

Trading Calls

KAJARIACER BUY 02nd March 2020

The stock has made a double bottom near Rs 520 and thereafter started to give pullback from that level. Positive divergences were also formed both in RSI & Stochastic on daily chart. Therefore some upward rally is expected in the stock from the current level.

HAVELLS BUY 04th February 2020

After making double bottom, the stock started to give pullback rally. Positive divergence in RSI & Stochastic are indicating of some fresh up move in the short term.

Market	Value	% Change
SGX Nifty (at 8.00 am IST) prev closing	8899.00	-7.11%

Nifty Key Levels For The Week

Support	S1: 8600	S2 : 8400
Resistance	R1 : 9900	R2 : 10000

Market Outlook

Benchmark index skids almost 8% as bears tighten their grip. Market witnesses single day biggest fall in an intensified selloff. Moreover a sustained trade below psychological marks of 10000 will push Nifty lower towards 9300 levels and 8600 whereas any move above 9900 will be a relief for bulls. Moreover, one should opt for sell on rise strategy till prices are sustaining below 5DMA trading around 10000 marks.

Sectoral Performance (%)

	1 Day	1 Week	1 Month	1 Year
Auto Components	(8.94)	(14.33)	(23.47)	(30.08)
Automobiles	(7.79)	(12.03)	(22.78)	(28.15)
Chemicals	(6.18)	(7.46)	(10.84)	4.59
Construction & Engineering	(10.01)	(15.42)	(24.25)	(30.34)
Construction Materials	(8.08)	(13.58)	(18.68)	(12.87)
Diversified Financial Services	(8.75)	(15.95)	(23.55)	(7.23)
Electrical Equipment	(6.63)	(11.93)	(17.64)	(25.17)
Energy	(9.06)	(20.88)	(28.70)	(29.45)
Financials	(9.14)	(15.78)	(23.36)	(12.63)
Health Care	(8.10)	(12.21)	(13.29)	(11.10)
Household Durables	(6.37)	(8.78)	(13.15)	(5.14)
Household & Personal Products	(5.10)	(7.67)	(11.16)	2.04
Information Technology	(8.63)	(14.97)	(18.91)	(13.30)
Metals/Mining/Minerals	(9.64)	(19.35)	(29.42)	(40.31)
Telecom	(5.49)	(8.43)	(13.91)	0.03
Utilities	(8.76)	(15.76)	(22.84)	(20.63)

FII DERIVATIVES POSITION FOR 12-March-2020

	Net (Amt. in crs)
INDEX FUTURES	(14)
INDEX OPTIONS	141
STOCK FUTURES	868
STOCK OPTIONS	(116)

Institutional Turnover

FII	Buy(cr.)	Sell(cr.)	Net(cr.)
12-Mar-20	9,161	12,636	(3,475)
Mar-20	57,968	82,275	(24,307)
DII	Buy(cr.)	Sell(cr.)	Net(cr.)
12-Mar-20	12,340	8,422	3,918
Mar-20	58,709	36,888	21,821

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

Long Position				
	DII	FII	Pro	Other
Future Index	51591	48244	27468	207451
Future Stock	45713	990873	161955	579833
Option Index Call	21811	184345	110974	481700
Option Index Put	69946	375190	122694	259389
Option Stock Call	0	24770	51771	268837
Option Stock Put	0	14949	84720	70196

Short Position				
	DII	FII	Pro	Other
Future Index	8259	200962	22444	103089
Future Stock	990549	539659	66671	181495
Option Index Call	0	145214	220124	433492
Option Index Put	0	173320	141653	512246
Option Stock Call	1982	24251	135201	183944
Option Stock Put	0	14206	49916	105743

High ES & High PS Stock Maintaining Strength

BSE Code	NSE CODE	1 Month Return %
532504	NAVINFUOR	16.9
500680	PFIZER	2.8
500331	PIDILITIND	2.2
500674	SANOFI	2.0
524494	IPCALAB	1.8
500820	ASIANPAINT	(0.8)
500187	HSIL	(1.0)
500420	TORNTPHARM	(1.8)
509820	PAPERPROD	(2.7)
500676	GSKCONS	(3.7)

