

# Building Wealth Over Generations...



Daily Research Reports

**Disclosures and Disclaimer** : This report must be read with the disclosures in the Disclosure appendix, and with the Disclaimer, which forms part of it. This document does not contain any investment views or opinions.

# A Legacy of Wealth Building Plan.

**Friday  
16th March, 2018**

## Welcome Note

Welcome to India Cements Investment Services Ltd works!!

The world out there is uncertain. On this backdrop, the market volatility is bound to increase. Believe us, even the big investors' sentiment will oscillate—and that is why it is important for us to safely navigate these difficult times.

To do so, India Cements Investment Services Ltd brings you this daily market commentary which will help you to sharpen your instincts on investments in equity markets, gold, silver, crude-oil, USD/INR, the Dow Jones index, Hang Seng index, Euro-Dollar, etc. On the next few pages, you can learn more about the same. We would love to answer any further questions you may have in a one-one discussion.

We are pleased to inform you that this report features contributions from the finest analytical minds in the business and are distinguished by our proactive consulting approach, timely advice, and specific recommendations. We take satisfaction in seeing clients realize their dreams.

The India Cements Investment Services Ltd team would like to take this opportunity to thank our readers for their support and feedback over the years. We hope you enjoyed reading this daily newsletter. Above all, we wish that this experience is both professionally and personally rewarding.

If you have any queries please do contact me or any member of India Cements Investment Services Ltd team and we would be glad to assist.

Best Regards,

Team India Cements Investment Services Ltd  
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## Top of the Morning



**ICISL Invest "Top of the Morning"** newsletter provides insights and themes for Indian equity markets. We also try and cover international themes for the day. This newsletter is quite popular with traders as it covers the most preferred trading strategy for Sensex/Nifty for the day.

In Chart of the day section, we recommend a stock which is likely to move significantly in the short term, clearly defining the supports, the resistances and bias for the stock.

In a nutshell, ICISL Invest "Top of the Morning" covers themes and insights for the day.

Dear Valued Investor,

Good Morning & Welcome to Friday's trading action at Dalal Street, dated 16th of March 2018.

Judging by early trends at SGX Nifty, it appears yet another disappointing day on cards for benchmark Nifty.

Dalal Street also not seen cheering to World Bank's reports that the Indian economy is set to revert to its trend growth rate of 7.5% in the coming years as it bottoms out from the impact of the Goods and Services Tax (GST) and demonetization.

As per the report, India's GDP growth is projected to reach 6.7% in 2017-18 and accelerate to 7.3% and 7.5% in 2018-19 and 2019-20 respectively.

The report said that services will continue to remain the main driver of economic growth; industrial activity is poised to grow, with manufacturing expected to accelerate following the implementation of the GST, and agriculture will likely grow at its long-term average growth rate,

We are sure, the Goldilocks economy, one with high economic growth and lower inflation, will be the key catalyst working in favor of the bulls with medium and long term perspective.

But for the time being, looks like, worries are likely to persist at our stock markets and one could simply blame it to a potential global trade war, especially after White House confirmed that it will seek a \$100 billion reduction in the U.S. trade deficit with China

Interestingly, Wall Street was seen rebounding in yesterday's trade, halting its 3-session skid as worries over President Trump's protectionist stance against trading partners outweighed a flurry of solid economic data.

Economic releases on Thursday on jobless claims and manufacturing data indicated the domestic economy remained healthy.

Now, before we get into detail, let check out the catalysts surrounding Dalal Street:

1. The street will now keep a close eye on the Foreign exchange reserves data for the week ended March 9 and deposits & bank loan growth data for week ended March 2 on Friday.
2. The trade deficit narrowed to \$12 billion in February, its lowest in five months, amid concern that a global trade war could hit its exports because of US President Donald Trump's decision to hike import taxes on steel and aluminum.
3. Crude oil prices were receiving support from healthy demand. The Organization of the Petroleum Exporting Countries (OPEC) said on Wednesday that oil consumption was expected to grow by 1.62 million barrels per day (bpd) in 2018.
4. Investors focus will be also on the primary market which will be full of action as around Rs 10,000 crore worth of IPOs will hit the Dalal Street. Prominent amongst them are:
  - A. Bharat Dynamics IPOs was fully subscribed.
  - B. Hindustan Aeronautics will open their IPOs worth Rs 4,200 crore for subscription on Friday.
  - C. Bandhan Bank's Rs 4,473 crore IPO which opened on Thursday was subscribed 42% on day 1.
  - D. Karda Construction, Rs 77-crore public issue of will open on Friday.

