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Research Edge – MarketInsight

This exclusive product from the House of S2 Analytics contains research and recommendations on equities, indices and sectors. Market outlooks are discussed too along with strategies for Swing Trading.

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Inside these Pages

We will discuss TRADE SUMMARY where all the trades which are discussed in this letter will be summarizing at one place. BANK NIFTY is trading near the resistance. We may see a breakout here. We will share SECTOR PERFORMANCE for TRADING VIEW. We will discuss HINDPETRO and TORNTPHARM as a swing trades. For each of these stocks, we analyze their technical picture; identify trades with stop loss and target.

NIFTY STARTED THE NEW YEAR WITH A BIG BANG; INDEX GAINED ALMOST 100 POINTS TO REACH LIFETIME NEW HIGHS AGAIN; BANKS, MIDCAPS OUTPERFORM. IT MAY PLAY CATCH UP SOON ENOUGH. STAY LONG WITH PROPER STOP;

New Trade Setups	HINDPETRO LONG @ 271	TORNTPHARM LONG @ 1880
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Trades Tracker

Ongoing, New Trades and Closed

OPEN POSITIONS (ONGOING TRADES) have trades that were earlier posted in setups and have since triggered an entry. NEW TRADE SETUPS mean trades that are suggested for the following day. All trades discussed here for NEAR MONTH FUTURE Instrument only.

	Instrument	Entry Price	Entry Date	Action Required
Open Positions (Ongoing Trades)	MGL	LONG @ 1070	Dec 31	Move stop at 1064 (from 1055) target 1085
	TATAGLOBAL	LONG @ 324	Dec 31	Maintain position with stop 320 target 332

Trades closed today	BERGEPAIN LONG @ 515.5 on JAN 01. Stop: 510. Exited on second day. Trade is closed.
	SUNTV SHORT @ 443 on JAN 01. Target: 425.15. Exited on second day. Trade is closed.
	CASTROLIND SHORT @ 129.50 on JAN 02. Stop: 130.50. Exited on same day. Trade is closed.
	VOLTAS SHORT @ 655 on JAN 02. Stop: 660. Exited on same day. Trade is closed.

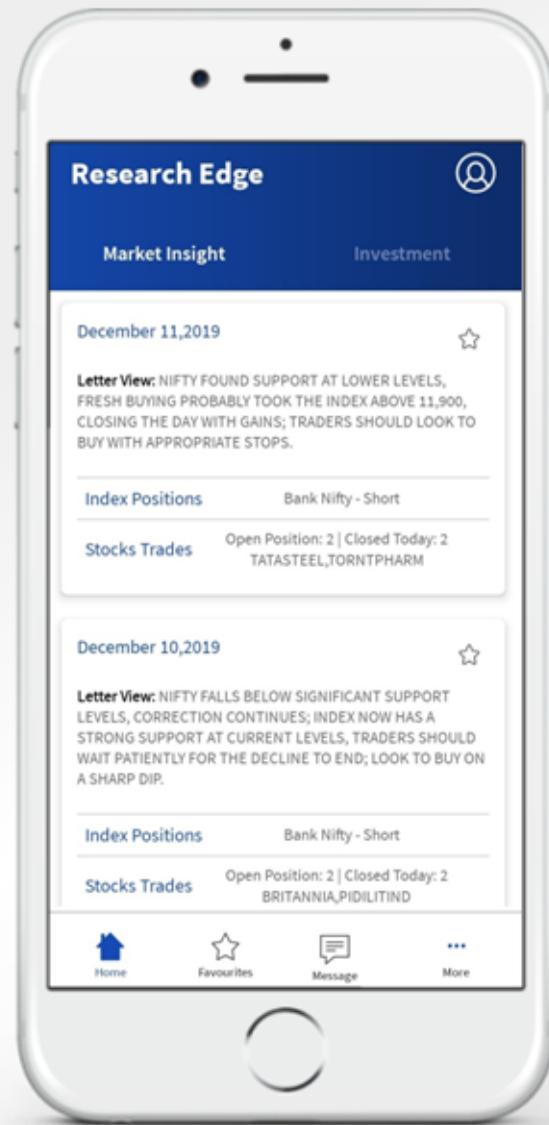
NIFTY SECTOR REPRESENTATION					
Sector	Today's Movement	Change (%)	Sector	Today's Movement	Change (%)
NIFTY AUTO	57.35	0.70	NIFTY MEDIA	6.45	0.36
NIFTY BANK	340.95	1.06	NIFTY METAL	73.85	2.64
NIFTY FIN SERVICE	123.30	0.85	NIFTY PHARMA	6.85	0.09
NIFTY FMCG	31.95	0.11	NIFTY REALTY	3.15	1.06
NIFTY IT	-12.50	-0.08			

