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**Farsight Wealth Weekly**



**Top Sectors for the Week**

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## March with Strength Farsight Capital



**Farsight Wealth Weekly:** Getting rich is easy with help of Farsight Wealth Weekly.

This weekly research report helps you to identify the best five momentum stocks for the week. 'Pick of the week' is best among the mentioned five and is always with detailed 'Technical & Macro outlook'.

The trick to "Get Rich quickly and to Stay Rich forever" is a combination of alertness and awareness. With the right information on stocks from Farsight Wealth Weekly, your money is likely to grow confidently and living the "rich" life, is achievable.

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STOCKS	CMP	BIAS	TRADING/ INVESTMENT STRATEGY
CYIENT	643.30	Positive	A potential 'Flag breakout' action seen on the higher consolidation zone on monthly charts. The stock is seen breaking out after taking support at 475-491 area on daily charts, and is fast approaching a major rebound, which should take the stock towards its psychological 750 mark.. We are sure; the scrilla bulls will dominate price action. Stochastic is currently on the bulls' side. Simply buy at CMP, and on dips between 590-600 zone, targeting 701 and then aggressive targets at 750-775 zone with stop at 479. Holding Period: 3 Months.
DCM SHRIRAM	595.05	Positive	DCM SHRIRAM's stock price is signaling a major breakout after taking support at its 38.2% Fibonacci level (28 Nov 2017 low to 19 Dec 2017 high) on the daily charts. Accumulate at CMP, and on dips between 525-535 zone, as the stock is likely to accelerate and excel and run towards its all-time-high at 629 mark. Aggressive targets are located at 750 mark. Stops below 511. Holding Period: 3 Months.
EXIDE INDUSTRIES	227.10	Positive	Exide Industries after consolidating near the 195-197.50 zone is now seen back in action/momentum. The stock is likely to enjoy strong bids and most probably will signal a breakout on monthly charts. Accumulate at CMP, and on dips between 205-207.50 zone, with long term perspective, as the stock is likely to run towards psychological 250 mark. Aggressive targets seen at 275 mark. Place stop below 201. Holding Period: 3 Months.
GUJRAT STATE PETRONET LTD (GSPL)	208	Positive	GSPL has signaling a larger rebound on the daily charts. Bullish positive reverse divergence and a rising stochastic signal with recent increase in volumes signaling a larger up move. Accumulate at CMP, and on dips between 185-190 zone, as the stock is likely to run towards psychological 250 mark. Aggressive targets are placed at 291-300 zone. Place stops below 179. Holding Period: 5 Months.
SRIKALAHASTI PIPES	393	Positive	SRIPIPES is seen marching higher with the sequence of higher/ high low intact on all time frames. Key support to watch in near term is at 345-351 zone. A major breakout play on cards, positive reverse divergence on weekly charts supporting the buying argument. Establishing long positions at CMP, and on dips between 340-345 zone, as the stock is likely to run towards psychological 500 mark. Aggressive targets seen at 551 mark. Place stops below 205. Holding Period: 3 Months.

## Analyst's Pick: DCM SHRIRAM CMP 595.05. Target: Rs. 701+

DCM Shriram Ltd. is a leading business conglomerate with a group turnover of Rs. 6,164 crores. The business portfolio of DCM Shriram comprises primarily of:


- Agri-Rural Business:** Urea & SSP fertilizers, Sugar, Farm inputs marketing such as DAP, Crop care Chemicals, Hybrid Seeds.
- Chlor-Vinyl Business:** Caustic Soda, Chlorine, Calcium Carbide, PVC resins, PVC Compounds, Power and Cement.
- Value added business:** Fenesta Building Systems- UPVC Windows & Doors.

Technically, brace yourselves for a breakout play from a 'Higher consolidation pattern' on the daily charts on backdrop of an impulse uptrend forming higher high/ higher low pattern on daily, weekly and monthly time scale, with positive SAR series. Also, momentum oscillators are clearly in buy mode, after last week's strong session. The stock price is also signaling a breakout from multiple resistances, which are seen at 629 levels. Add to that a bullish divergence and a rising stochastic signal (on weekly charts) with recent increase in volumes signaling a larger rebound.