## INDICES

<b>Nifty</b>	10360	-0.49%
<b>Bank Nifty</b>	24792	-0.24%
<b>Nifty Auto Index</b>	11051	-0.08%
<b>Nifty FMCG Index</b>	26381	-0.57%
<b>Nifty Infra Index</b>	3386	-0.27%
<b>Nifty IT Index</b>	12762	-0.19%
<b>Nifty Media Index</b>	3326	-0.89%
<b>Nifty Midcap Index</b>	5090	0.20%
<b>Nifty Metal Index</b>	3753	-0.31%
<b>Nifty Pharma Index</b>	8670	-0.36%
<b>Nifty Reality Index</b>	320	-0.11%
<b>Nifty Smallcap Index</b>	8223	0.84%
<b>Sensex</b>	33685	-0.44%
<b>SGX Nifty</b>	10380	0.16%

## Outlook for the Day

Positive session likely

## Nifty Outlook

<b>Intraday</b>	Neutral (10311-10429)
<b>Medium Term</b>	Neutral (9950-10871)
<b>Long Term</b>	Positive (11201)

## Key Levels to Watch

<b>Nifty Support</b>	10311 & 10241
<b>Nifty Resistance</b>	10471 & 10551

## Pivot Level

<b>Nifty</b>	10111
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## Outlook for Friday: Strength on Nifty seen only above 10551.

At the time of writing, SGX Nifty was seen drifting, down 16 points or 0.15% at 10,347.

Our **call of the day** suggests volatility will continue to be the hallmark of today's trade, but stock specific risk-on trades likely to dictate the set-up in today's session. Aggressive traders will look for bargain hunting.

Our **chart of the day** suggests buying Voltas at CMP with interweek perspective, while Reliance Industries chart patterns are negative at the moment.

Technically speaking, the make or break level for the day is 10551 hurdles. If Nifty is unable to clear 10,551 mark, it is safe assume that it's just a dead cat bounce.

Judging by early trends of SGX Nifty and yesterday's struggling action at Dalal Street, it appears Nifty is unlikely to move past the psychological 10551 mark.

If Nifty holds 10551 hurdles and moves below the 10321 mark, then expect waterfall of selling, taking Nifty down to 10271 and then finally at psychological 10,000 mark

**Bullish stocks:** Voltas, Ashok Leyland, Tata Global, Grasim, UPL, Eicher Motors, SUN TV, Maruti.

**Bearish stocks:** Reliance Industries, HCC, IDEA, SBI, PNB, Allahabad Bank, OBC, Bank of India, HDIL, PFC.

**SHOW ME THE MONEY:** Buy LIC HOUSING FINANCE (CMP 523.20): LIC Housing Finance after testing supports at 475-485 zone is now seen back in action/momentum. The stock is likely to enjoy strong bids and most probably will signal a major rebound on daily charts. Accumulate at CMP, and on dips between 500-505 zone, with medium perspective, as the stock is likely to run towards its Feb 2018 high at 536 mark. Aggressive targets seen at 593-600 mark. Place stop below 489. Holding Period: 1 Month.

**Stocks banned in F&O segment for today:** BALRAMCHINI, BANK OF INDIA, BEML, DHFL, TV18BRDCST.

**New In Ban:** ANDHRA BANK, IDBI, JP ASSOCIATES.

**Out of Ban:** NIL.

## Bulls Vs. Bears: Time to Pick a Side!!

For the day, we expect any excessive gains on Dalal Street to fizzle out.

**Preferred trade on Nifty:** Nifty (10360): Sell between 10401-10425 zone, targeting 10335 and then at 10033-10050 zone with stop at 10651.

**Preferred trade on Bank Nifty:** Bank Nifty (24792): Sell BANK NIFTY between 24951-245101 zone, targeting 24101 and then at 23501-23601 zone with stop at 26351. Holding Period: 3 days.

### Daily Chart of Nifty:



## Technical Strategy

**HINDALCO** 224.9

**Action** Buy

**Target** 245

**Hindalco** was seen consolidating in Thursday's trade, down 0.79%. In last five trading sessions, the stock was seen consolidating at lower range.

Hindalco's stock price is in a bullish position where it wants to ascent above its major hurdles placed at 243.

The stock price is signaling a rebound from an oversold zone on the daily charts. The momentum oscillators are shifting in buy mode and recent increase in volumes are indicating a sharp up move.

Key support to watch in near term is at 217-221 zone.

Establishing long positions at CMP, and on dips between 217-221 zone, targeting 233. Above 233, the stock is likely to aim 245-251 levels. Stop below 215.05. Holding Period: 3 Weeks.