NIFTY 50 : TOP 10 CONSTITUENTS BY WEIGHTAGE						
Company	Symbol	Weight(%)	Rate	Today's Movement	Change (%)	
HDFC BANK LTD	HDFCBANK	10.99	1286	7.4	0.58	
RELIANCE INDUSTRIES LTD	RELIANCE	8.93	1534.1	24.5	1.62	
HOUSING DEVELOPMENT FINANCE CORPORATION	HDFC	7.85	2469.9	35.95	1.48	
INFOSYS LTD	INFY	5.79	735.75	-1.1	-0.15	
ITC LTD	ITC	4.89	240.3	2.2	0.92	
TATA CONSULTANCY SERVICES LTD	TCS	4.87	2157	-10.6	-0.49	
KOTAK MAHINDRA BANK LTD	KOTAKBANK	4.11	1671.5	-2.55	-0.15	
LARSEN & TOUBRO LTD	LT	3.99	1344.9	34.95	2.67	
AXIS BANK LTD	AXISBANK	3.44	756	7.3	0.98	

WORLD INDEX					
Index	Country	Symbol	Change (%)	Rate	Today's Movement
S&P 500	US	.INX	0.29	3230.78	9.49
FTSE 100	UK	UKX	0.99	7617.19	74.75
DAX	Germany	DAX	0.83	13359.11	110.1
CAC 40	France	PX1	1.32	6057.19	79.14
NIKKEI	Japan	NI225	-0.76	23656.62	-181.1

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On January 25, 2019

THE CONTEXT

Micro Picture

The Nifty started the New Year with an impressive gain, which brought it all the way up to 12,280.

With today's gains, the Nifty is again just a few points short of making another lifetime high. As the index touches 12,280, the market remains inside a trading range which has been persisting for a number of days now.

Narrow trading range: We have mentioned earlier that the Nifty is trading inside a very narrow range. This range has become even narrower today. Support comes in at 12,150, and resistance kicks in at 12,285. The index has closed today, almost at the top of its trading range, just touching the resistance area.

Buying opportunities today: Yesterday, we suggested buying on any sign of strength, and in any case above 12,240. The market was happy with us today, provided us with both the opportunities – signs of strength, and then, a breakout above 12,240.

Tomorrow is another day: The Nifty is on the verge of a breakout from a narrow trading range mentioned above. A move above 12,285 is a buying opportunity. Stops for this trade should be tight enough, because, either the trade works immediately, or it re-enters the trading range. If the trade re-enters the trading range, then the markets can do anything, at least for us they become unpredictable. We recommend a stop of 12,220 for any long positions taken on a break out. If you already have long positions taken today, use the same stop loss.

Taking profits: A big upward gap in the Nifty tomorrow is a reason to take profits for any long positions held today. For an upward gap, new trade should be taken only on a sharp dip.

The trend is your friend: The trend is up, therefore, please take only long positions.

Stock Market: Spot Price NIFTY: 12,282.35, SENSEX: 41,626.64



Bank Nifty Watch

BANK NIFTY opened at 32,133.15 without much of gap. The index saw an upside move throughout the day and closed at its day high at 32,432.65 with a gain of 304 points.

PSU and PVT BANKS have performed well today and closed higher. Within the bank index, in terms of points, INDUSIND BANK contributed highest while KOTAK BANK contributed lowest.

A trading range inside 32,000 – 32,450 remained intact. However, prices have closed near the resistance level. We may see a breakout tomorrow.

The breakout may lead prices 500 points higher towards the pattern target around 33,000. We should take a trade on the long side if prices move above 32,450 tomorrow.

Trend remains up. Positional traders and investors should focus on PVT BANKS only.

Swing Trade Strategy: Buy above 32,450 with stop just below 32,200 and a target around 33,000.

Intraday Trades: Buy on a breakout above 32,450 with stop just below 32,350. Buy on a dip towards 32,250 with stop just below 32,150.

Stock Market: Spot Price NIFTY: 12,282.35, SENSEX: 41,626.64



Nifty

Short Term

Stay long with stop just below 12220.

