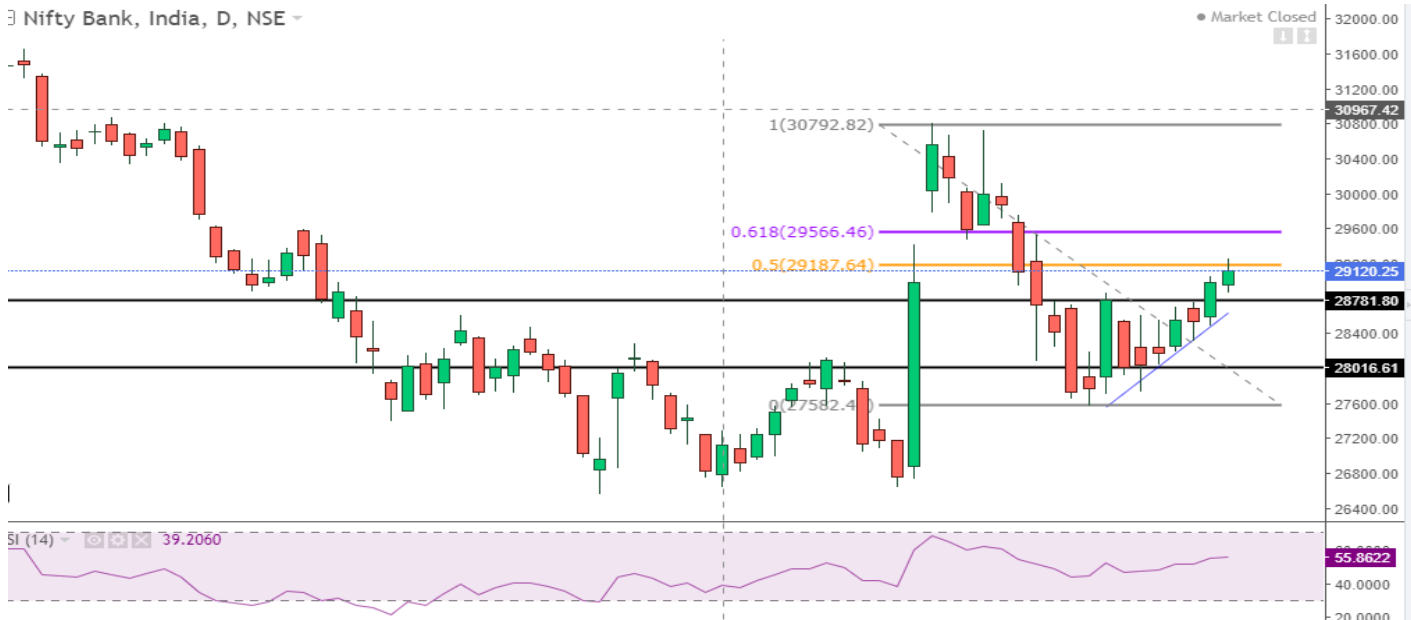
Banknifty extended gain further higher as it continued to make higher troughs and higher crests, however in larger time frame of chart it is still trading in range. Although it has been trading with positive bias from last few days and closed with 3.8% gain. It formed a strong base near at 28040 and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

Narnolia Financial Advisors Ltd. is a SEBI registered Research Analyst having SEBI Registration No. INH300006500. The Company/Analyst (s) does/do not have any holding in the stocks discussed but these stocks may have been recommended to clients in the past. Clients of Narnolia Financial Advisors Ltd. may be holding aforesaid stocks.

The stocks recommended are based on our analysis which is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed.

**Disclosures:** Narnolia Financial Advisors Ltd. (NFAL) (Formerly Microsec Capital Ltd.) is a SEBI Registered Research Analyst having registration no. INH300006500. NFAL is engaged in the business of providing Stock Broking, Depository Participant, Merchant Banking, Portfolio Management & distribution of various financial products. Details of associate entities of NFAL is available on the website at [www.narnolia.com](http://www.narnolia.com)

No penalties have been levied on NFAL by any Regulatory/Statutory authority. NFAL, its associates, Research Analyst or their relative may have financial interest in the subject company. NFAL and/or its associates and/or Research Analyst may have beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report. NFAL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of NFAL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the last 12 month period. NFAL and/or its associates may have received compensation from the subject company in the past 12 months. In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, NFAL or any of its associates may have: a) managed or co-managed public offering of securities from subject company of this research report, b) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report, c) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report. d) Subject Company may have been a client of NFAL or its associates during 12 months preceding the date of distribution of the research report. NFAL and its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. NFAL and / or its affiliates may do and seek to do business including Investment Banking with companies covered in the research reports. As a result, the recipients of this report should be aware that NFAL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific Merchant Banking, Investment Banking or Brokerage service transactions. Research Analyst's views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of NFAL or its associates maintains arm's length distance with Research Team as all the activities are segregated from NFAL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

**Analyst Certification** The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

**Disclosure of Interest Statement-**

Analyst's ownership of the stocks mentioned in the Report	NIL
---	-----

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com).

Correspondence Office Address: Arch Waterfront, 5<sup>th</sup> Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; [www.narnolia.com](http://www.narnolia.com).

Registered Office Address: Marble Arch, Office 201, 2<sup>nd</sup> Floor, 236B, AJC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; [www.narnolia.com](http://www.narnolia.com)

Compliance Officer: Manish Kr Agarwal, Email Id: [mkagarwal@narnolia.com](mailto:mkagarwal@narnolia.com), Contact No.:033-40541700.

Registration details of Company: Narnolia Financial Advisors Ltd. (NFAL): SEBI Stock Broker Registration: INZ000166737 (NSE/BSE/MSEI); NSDL/CDSL: IN-DP-380-2018; Research Analyst: INH300006500, Merchant Banking: (Registration No.: INM000010791), PMS: (Registration No.: INP000002304), AMFI Registered Mutual Fund distributor: ARN 3087

Registration Details of Group entities: G. Raj & Company Consultants Ltd (G RAJ)-BSE Broker INZ260010731; NSDL DP: IN-DP-NSDL-371-2014 || Narnolia Commerce Limited (Formerly Microsec Commerce Ltd.)-MCX/NCDEX Commodities Broker: INZ000051636 || NarnoliaVeloX Advisory Ltd.- SEBI Registered PMS: INP000005109 || Eastwind Capital Advisors Pvt Ltd. (EASTWIND)-SEBI Registered Investment Adviser: INA300005439 || Narnolia Insurance Brokers Limited (Formerly Microsec Insurance Brokers Ltd.)-IRDA Licensed Direct Insurance Broker (Life & Non-Life) Certificate No. 134, License No. DB046/02 || Narnolia Securities Ltd. (NSL)-AMFI Registered Mutual Fund distributor: ARN 20558, PFRDA NPS POP: 27092018 || Narnolia Capital Advisors Pvt. Ltd. - RBI Registered NBFC:B.05.02568.

**Disclaimer:**

This report has been prepared by Narnolia Financial Advisors Ltd. (NFAL) and is meant for sole use by the recipient and not for public circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of NFAL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his/her/its own advisors to determine the merits and risks of such an investment. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NFAL will not treat recipients as customers by virtue of their receiving this report. Neither the Company, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits or lost opportunities that may arise from or in connection with the use of the information/report. The person accessing this information specifically agrees to exempt NFAL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold NFAL or any of its affiliates or employees responsible for any such misuse and further agrees to hold NFAL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject NFAL & its group companies to registration or licensing requirements within such jurisdictions.