High ES & Low PS Stock Showing Strength

BSE Code	NSE CODE	1 Month Return %
511072	DHFL	22.8
500407	SWARAJENG	2.1
526947	LAOPALA	(1.8)
517506	TTKPRESTIG	(6.5)
517354	HAVELLS	(8.6)
534690	LAKSHVILAS	(8.8)
500870	CASTROLIND	(11.9)
532809	FSL	(14.0)
533655	TRITURBINE	(15.7)
531642	MARICO	(16.4)

Low ES & Low PS Stock Maintaining Weakness

BSE Code	NSE CODE	1 Month Return %
532839	DISHTV	(53.7)
524000	MAGMA	(52.5)
532480	ALBK	(50.5)
535789	IBULHSGFIN	(49.3)
532814	INDIANB	(43.6)
500111	RELCAPITAL	(41.4)
523756	SREINFRA	(40.9)
532418	ANDHRABANK	(40.6)
532477	UNIONBANK	(40.6)
532300	WOCKPHARMA	(40.0)

Low ES & High PS Stock Showing Weakness

BSE Code	NSE CODE	1 Month Return %
532179	CORPBANK	(57.6)
512573	AVANTI	(52.4)
511676	GICHSGFIN	(52.3)
532144	WELCORP	(52.0)
500570	TATAMOTORS	(49.3)
517334	MOTHERSUMI	(48.6)
532149	BANKINDIA	(47.8)
533171	UNITEDBNK	(46.7)
500330	RAYMOND	(45.6)
500253	LICHSGFIN	(42.3)

* 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 13-03-2020 (2)

STDC (2)									
No	Date	Type	Buy/Sell	Stock	Entry1	Entry2	SL	Tgt 1	Tgt 2
1	02-Mar-20	STDC	BUY	KAJARIACER	546.5	522.5	499	594	643
2	04-Feb-20	STDC	BUY	HAVELLS	610	587.5	574	648	684