Tomorrow

Look to buy above 12285.

Bank Nifty

Short Term

Buy above 32450 with stop just below 32200 and a target around 33000.

Tomorrow

Buy on a breakout above 32450 with stop just below 32350. Buy on a dip towards 32250 with stop just below 32150.

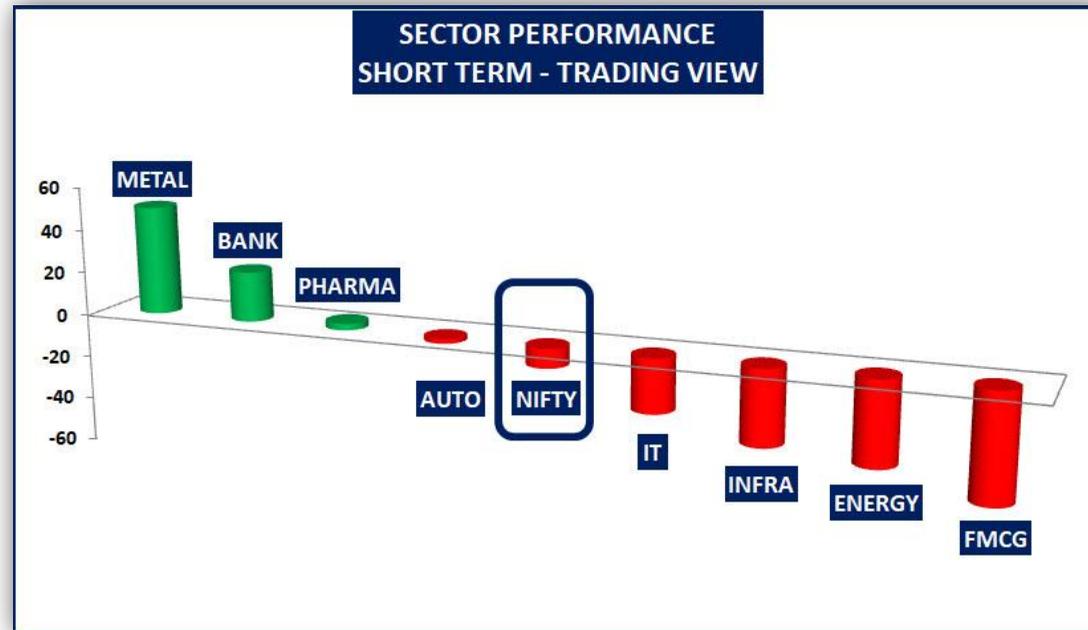
Trade Opportunities

The sector performance reflects the short term view of different sectors in two different ways:

1. Trend: Sectors in Green are in an uptrend. Sectors in Red are in a downtrend.

2. Sector Strength: The sectors are compared with the Benchmark Index (the benchmark is enclosed in a rounded rectangle). Sectors to the left of the Benchmark are relatively stronger, while those to the right of the Benchmark are relatively weaker. The left most sector is the strongest while the right most sector is the weakest. The height of the bars gives an indication of the strength or weakness. If two bars have roughly the same height, it would mean that both are almost on the same strength/weakness level.