Supports – 221 & 217.

Resistance – 243 & 257.





There are always flowers,  
for those who want to feel them.

**ICISL Invest Top Picks:** It's like having Investment binoculars!!

When we want to see what's happening far off, we will reach for the binoculars. The binocular helps us to steer out of danger and also accurately spots our targets.

When it comes to trading / investing, that's exactly how ICISL Invest Top Picks helps us to identify the best five momentum stocks for the week. This daily newsletter introduces to the momentum stocks from the list of Future & Option segment, defining their support and resistance levels, and attempts to forecast their movement with a short /medium term perspective.

Transform your Investments. Elevate your life.

# TOP PICKS (F & O)

It's like having investment binoculars !

**UPL: Swing traders get ready, Your favorite stock (UPL) is aiming a major rebound.**

STOCKS	LTP	S1	S2	R1	R2	BIAS	TRADING STRATEGY
MARUTI	8837.5	8809	8677	9001	9125	Positive	The interweek risk is on the upside with immediate targets at 9125. Momentum oscillators signaling major strength. Interweek Strategy: Buy at CMP, targeting 9001 and then at 9109-9125 zone with stop below 8761.
TATA ELXSI	1037.65	1021	1005	1068	1101	Positive	Tata Elxsi enjoyed a strong session in Thursday's trade, up 2.71%. Key intraday support seen at 1005. Interweek Strategy: Buy at CMP, targeting 1068 and then at 1095-1101 zone. Stop below 1003.45.
TATA GLOBAL	279.6	272.5	265	285	292.5	Positive	The stock has signaled a major rebound from a lower consolidation on daily charts. Interweek Strategy: Establish long positions between 272.50-273 zone, targeting 285 and then aggressive targets located at 290-292.50 zone. Stop below 271.05.
UPL	723.6	715	695	735	767	Positive	UPL is signaling a major rebound from an oversold zone on the daily charts. Key support seen at 715-717 zone. Key hurdles seen at 735. Interweek Strategy: Buy at CMP, targeting 735 and then at 761-767 zone. Stop below 713.05.
VOLTAS	640.85	637.5	629	651	667.5	Positive	Voltas is aiming to move above its 3-day higher consolidation zone. The sequence of higher high/low still intact on daily, weekly and monthly charts. Interweek Strategy: Buy at CMP, targeting 651 and then more aggressive targets located at 665-667.50 zone. Stop below 629.



## Derivatives Strategies

**Future Call:** Buy HINDALCO MARCH between 222-224 zone, targeting 233 and then at 245-247.50 zone with stop at 217. Holding Period: 3 days. (HINDALCO MARCH FUTURES CMP 224.90).

**Option Call:** Sell DLF MARCH PE strike price 210 at CMP 1.55. Maximum profit per lot: Rs. 7,700/-. Loss: Unlimited. Stop Loss: Exit PUT option if DLF moves below 217. (DLF MARCH FUTURES CMP 226.25).

### Market Summary:

In Thursday's volatile & choppy trading session, the benchmark Nifty ended with modest losses. Weakness in U.S markets and Asian markets weighed on sentiments.

Nifty slipped 0.49% to settle at 10,360.15.

The positive takeaway was that the market breadth indicating health of the market was strong. Meanwhile, the BSE Mid-Cap index rose 0.49%. The S&P BSE Small-Cap index advanced 0.08%. Both these indices outperformed the Sensex. Bargain hunting was seen as the preferred theme amongst momentum stocks.

Amongst the sectoral indices, outperforming the Sensex/Nifty were the BSE Healthcare index (down 0.09%), the BSE IT index (down 0.04%), the BSE Telecom index (down 0.35%), the BSE Auto index (down 0.01%) and the BSE Power index (up 0.14%).

Meanwhile, underperforming the Sensex were the BSE FMCG index (down 0.52%), the BSE Bankex index (down 0.49%), the BSE Metal index (down 0.54%) and the BSE Oil & Gas index (down 1.04%).

Going forward, Nifty 10,500 will be crucial pivot resistance level to watch as maximum Call open interest (OI) stands at that Strike Price, followed by 10,400. Call writing was seen at the strike price of 10,500. Call unwinding was seen at the strike price 10,700

Nifty' must watch support levels would be 10,000 mark as maximum Put OI contracts were seen at strike price 10,000 followed by 10,400 strike price. Put writing was seen at strike prices 9,800. Put unwinding was seen at the strike price of 10,400.

The intraday bias shifts to neutral after yesterday's consolidation. That said, aggressive traders could look to buy stocks which are at oversold zone. The crucial support for Nifty is at 10000-10050 zone. Major hurdles continue to be at 10,551 mark. Confirmation of strength only above 10551 mark.