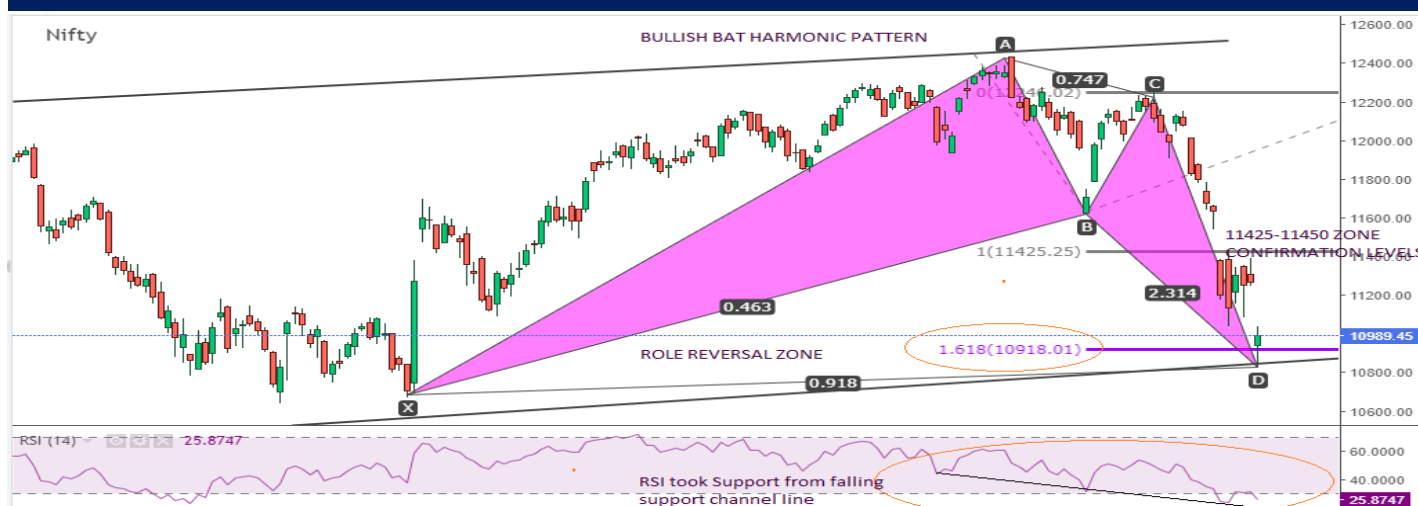
VIEW

Coronavirus outbreak is plunging the global economy into the worst crisis since 2009 and fiasco in Yes Bank added salt to an injury on D-street which has intensified this weakness. Indices settled with a cut of nearly half percent amid volatility, in continuation of a prevailing corrective phase. The recent surge in the coronavirus cases outside china and fresh virus cases reported in India has spooked the sentiment across the globe that over shadowed monetary easing measures by various central banks. Although indices and many nifty 50 scrips have formed bullish harmonic pattern but they all required consolidation in their PRZ region before they show any strength for reversal to convert into rally. Meanwhile investors will track resolution plan of yes bank from RBI and the updates on coronavirus spread.

Technical Outlook-

- Nifty started trading below the psychological mark of 11000 mark as bears completely thrashed the bulls and formed red candle on weekly chart.
- Completion of **Bullish Bat Harmonic pattern** on daily chart suggest short term pullback on upside
- Currently nifty is lying at very crucial support as it holds above the long term trendline along with the **role reversal level of 161.8 % of extension leg AB** to BC.
- RSI is also getting support from its **falling support line in oversold zone** suggest short term pullback is round the corner.
- As of now, crucial support lies at **10800 level** and if this level is not respected then index can slip down till 10600-10550 zone
- However, broader trend remain '**Sell on Rally**' until nifty give confirmation above **11425-11450 zone** decisively.

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

	NIFTY LEVEL	JUSTIFICATION
Resistance 2	11450	Confirmation levels
Resistance 1	11270	100 WMA
Close	10989	
Support 1	10800	Point of polarity
Support 2	10600	Previous Swing Low

VIEW

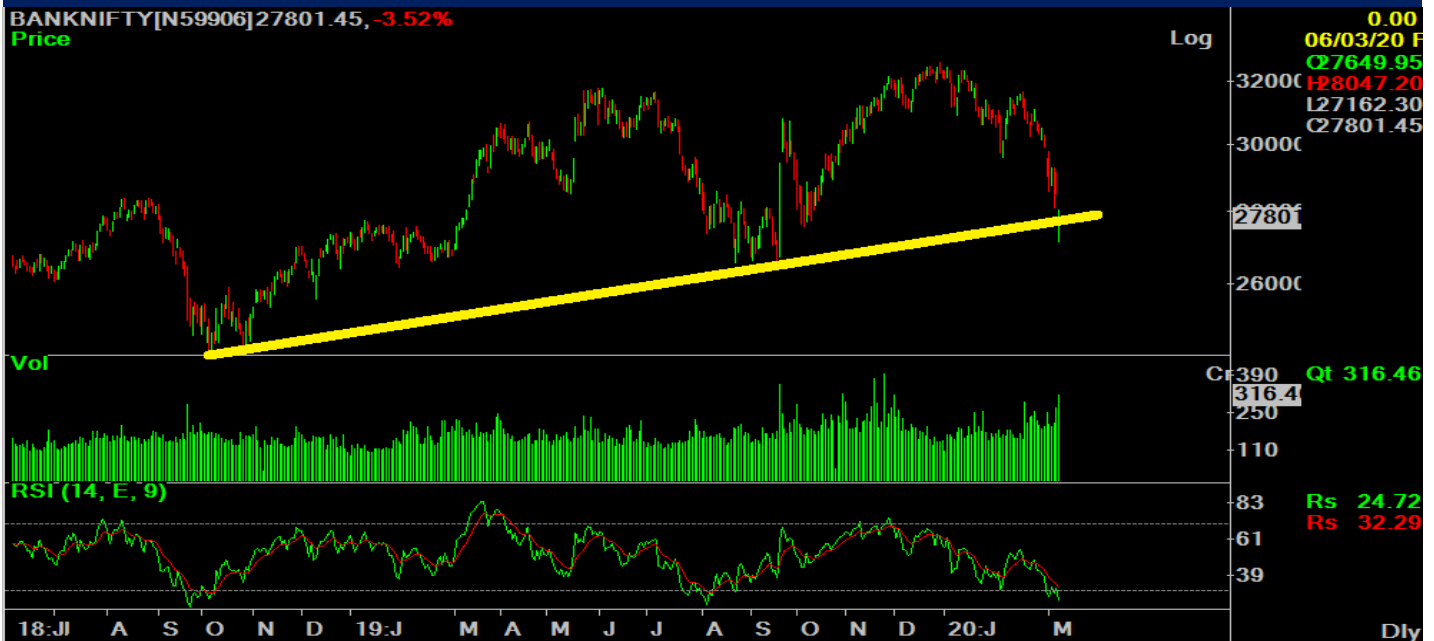
We have seen a sharp downward movement in Banknifty throughout last week. At the end of the week the index closed with a net loss of 4.6% over its previous week's close. The selling was witnessed across the board. However Yes bank , State Bank, Indusind bank and PNB were the major losers during the week.