Buying Opportunity
PHARMA: DIVISLAB, DRREDDY
BANK: HDFCBANK, INDUSINDBK



Selling Opportunity
INFRA: LT, IRB
FMCG: MCDOWELL-N, MARICO

Final Words

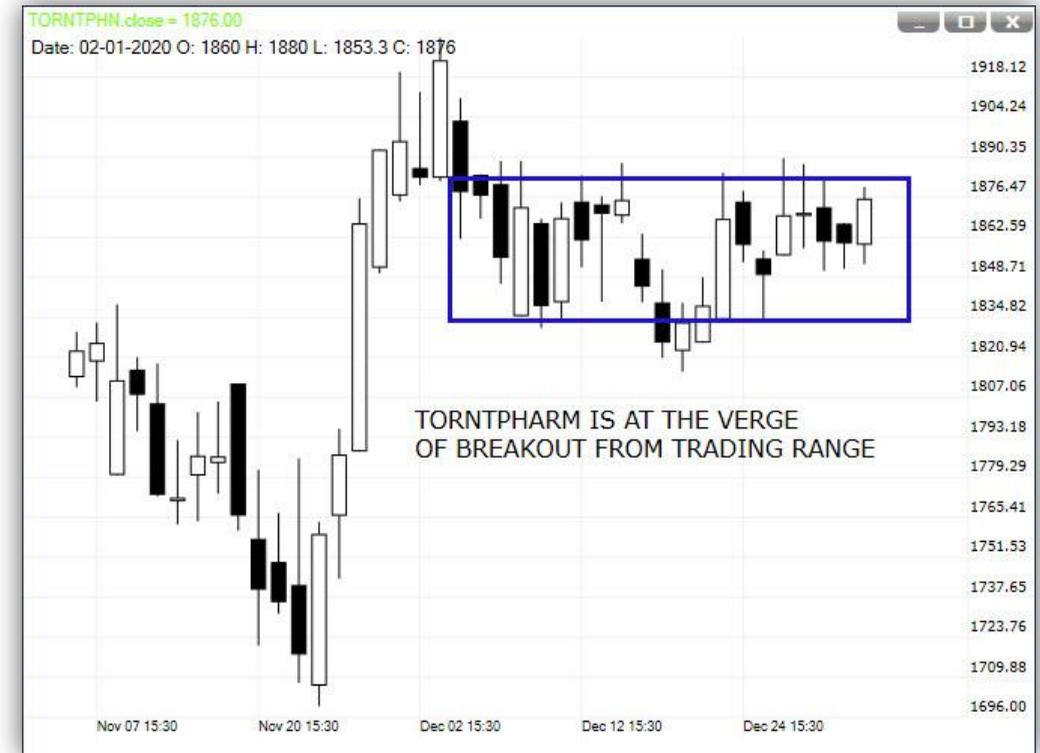
Both indices, NIFTY and NIFTY BANK saw an intraday rally today and closed higher. Trend remains up. Look for buying only.

Trades In Future Segment



[Close (Future Price): 270.30] – BUY

HINDPETRO saw intermediate and short term trends as sideways. The stock first saw a sharp decline and then started trading inside a range. Prices saw a breakout and closed higher. We may see higher levels here. Traders should look for a buying opportunity above 271. If that trade executes then put a stop loss at 268 with a target at 277.



[Close (Future Price): 1876] – BUY

TORNTPHARM saw intermediate and short term trends as sideways. The stock first saw a sharp rally and then started trading sideways. Prices are now at the verge of breakout from a trading range. We may see higher levels here. Traders should look for buying opportunities above 1880. If that trade executes then put a stop loss at 1860 with a target at 1920.

In this newsletter, we give swing trades whether short or long in NIFTY, BANK NIFTY OR STOCKS. These trades are given and discussed with futures price levels. We do share some trades related to OPTIONS, in this case we discussed either option price or the corresponding future levels.

Sometimes, we do recommend some trades for long terms. Such trades are decided on the basis of liquidity, profitability and prevailing market movements and scenarios. Here we consider Equity (Cash) market price and we mention the same conspicuously whenever recommended. If you trade same recommendation in stock futures, please check corresponding Equity (Cash) market price and take appropriate positions in futures. We also track all the trades and summarized it at one place.

Here are some guidelines for trading:

Trades are valid for that day only. If the trade does not trigger on the same day then it gets cancelled. For entry avoid first 15 min data. Take the trade from 9.30 AM onward.

1. For buying, price should either (a) be higher than our suggested entry price, or, (b) should cross the suggested entry price after 9.30 AM.

If prices are higher than suggested entry price at 9.30 AM, then use the formula:

Potential profit = Target - Price at 9.30 AM
Potential loss = Price at 9.30 AM - stop loss level

If Potential profit is less than the Potential loss, ignore the trade. Enter the trade if prices come down and potential profit becomes greater than potential loss. The formula is not required if price at 9.30 AM is less than suggested entry price. In this case, buy when price crosses above the entry price.

2. For selling, price should either (a) be lower than our suggested entry price, or, (b) should cross the suggested entry price after 9.30 AM.

If prices are lower than suggested entry price at 9.30 AM, then use the formula:

Potential profit = Price at 9.30 AM - Target
Potential loss = Stop loss level - Price at 9.30 AM

If Potential profit is less than the Potential loss, ignore the trade. Enter the trade if prices come up and potential profit becomes greater than potential loss.. The formula is not required if price at 9.30 AM is greater than suggested entry price. In this case, buy when price crosses below the entry price. For executed trades place a time stop for 5 trading

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(The Author and his registration is mentioned In compliance with SEBI regulations)

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