A potential entrance exists at CMP, and on dips between 525-535 zone, as the stock is likely to accelerate and excel and run towards its all-time-high at 629 mark. Aggressive targets are located at 750 mark. Stops below 511. Holding Period: 3 Months.



## Relative Strength Performance with Farsight Capital



**Top Sectors for the Week** is a Technical and Macro report containing everything you need to have...a clear, precise and detailed view on the five top momentum sectors... listed in BSE. This detailed multi-analyzed Macro-Technical report is a smart way to enter or exit an outperforming or underperforming sector using the relative strength function.

Top Sectors for the Week reports have an unbeatable track record...You can look out for our previous reports at our website [www.farsightshares.com](http://www.farsightshares.com)

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## Sector Analysis: Relative Strength Performance

Sectors	Relative to Sensex...	Outperforming stocks	Underperforming stocks
BSE Auto Index	Neutral	BHARAT FORGE, EXIDE	BOSCH
BSE Banks Index	Neutral	KOTAK BANK, HDFC BANK	BANK OF INDIA, BANK OF BARODA
BSE Capital Goods Index	Outperformer	LARSEN, BEL, BEML	PUNJ LLOYD
BSE Healthcare Index	Outperformer	AUROBINDO, PEL	GLENMARK
BSE Metals Index	Outperformer	VEDANTA, SAIL, MAITHAN ALLOYS	COAL INDIA

## From Farsight Invest Research Desk...

### Sensex: 36,050:

**The Week That Was:** The benchmark Sensex ended the fourth week of 2018 on a stellar footing, up 1.52% marked by winning streak to eight consecutive week. The positive takeaway was that the Sensex hit fresh lifetime highs and is now well above 36,000 mark.

The gains over the week at Dalal Street have been buoyed by extremely positive global cues on backdrop of recently passed U.S corporate tax-cut package, and citing contributing factors, like rising commodity prices, solid U.S economic data and low bond yields.

At home, key factors triggering optimism was an International Monetary Fund (IMF) report that projected India to regain the title as the world's fastest growing major economy in 2018-2019 and a bright outlook for global economy boosted investor sentiment.

Interestingly, the gains came despite negative catalysts surrounding street like, lower GDP forecast for FY18, widening trade deficit, declining exports, rising consumer price inflation and wholesale inflation. The street also ignored rising crude oil prices.

Sensex ended in green in three out of the four trading sessions of the week, up 1.52%. The BSE Mid Cap gained just 0.43% while BSE Small Cap index ended with losses, down 0.59% in the week gone by. Both the indices were seen severely underperforming the benchmark Sensex.

Amongst Sectoral indices; BSE IT Index was star performer, up 3.5% on weekly basis and then followed by BSE Metal index and BSE Oil& Gas index, which were up 2.5% and 2.3% respectively on weekly basis. Only losing side for the week, BSE Telecom index lost 5.6% followed by BSE Consumer Durable Index, down 2.6% and then BSE Auto index, down 1.3%

Among the A group BSE stocks, the major gainers were: Jubilant Foods, Biocon, and MPHASIS; which were up 16.8%, 10.1%, and 8.9% respectively. The top three losers of the week were: Lanco Infra, Videocon Industries, and Bhushan Steel down 24.2%, 18.4% and 13.4% respectively.

Meanwhile at Wall Street, all the three key U.S. stock-market benchmarks ended with smart gains in Friday's trade. For the week, the Dow, Nasdaq and S&P 500 all recorded advances of at least 2.1%, marking a fourth consecutive weekly rise. A reading of fourth-quarter gross domestic product came in slightly softer than expected but was viewed by investors as healthy enough not to derail the perception that the economy is on firm footing.

**Week Ahead:** Dalal Street is heading into its most exciting, and potentially most volatile week of the New Year as countdown to the Union Budget begins. In the near term, the biggest catalyst for our stock markets would be the Union Budget 2018, which will be presented on Thursday, February 1. The big corporate are pitching for corporate tax cuts while the salaried class wants lower income tax. Now, going by the reports and speculations, we suspect, LTCG tax will be the biggest event stock investors.

Also, earning season picks up the pace and most importantly, the Federal Reserve convenes its first meeting of 2018.