OBSERVATIONS:

- 1) Banknifty is consolidating near its short term trend line support of 27380.
- 2) RSI reached at deep oversold zone.

In reference to the above observations it can be concluded that currently Banknifty is consolidating near its short term support area (27380). So investors may use this correction as fresh buying opportunity. Deep oversold position of RSI is also indicating some quick pullback in the current week. However traders should initiate/ hold long position by placing stop loss at 27380 (closing basis).

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

RESISTANCE/SUPPORT	BANKNIFTY LEVEL
Resistance 2	28580
Resistance 1	28120
Close	27801
Support 1	27380
Support 2	26510

VIEW

Rupee weaken sharply by more than 2.5% to hit a 17 month low. Upsurge in volatility indicate caution among market participants and its not going to subside soon. Blood bath in equity market combined with weak global cues are currently weighing on the sentiment. Deadly virus has been already responsible for at least 426 deaths and has infected more than 20000 people, so this fear will continue to rack investors and they will struggle for assessing the economic impact. Going forward market participants will track intervention of RBI or government which may give caution in near term.

TECHNICAL FACTORS-

- Formation of long green candle on weekly chart suggest further weakness in rupee
- Currently, pair has given breakout from its long term consolidation indicating more heat for an indian currency
- The momentum indicator RSI also gave breakout form its downward sloping line which is supporting upsurge in the pair
- Next resistance stands at 74.10 followed by 74.50. Above which it can extend up to 75 mark
- Currently, support is shifted higher towards 72.90 and 71.75 mark

CHART ANALYSIS



SUPPORT & RESISTANCE LEVELS

USDINR LEVEL

Resistance 2	74.50
Resistance 1	74.1
Close	74.00
Support 1	72.9
Support 2	71.75

STDC : Long / BUY

2-Mar-20

BSE Code	500233
NSE Symbol	KAJARIACER
52wk Range H/L	649.65/443
Mkt Capital (Rs Cr)	9028
Av.Cash Volume(,000)	225
Open Interest	NA

Buy Price	544-550 & 520-525
Stop Loss	499
Target Price1	594
Target Price2	643
Upside in Tgt1	11.00%
Upside in Tgt2	20.00%

Technical Chart



STDC BUY KAJARIACER @ 544-550 & 520-525 SL-499 (CLOSING BASIS) TGT-594,643

The stock has made a double bottom near Rs 520 and thereafter started to give pullback from that level. Positive divergences were also formed both in RSI & Stochastic on daily chart. Therefore some upward rally is expected in the stock from the current level.