For the day, aggressive traders can look to buy Nifty on any EXCESSIVE weakness with targets at 10500-10551 zone and then aggressive targets at psychological 10600.

As per Thursday's provisional data available on the NSE, foreign institutional investors (FIIs) sold shares worth Rs 705.40 crore, while domestic institutional investors bought shares worth Rs 256.45 crore in the Indian equity market.

### Change in Stock Open Interest (OI) in previous day's trade.

**Long Buildup:** DLF, ASIAN PAINTS, EQUITAS, SRTFIN, JUBFOOD.

**Short Buildup:** VEDL, RELIANCE, MOTHERSON, MARICO, TATA CHEM.

**Short Covering:** ANDHRA BANK, INDUSIND BANK, HEXAWARE, SAIL.

**Long Unwinding:** CANFINHOME, YES BANK, SUNTV, ACC.

**Stocks banned in F&O segment for today:** BALRAMCHINI, BANK OF INDIA, BEML, DHFL, TV18BRDCST.

**New In Ban:** ANDHRA BANK, IDBI, JP ASSOCIATES.

**Out of Ban:** NIL.

**Highest OI Nifty:** Calls 10500 : 51.13 L - Puts 10000: 46.52 L

**Highest OI Bank Nifty:** Calls 25000: 7.05 L - Puts 24000: 12.70 L

### Changes in Open Interest (OI) in yesterday's trade.

<b>Nifty Spot</b>	10360.15 (-0.49%)
<b>Bank Nifty Future</b>	24791.85 (-0.24%)
<b>VIX</b>	14.33 (-0.23%)
<b>Premium</b>	+06 vs +23
<b>Nifty Future OI</b>	2.29 crores (+2.38%)
<b>Bank Nifty Spot OI</b>	19.00 crores (-2.43%)

### Major Changes in Nifty Options (OI):

<b>Calls</b>	<b>in lakhs (% Change)</b>
10400	43.24 (+3%)
10450	5.96 (+52%)
10500	51.13 (+11%)
10700	41.1 (+5%)
10800	32.6 (+6%)

<b>Puts</b>	<b>in lakhs (% Change)</b>
10000	46.52 (-6%)
10250	3.38 (+51%)
10300	34.95 (-6%)
10350	3.33 (-25%)
10400	41.44 (-9%)





## Sailing Global & MCX Trends with ICISL Compass & Navigator



**Compass & Navigator** is a daily newsletter that provides technical update on all the major instruments of the world like Gold, Silver, Crude Oil, US Dollar Index and USD/INR. We define their support and resistance levels and attempt to forecast their movement with a short / medium term perspective. Also in the report, a trader will find bias for the mentioned instruments.

This newsletter is also quite popular with a market participant who loves to have insight & theme on MCX Gold, MCX Silver as well MCX Crude-Oil.



## MCX Copper: Confirmation of major strength only above 461 zone.

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
MCX GOLD	30269	30162	29706	30751	31101	Positive	MCX Gold was seen trading flat in yesterday's trade despite US Dollar inching up. Interweek Strategy: Establish long positions positions at CMP, targeting 30751 zone and then at 31001-31101 zone with stop at 30111.
MCX SILVER	38521	38667	37451	39601	40501	Positive	Silver was trade rangebound, but with slight negative bias. Bias continues to be positive. Establish long positions at CMP, targeting 39601 and then at 40201-40501 zone with stop at 38451.
MCX CRUDE OIL	3978	3821	3601	4150	4505	Neutral	MCX Oil was seen inching up in yesterday's trade. Confirmation of major strength now only above 4150. The biggest support level to watch is at 3821. Interweek strategy: Buy at CMP, targeting 4150 zone and then at 4445-4505 zone with stop at 3821.
MCX COPPER	450	441	431	461	489	Neutral	Copper prices were seen drifting in yesterday's trade. Copper now faces major hurdles at 461 zone. Support now seen at 438. Interweek strategy: Establish long positions at CMP, targeting 472.50 and then at 485-489 zone with stop at 441.
MCX NATURAL GAS	174.10	163.00	151.00	185.00	192.00	Neutral	Natural Gas prices were seen slipping in yesterday's trade amid profit booking. Oversold conditions prevail. Key supports now at 163. Interweek strategy: Establish long positions at CMP, targeting 185 and then aggressive targets at 195-197.50 zone with stop at 161.
USD-INR	64.92	64.50	63.75	65.45	66.05	Negative	USD/INR was seen consolidating in yesterday's trade. Key intraday support seen at 64.50. Interweek Strategy: Sell at CMP, targeting 64.50 and then at 63.75-64 zone with stop above 65.45.