Expect, fireworks will continue at Dalal Street in Monday's morning session on backdrop of a strong positive at Wall Street in Friday's trade. Focus will immediately shift to Q3 earning season which will be full swing this week. Prominent Q3 to trickle in:

- Monday: HDFC, IFDC, Tech Mahindra.
- Tuesday: India Oil Corporation,
- Wednesday: Larsen, Vedanta, NTPC.
- Friday: Bajaj Auto, Hindalco

On the data front, Markit Economics will unveil the result of a monthly survey on the performance of India's manufacturing sector for January 2018 on Thursday, 1 February 2018. The Nikkei India Manufacturing Purchasing Managers Index (PMI) rose to 54.7 in December from November's 52.6. A reading above 50 denotes expansion.

Technically, the key hurdles to watch on Sensex are at 36,501 & on Nifty its 11,251. Meanwhile, intermonth supports are placed at 34751 mark and then major supports lie at psychological 34,000. Aggressive traders can look to establish long positions with strict stop below 34701 on the benchmark Sensex

Among other stocks looking bright are: Vedanta, KPIT, Hexaware, SAIL, DHFL, Jubilant Foods, NCC, Hexaware, TCS, PC Jewellers. We are negative on stocks like COAL India, Bank Of India, Bank Of Baroda, and Bosch.

Among sectoral indices, we continue with our bias to positive on Capital Goods Index amid breakout play technical conditions. Larsen, BEML & BEL are preferred bets in Capital Goods space. Auto stocks could outperform in the near term and our preferred bets in this space are Bharat Forge & Exide Industries. Meanwhile, for this week, our most preferred pair strategies are:

1. Long BHARAT FORGE & Short BOSCH.
2. Long VEDANTA & Short COAL INDIA.

## BSE Auto Index vs Sensex



- **BSE AUTO: 25,670: NEUTRAL.**
- The interweek outlook shifts to neutral/negative amid last week's weakness. The Auto index was seen edging lower, down 1.32% on weekly basis. Going forward, the biggest support level to watch is at 24501. Only a close below 24501 will lead to larger declines, targeting 22251 support zone.  
This week, we expect Auto Index to trade volatile with slight negative bias. Hurdles are now at 27001 mark
- **Support:** 25501/24501/22251.
- **Resistance:** 27001/27551/28251.
- **Preferred Strategy on Auto Index:** For this week, aggressive traders can look to sell at CMP, targeting 25501 and then aggressive targets seen at 24501-24601 zone with strict stop above 27001.
- **Preferred Trade:**
  - Buy BHARAT FORGE (CMP 721.15) Establishing long positions at CMP should be the preferred trading strategy, targeting 751 and then at 851-901 mark. Stop 691. Holding Period: 2 Months.
  - Buy EXIDE INDUSTRIES at CMP 227.10, and on dips between 205-213 zone, targeting 245 and then at 261-275 zone with stop below 201.
- **Outperforming Stocks:** TVS Motors, Bajaj Auto, BHARAT FORGE, AMARA RAJA BATTERY, EXIDE
- **Underperforming Stocks:** Bosch, HEROMOTO CORP

**PAIR Strategy: Long BHARAT FORGE and Short BOSCH**



## BSE Banks Index vs Sensex



- **BSE BANKS: 31,082: NEUTRAL.**

The interweek outlook continues to be positive after last week's positive movement. The intermonth outlook will shift to negative only on any move below 28001 mark. The momentum oscillators are clearly on overbought zone, that said, profit booking could be the theme only on any move below 28001.

This week, we expect Bank index to trade sideways with positive bias. Please note that the downside supports on any break below 28001 are way down at 24001 zone. Major hurdles now at 31501 zone.

- **Support:** 29451/28001/24001.
- **Resistance:** 31501/32001/32501.
- **Preferred Strategy on Bank Index:** For this week, aggressive traders can look to buy between 29500-30001 zone, targeting 31501 zone and then at 32251-32501 zone with strict stop below 28001.
- **Preferred Trade:**
  - Buy KOTAK BANK at CMP 1092 and on dips between 1045-1051 zone, targeting 1101-1109 zone and then at 1141-1159 zone with stop below 1021.
  - Buy AXIS BANK on dips between 581-595 zone, targeting 631 and then 645-655 zone with stop below 571.
- **Outperforming Stocks:** AXIS BANK, KOTAK BANK, HDFC Bank, outh Indian Bank.
- **Underperforming Stocks:** BANK OF BARODA, BANK OF INDIA.