STDC : Long / BUY

4-Feb-20

BSE Code	517354
NSE Symbol	HAVELLS
52wk Range H/L	806.90/586
Mkt Capital (Rs Cr)	38173.98
Av.Cash Volume(,000)	1281
Open Interest	8540000

Buy Price	608-612 & 585-590
Stop Loss	574
Target Price1	648
Target Price2	684
Upside in Tgt1	8.23%
Upside in Tgt2	14.24%

Technical Chart



STDC BUY HAVELLS @ 608-612 & 585-590 SL-574 (CLOSING BASIS) TGT-648,684

After making double bottom, the stock started to give pullback rally. Positive divergence in RSI & Stochastic are indicating of some fresh up move in the short term.

Crude oil prices shot up by 5% in yesterday's session stood at \$63.86/bbl after the US airstrikes at the Baghdad International Airport. It killed Iran's general manager Qasem Soleimani who is the leader of Islamic Republic's elite Revolutionary Guards.

Also, the same attack killed the Iraq's Abu Mahdi Al-Muhandis, the deputy commander of the Iran-backed militias reported Reuters. This airstrikes has exacerbated the already heightened tensions in the Middle East. Tensions have been increasing between Washington and Iran after an Iran-backed Iraqi militia stormed the American embassy in Baghdad to protest deadly U.S. airstrikes earlier this week.

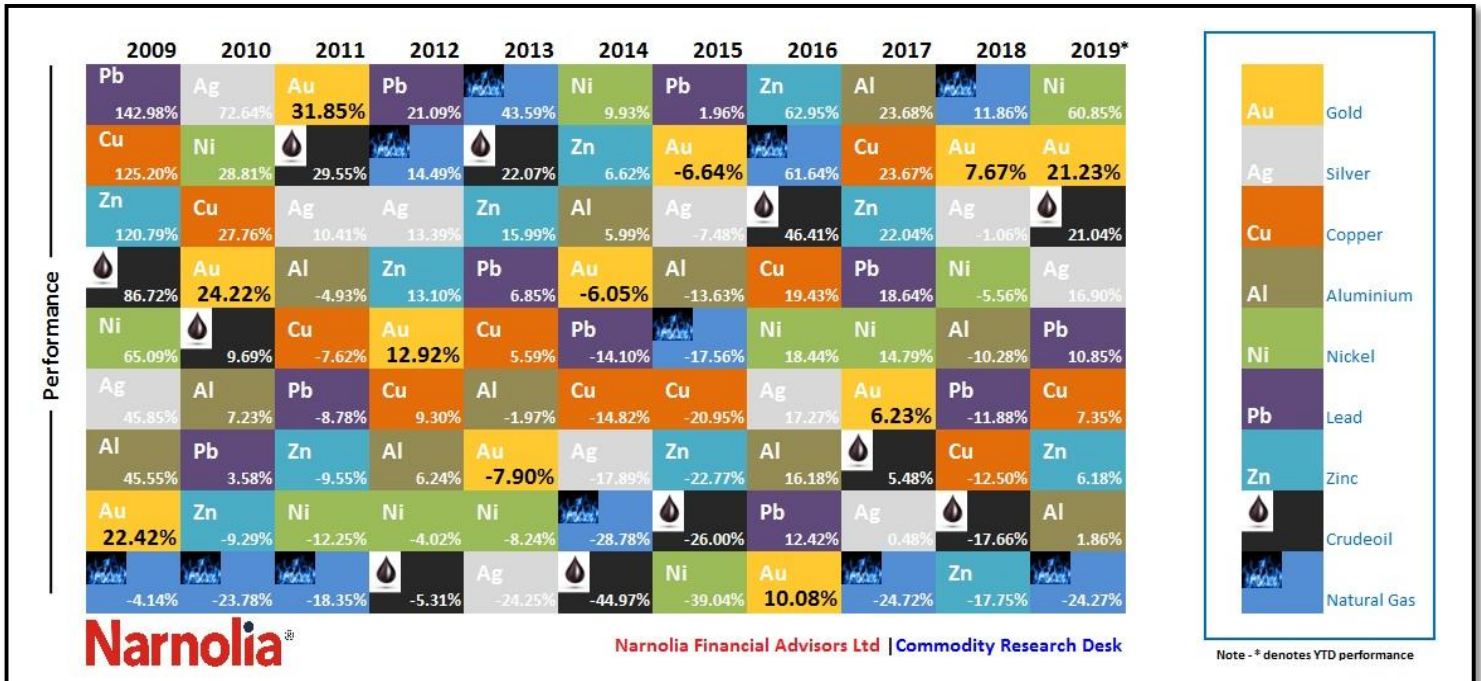
Iran officials have said they will give an immediate response to Washington over the attack further escalating tensions between the two countries Iran and United States. If the conflicts spread to the oilfields, we could see the shutdown of oil production in the region.