**Crude-Oil prices were seen rebounding. Major strength seen above 63.05.**

Instrument	LTP	S1	S2	R1	R2	Bias	TRADING STRATEGY
GOLD \$	1318	1311	1301	1345	1361	Positive	In yesterday's trade, gold prices were seen inching down. Major weakness now only below 1301. Interweek strategy: Establish long positions at CMP, targeting 1345 zone and then at 1355-1361 zone with stop at 1301.
SILVER (\$)	16.53	15.75	15.01	17.05	18.01	Positive	Silver too traded with slight negative bias in yesterday's trade amid some weakness in yellow metal prices. Bias continues to be positive. Interweek strategy: Establish long positions above 17.05, targeting 17.75 and then at 18.01 zone with stop at 15.75.
WTI CRUDE OIL (\$ )	61.28	61	58.45	63.05	66.05	Neutral	Crude-Oil prices was seen trading with positive bias in yesterday's trade. Bias will shift to positive only above 63.05. Major strength above 63.05. Interweek strategy: Buy above 63.05, targeting 65.05 zone and then at 66-66.05 zone with stop at 58.45.
EUR/USD	1.2329	1.2205	1.2061	1.2501	1.2671	Positive	The EUR/USD was seen trading with positive bias. Technically, the bias continues to be bullish. Hurdles seen at 1.2501 and support seen at 1.2305.
US Dollar Index	89.95	88.45	85.00	93.50	95.00	Negative	The U.S. dollar was seen consolidating with slight negative bias in yesterday's trade. Technically, bias shifts to negative. Hurdles at 93.50. Immediate downside risk at 87.50.
DOW JONES	25011	23575	22251	26125	27005	Neutral	The Dow Jones index was seen bouncing in yesterday's trade snapping 3 days losing streak. Technically, overbought conditions prevail. Hurdles at 26125.

Exchange	Commodity	Close	S1	S2	R1	R2	200 Day SMA	Reversal Point	Trend
MCX	ALUMINUM	135.1	134.28	133.47	136.58	138.07	133.68	139.15	DOWN
MCX	CARDAMOM	1127.3	1119.87	1112.43	1134.87	1142.43	1088.81	1165	DOWN
NCDEX	CASTOR	4183	4168.33	4153.67	4199.33	4215.67	4388.18	4241	DOWN
NCDEX	CHANA	3734	3706.67	3679.33	3754.67	3775.33	0	3844	DOWN
MCX	COPPER	454.25	451.7	449.15	457.7	461.15	429.28	460.1	DOWN
MCX	COTTON	20510	20413.33	20316.67	20673.33	20836.67	19478.4	21260	DOWN
MCX	CRUDE-OIL	3948	3908.33	3868.67	3981.33	4014.67	3472.22	4121	DOWN
MCX	GOLD	30405	30325.33	30245.67	30515.33	30625.67	29337.45	30747	DOWN
NCDEX	GAUR GUM	9163	9135.33	9107.67	9195.33	9227.67	8255.25	8795	UP
NCDEX	GAUR SEED	4318.5	4294.33	4270.17	4343.33	4368.17	3830.91	4351	DOWN
NCDEX	JEERA	14285	14163.33	14041.67	14358.33	14431.67	18937.82	14700	DOWN
MCX	LEAD	155.5	154.08	152.67	157.93	160.37	155.99	161.9	DOWN
MCX	MENTHA OIL	1157	1142	1127	1184	1211	1312.66	1280	DOWN
MCX	NATURAL GAS	177.4	175.03	172.67	181.03	184.67	189.24	174.3	UP
MCX	NICKLE	894.1	886.93	879.77	904.63	915.17	737.51	927	DOWN
NCDEX	RM SEED	4143	4128.33	4113.67	4164.33	4185.67	3843.18	4127	UP
MCX	SILVER	38757	38636	38515	38977	39197	38915.96	38174	UP
NCDEX	SUGAR	3070	3070	3070	3070	3070	3623.08	2651	UP
NCDEX	SOYA BEAN	3782	3761.67	3741.33	3810.67	3839.33	3102.23	3917	DOWN
MCX	ZINC	208.45	206.07	203.68	212.87	217.28	201.56	220.8	DOWN





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POTENTIAL CONFLICT OF INTEREST DISCLOSURE (as on date of report)

Disclosure of interest statement – • Analyst interest of the stock /Instrument(s): - No. • Firm interest of the stock / Instrument (s): - No.