**PAIR Strategy: Long AXIS BANK and Short BANK OF BARODA**

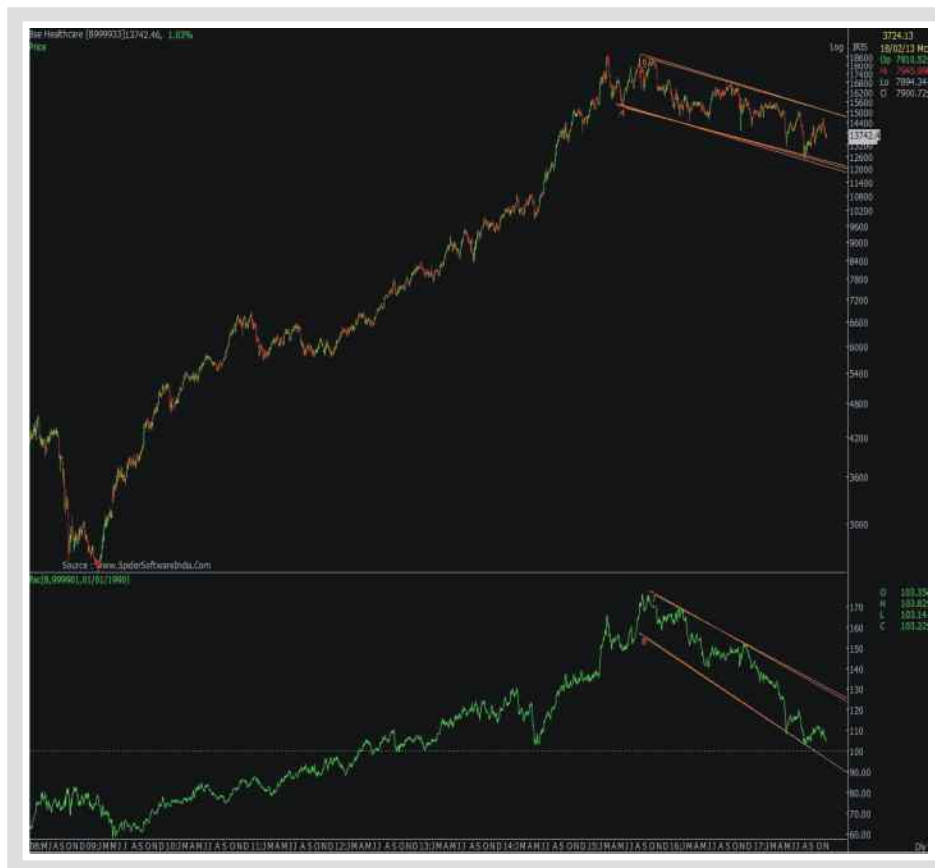
## BSE Capital Goods Index vs Sensex



- **BSE CAPITAL GOODS: 20,634: OUTPERFORM.**
- The interweek outlook continues to be positive even after last week's spectacular rebound movement. A major breakout seen on the upside. The must watch hurdles now seen at 20901 mark. Expect larger declines only below 18101.
- **Support:** 19751/18101/16751.
- **Resistance:** 20901/21251/22251.
- **Preferred Strategy on Capital Goods Index:** For this week, buying between 18875-19000 zone, should be the preferred trading strategy, targeting 20501 and then at 21251-21751 zone with strict below 18701.
- **Preferred Trade:**
  - Buy BEML at CMP 1480.55, targeting 1651 and then at 2000 mark with stop below 1245.
  - Buy BEL (CMP 176.90), between 172-175 zone, targeting 189 and then at 205 mark with stop below 161.45.
- **Outperforming Stocks:** BEL, kalpatru Power, Larsen, Greaves Cotton, Wabag.
- **Underperforming Stocks:** Punj Lloyd, BHEL.

