

NIFTY (Weekly)



The week that went by:

With the sharper correction in the preceding week, Index continued its journey towards the south and started the week on a pessimistic note as Index tried to hold its previous low of 10254 but failed to correct by 90 points. On day 2, post the flat opening Index surged higher but failed to hold the same slipped in the first trade itself. Efforts of trimming the losses vanished due to sell-off in the last session. On Wednesday, continuing pessimistic trend along with weak global market, Nifty kicked off the day with gap-down opening. Index tried to stabilize around 10150 but bears took control for the rest of the day. Index has violated 10100 level but managed to close above the same. On Thursday, trespassing the losing streak, Nifty started the day on a strong note with gap-up opening. With the help of buying in IT and Banking stocks, Nifty continued to extend its gains throughout the day. On the last day of the week, Index kicked off the day on the strong note post the up gradation by Moody's on long term bonds, till afternoon Index remained range bound but profit booking in the last session dragged the Nifty lower.

Nifty 50=10283.60 BSE Sensex30=33342.80 Nifty Midcap 100=19642.60 Nifty Smallcap100=8430.45

MARKET OUTLOOK

With the correction of 2 consecutive weeks, Nifty50 has made a Hammer candlestick pattern on structure support of 10130 which was previously acted as a stiff resistance. Post the deeper correction in Broader Market, stock specific buying would be advisable. Once the Index breaches its previous high, next target comes around 10700 level. Volatility due to the result season will cease to continue, however global uncertainty is likely to be there as Crude prices inches higher.

Nifty has immediate resistance of 10375 & 10440. On the downside 10260 & 10125 will hold as an immediate support. Bank Nifty has resistance of 26070 whereas support is placed around 25720 & 25580.

SECTORAL GAINERS / LOSERS

GAINER



Where Nifty50 ended with the minor loss of (0.37%), Nifty PSU Bank ended the week with 1.65% gain and outperformed the same. Major gainer from the sector were Bank of Baroda and Bank of India with the gain of 7.49% and 5.53% respectively. IDBI Bank was the sole loser from the sector with (7.04%) cut.

LOSER



With the cut over (2.50%), Nifty Metal underperformed the Nifty50. NALCO(6.42%), Vedanta(5.28%) and Coal India (4.23%) were the major losers. Nifty Metal is trading in higher top higher bottom channel, from the top it corrected and bounced from 3676 which was previously acted as a resistance. It also bounced from lower trend line.

CMP: 237

HIKAL LIMITED

Target Price: Rs270 -Rs300

Overview: Hikal Limited (Hikal) was incorporated in 1988 as a private limited company by the Hiremath family and Surajmukhi Investments & Finance Limited, a wholly owned subsidiary of Kalyani Steels Limited as the shareholders. Hikal being the preferred partner of choice of leading pharmaceutical and agrochemical companies is engaged in R&D, manufacturing and marketing of fine chemicals for different customers across the above industries.

NAPSHOT

Market Cap (Cr)	1957
52 week H / L (Rs)	264.90/191.35
BSE Code	524735
NSE Code	HIKAL



Investment Rationale:

Hikal Limited imitated breakout from Ascending triangle followed by pullback. Stock has been in uptrend from early April of 2016 and continued to march higher. Post consolidation of 11 months, stock breached the pattern mentioned above. Level of Rs232 which acted as a stiff resistance will now act as a support. The stock has made a bullish candlestick pattern at the same level of Rs232. Stock is quoting well above leading moving averages i.e. 50,100,150,200. ADX is at 25 level which indicates start of a new trend. Stock has witnessed Price/Volume breakout; however the recent correction (which was healthy) showed absence of seller participants. All indicators poise for up move.

Buy **HIKAL LIMITED** at current market price of Rs237 or decline up to 232 with a closing stop loss of Rs 195 for a target of Rs 270-Rs300 with a perspective of 6-9 months.

DERIVATIVES CORNER

Top OI Gainers with increase in Price			
Long Accumulation			
Stocks	OI (in mn)	OI Change (%)	Price Change (%)
JUST DIAL	3.41	28.72	5.54
HDIL	38.64	24.13	5.31
TATA POWER	39.59	17.34	5.99
RAMCOCEM	0.66	14.05	2.23
ICICI PRU	7.69	13.24	2.83

Top OI Closures with increase in Price			
Short Covering			
Stocks	OI (in mn)	OI Change (%)	Price Change (%)
RCOM	101.19	(5.33)	5.53
VEDL	41.73	(3.82)	1.34
DCBBANK	5.88	(3.19)	2.57
CANFINHOME	4.50	(2.01)	5.48
GODREJIND	4.20	(1.65)	2.05

Top OI Gainers with decrease in Price			
Short Accumulation			
Stocks	OI (in mn)	OI Change (%)	Price Change (%)
MGL	1.38	19.81	(1.02)
BEL	22.02	9.82	(0.61)
HEXWARE	2.72	9.12	(1.23)
BOSCH	0.12	7.95	(1.58)
ULTRATECH	1.36	5.60	(0.70)

Top OI Closures with decrease in Price			
Long Unwinding			
Stocks	OI (in mn)	OI Change (%)	Price Change (%)
BANKINDIA	16.41	(4.03)	(0.12)
CHOLAFIN	0.54	(3.79)	(2.58)
REPCOHOME	0.99	(3.78)	(0.34)
SUNTV	5.34	(3.00)	(0.40)
INDIANB	4.22	(2.58)	(0.28)

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