

NIFTY (Weekly)



The week that went by:

D-street started the truncated week on a high note with a gap-up opening of 100 points. Post the strong opening, Index slipped in the morning trade and remained in the tight narrow range of 9870-9840 for the rest of the day. On day 2, ahead of RBI monetary policy; Nifty kicked off the day on a cautious note with 20 points gap-up opening. Index continued to march higher and extend its gain till late afternoon. With the announcement of keeping the rate unchanged by RBI Chief, Index turned volatile with the swing on the both sides. On Thursday, Index soared marginally higher but higher level did not last long due to lack of follow through. Nifty remained in the range of 9920-9900 till it succumbed to the selling in the last session. On the last day of week, Index opened higher and extended its gain with the help of Metal and Energy stocks. For the short duration, Index remained in the range but buying across the board in last hour; Index closed at higher levels of the day. Broader Market outperformed the Major Indices.

Nifty50-9979.70

Sensex30-31814.22

NSE Midcap-18107.95

NSE Smallcap-7869.20

MARKET OUTLOOK

After testing previous bottom of 9700, Nifty bounced sharply from the same with participation of Energy and Metal sector. Hidden Bullish Divergence has been found in weekly chart suggesting the potential to inch higher. Any turnaround before making a new high, chances of making bearish head and shoulder can not be ignored. As the result season is about to start, volatility is likely to persist.

Nifty has immediate resistance of 10070. On the downside 9950 and 9900 will hold as an immediate support. Bank Nifty has resistance of 24300 followed by 24520 whereas support is placed around 24020 & 23750

SECTORAL GAINERS / LOSERS

GAINER



Nifty Energy (13405) gained over 4% on a weekly basis whereas Nifty50 Index gained 1.91% and outperformed the same. Reliance Industries contributed the most with the gain of 6.7% and outperformed the both. Apart from Reliance, GAIL was the star performer of the week as it gained over 7.40%. Other components of sector like NTPC, IOC, HPCL and BPCL gained 4.88%,3.59%,4.18%,3.73 respectively. Power grid was the only loser with (3%) cut. Hidden Bullish Divergence has been observed which suggests the potential to continue its outperformance.

With the Market sentiment being Bullish all the sectors have ended the week on a positive note.

CMP: 1064

Neuland Laboratories Limited

Target Price: Rs1250 -Rs1430

Overview: Neuland Laboratories Limited was established over 30 years ago and today is a publicly listed company headquartered in Hyderabad, India. Neuland is a leading manufacturer of active pharmaceutical ingredients (APIs) and an end-to-end solution provider for the pharmaceutical industry for chemistry related services. Neuland has meaningful footprints in several countries with more than 80% of the revenues accounted for by exports.

SNAPSHOT	
Market Cap (Cr)	939
52 week H / L (Rs)	1727 / 855.10
BSE Code	524558
NSE Code	NEULANLAB



Investment Rationale:

Neuland Laboratories Limited representing Harmonic Bat pattern. Stock is in uptrend from early June of 2015 and made a higher top higher bottom. The journey of the pattern started from the price of 875(X) and rallied to make a 52 week high of 1727(B). Stock retraced 50% of XA lag followed by 61.8% retracement of AB lag. Stock finally corrected till PRZ where a Bullish Engulfing candlestick formed. Hidden Bullish Divergence found in RSI as stock did not made a lower low but RSI did. Stock price bounced from long term trend line. Positive crossover of ADX to +DMI is observed. Traditional trend following indicator i.e. Moving Average, stock bounced from 100 WMA (Weekly Moving Average) post the whipsaw in previous week.

Buy Neuland Laboratories Limited at current market price of Rs1064 or decline up to Rs 1030 with a closing stop loss of Rs880 for a target of Rs1250-Rs1430 with a perspective of 1 year.

DERIVATIVES CORNER

Top OI Gainers with increase in Price			
Long Accumulation			
Stocks	OI (in mn)	OI Change (%)	Price Change (%)
GRANULES	17.42	17.90	6.16
GAIL	17.55	15.75	4.44
TATA STEEL	25.98	11.13	4.83
SOUTHBANK	155.82	8.74	6.35
KSCL	4.16	6.32	3.46

Top OI Closures with increase in Price			
Short Covering			
Stocks	OI (in mn)	OI Change (%)	Price Change (%)
ACC	2.00	(12.66)	2.29
JUBLFOOD	2.02	(8.73)	4.04
LICHSGFIN	8.57	(7.17)	2.06
PETRONET	11.56	(6.36)	2.18
MGL	0.74	(5.02)	3.30

Top OI Gainers with decrease in Price			
Short Accumulation			
Stocks	OI (in mn)	OI Change (%)	Price Change (%)
POWER GRID	19.82	9.62	(0.12)
RELCAPITAL	12.38	9.58	(1.82)
STAR	2.82	9.31	(2.04)
CUMMINS INDIA	0.49	6.23	(0.92)
HERO MOTO	1.89	5.98	(1.00)

Top OI Closures with decrease in Price			
Long Unwinding			
Stocks	OI (in mn)	OI Change (%)	Price Change (%)
GODREJCP	1.73	(2.26)	(1.54)
DHFL	28.59	(2.07)	(1.79)
JET AIRWAYS	4.49	(1.47)	(0.05)
KPIT	10.70	(0.93)	(0.81)
SRTRANSFIN	3.64	(0.61)	(0.78)

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