Looking at the demand supply scenario, OPEC+ nations has curtailed its oil production by another 2.1 million barrels as discussed in the previous OPEC meeting in December 2019. From starting this month, OPEC is also expected to increase their reduction in output. The global demand supply of oil is estimated to remain balanced and show a surplus of just 0.4 mbpd in the Q1 2020. However, demand prospect remains dim.

The recurring attacks on oilfields and oil producing countries are the upside risk to the oil prices. Last year, Saudi oil facilities and oil tankers were targeted by the enemies. Any attack on five big OPEC producers will be the risk to the oil prices. With rising Middle East tensions, there is a threat to the global energy exports if the Strait of Hormuz is anytime on the list. This strait is the largest and the crucial shipping route will always remain in focus when tensions like these flare up.

At present, the front month Brent-WTI spread opened at \$5.65/bbl, widest since November. Currently, the Dec 2020 future contract is trading at a backwardation of \$5.05/bbl as compared to \$4.66/bbl over previous week. It means current month prices are trading at a premium and indicates that the market is expected to remain tighter in future.

Taking above situation into consideration, if the Middle East tension rises we can see huge spike in oil prices in the months to come. With the balance demand supply and improving US-China trade relations we can expect further upside in oil prices is unavoidable. Therefore, we expect Nymex Crudeoil prices to remain supported at \$60/bbl and extend its higher move towards \$68-70/bbl in the first quarter of 2020.



Top Picks for 2019-2020

NICKEL

Nickel prices has risen by more than 60% on worries over supply tightness after the Indonesia announced an export ban on nickel ore from Jan 2020, two years earlier than expected. Moving into next year, Nickel prices may remain supported at Rs 1100 levels and trade higher towards 1400 levels in 2020.

GOLD

MCX Gold prices have witnessed a surge of 21% since last Diwali on account of 15-month long trade tension leads to soft economic growth, monetary easing by the central banks, increasing investment demand from ETF and Central banks buying and Brexit uncertainty. Investors started to lock in gains starting June and in the span of four months gold prices rocketed 15% and made a high \$1566/oz.

U.S. Fed policy makers will review their stance at a meeting on Oct. 29-30 amid speculation that they are set to deliver a third consecutive interest rate cut. Currently even negative interest rates and easing monetary policy is unable to spur the economic activity to balance the Debt to GDP ratio. During the short term, Gold prices may face headwind due to trade optimism and higher bond yields however, for the long term, one must mandatorily add gold in their portfolio due to uncertainty over global economic outlook. We expect Comex Gold prices to test \$1,650 in the coming year 2020.

CRUDEOIL

Crude oil prices are mainly supported by the efforts of OPEC members, same way as it helped falling oil prices in 2016 by introducing production cuts. Crude oil prices managed to rise 21% YTD despite record production from US and persistent demand worries.

OPEC+ nations have planned to discuss on reducing further production in the 5th Dec 2019 policy. This meeting will be deciding factor for the future direction of oil prices.

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