**PAIR Strategy: Long BEL and Short BHEL**

## BSE Healthcare Index vs Sensex



- **BSE HEALTHCARE: 15,028: OUTPERFORM.**
- The interweek outlook continues to be neutral/positive despite last week's consolidation. Key supports to watch are at 13885 zone. Major declines now likely ONLY below 14201 mark. Major hurdles are at 15501 zone.
- **Support:** 14601/14201/13551.
- **Resistance:** 15501/16251/17001.
- **Preferred Strategy on Healthcare Index:** For this week, initiating long positions at CMP, targeting 15501 zone and then at 16001-16251 zone with strict stop below 13601.
- **Preferred Trade:**
  - Buy PEL at CMP 2771, targeting 3001 and then at 3200-3250 zone with stop below 2691.
  - Buy AUROBINDO PHARMA at CMP 639.70, targeting 701 and then at 726-745 zone with stop below 621.
- **Outperforming Stocks:** Aurobindo Pharma, Natco Pharma, PEL, Lupin.
- **Underperforming Stocks:** SUN PHARMA, GLENMARK.

**PAIR Strategy: Long PEL and Short GLENMARK**

## BSE Metals Index vs Sensex



- **BSE METALS: 15,682: OUTPERFORM.**
- The interweek outlook continues to be positive amid last week's rebound. Immediate support seen at 14501. Major hurdles now seen at 16001. Interweek support seen at 14501 and then major support seen at 13251.
- **Support:** 14501/14301/13251.
- **Resistance:** 16101/16501/17251.
- **Preferred Strategy on Metals Index:** For this week, aggressive traders can look to buy between 15001-15101 zone, targeting 16101 and then at 16501-17251 zone with strict stop below 14201.
- **Preferred Trade:**
  - Buy VEDANTA at CMP 345.60, and on dips between 321-325 zone, targeting 351 and then at 365-375 zone. Stop below 317.5.
  - Buy SAIL (CMP 94.15) at CMP, targeting 100 and then at 111-115 zone with stop below 85.
- **Outperforming Stocks:** Hindalco, Vedanta, Jindal Steel & Power, NALCO, Tata Steel.
- **Underperforming Stocks:** COAL INDIA.

**PAIR Strategy: Long VEDANTA and Short COAL INDIA**



Exchange	Commodity	Close	S1	S2	R1	R2	200 Day SMA	Reversal Point	Trend
MCX	ALUMINUM	141.6	140.72	139.83	143.27	144.93	131.08	137.25	UP
MCX	CARDAMOM	1117.5	1100.3	1083.1	1137.8	1158.1	1110.59	1110.9	UP
NCDEX	CASTOR	4128	4110.67	4093.33	4145.67	4163.33	4455.58	4011	UP
NCDEX	CHANA	3717	3690.67	3664.33	3743.67	3770.33	0	3850	DOWN
MCX	COPPER	451.85	449.6	447.35	456	460.15	414.96	462	DOWN
MCX	COTTON	20380	20306.67	20233.33	20466.67	20553.33	19589.85	20825	DOWN
MCX	CRUDE-OIL	4190	4155.67	4121.33	4226.67	4263.33	3334.34	3974	UP
MCX	GOLD	30361	30199.33	30037.67	30493.33	30625.67	29057.91	29582	UP
NCDEX	GAUR GUM	9992	9853	9714	10108	10224	8045.05	9326	UP
NCDEX	GAUR SEED	4620.5	4547	4473.5	4672	4723.5	3737.38	4331	UP
NCDEX	JEERA	16430	16325	16220	16545	16660	19434.17	16760	DOWN
MCX	LEAD	164.25	162.58	160.92	167.33	170.42	151.96	161.13	UP
MCX	MENTHA OIL	1505.2	1478.47	1451.73	1526.47	1547.73	1248.81	1610.45	DOWN
MCX	NATURAL GAS	218.9	212.97	207.03	227.67	236.43	194.34	197.4	UP
MCX	NICKLE	868.2	854.8	841.4	881.2	894.2	691.4	801.6	UP
NCDEX	RM SEED	4121	4092.33	4063.67	4147.33	4173.67	3781.91	3975	UP
MCX	SILVER	39960	39686.66	39413.33	40206.66	40453.33	39097.01	40454	DOWN
NCDEX	SUGAR	2873	2829	2785	2903	2933	3628.14	3067	DOWN
NCDEX	SOYA BEAN	3665	3591.33	3517.67	3708.33	3751.67	2970.15	3407	UP
MCX	ZINC	221.6	220.27	218.93	222.67	223.73	192.36	215.8	UP

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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.