

## A Mature Bull Market

- **Sector Rotation A Blessing**

Sector rotation has been such a valuable ingredient of the ongoing bull market. In various phases, different index heavyweights have contributed to the Nifty gains. While IT has led from the front in the last few months, we have some feelers to believe that Banks and Reliance Inds. could start to contribute as well. Only when all sectors do well at the same time is when euphoria kicks in leading to a top-up. We are far away from this situation. Staying in the right sectors is extremely important. We see the best opportunities in the IT, Real Estate, FMCG and Capital Goods sectors. Banking and Auto could see a turnaround in the coming weeks. Staying underweight on Mid-caps and Small-caps is advisable.

- **Nifty Bank – Strongest Attempt To Breakout Coming**

The Bank Nifty is very critically placed at this juncture. We see a bullish pattern develop, well placed indicators, steady moving averages & volatility contraction. A close past 36200 could potentially lead to a 2000-point rally towards 38300 and beyond. Some stopover resistance is seen around 37700.

- **NSE IT – Sky Is The Limit**

The sector continues to single headedly take the Nifty higher. The rise has got a little parabolic but no concerns as yet. There is room for a lot more upside with the target only around 36000. Strength is seen across the large-caps and Mid-caps. Stay the course.

- **NSE Real Estate – Opportunity**

The recent correction has been healthy in cooling off the overbought technical studies. The index is back close to support levels and is likely to see a rebound in the near term. The upside from potential from here is large. We stay positioned for 475.

- **NSE FMCG – Developing Into A Large Trend**

The sector has been rock steady all along. More and more stocks are now starting to participate. We see a run towards 40000 in this leg of the bull market. The sector is likely to remain firm irrespective of the market trend.

- **NSE Mid-cap – Could Remain In The Backseat For Now**

The sector witnessed a near parabolic rise in the last few months. The quality of stocks doing well were also questionable. We continue to see some negative triggers. More price/time correction is likely. 27000-28500 could be the working range.

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Market Indices	
Sensex	55582
Nifty	16563
52-Week Range	10562 - 16589
India VIX	13.46

Outperforming Sectors	
IT	
Real Estate	
FMCG	

Underperforming Sectors	
Pharma	

**NSE NIFTY BANK**

Exhibit 1



Source: Goldilocks Premium Research

**Best Attempt To Breakout**

**Overview**

The Bank Nifty has been in hibernation mode for the last 10 weeks. The level of 34k has been a solid support while the area around 36000 has been a resistance. We see enough evidence on the charts that hint at a mega breakout ahead. Once the 36200-250 area is crossed the index could be on course for 37700/38300.

**At Upper End Of The Range**

With the activity of the last few weeks there are many ways to draw the current pattern. Our working has been presented on the chart. The indicators & averages are well placed hinting at a breakout sometime this week that could have major ramifications.

**Conclusion**

Bank Nifty could be on the verge of a breakout. The top stocks are likely to make a comeback. While ICICI Bank remains the leader of the pack, we see HDFC Bank & Kotak Bank doing well too.

**Outperforming Stocks - Top Picks**

ICICI Bank (Res : 725, 770, 800)

HDFC Bank (Res : 1567, 1640, 1700)

Kotak Bank (Res : 1845, 1995, 2050)

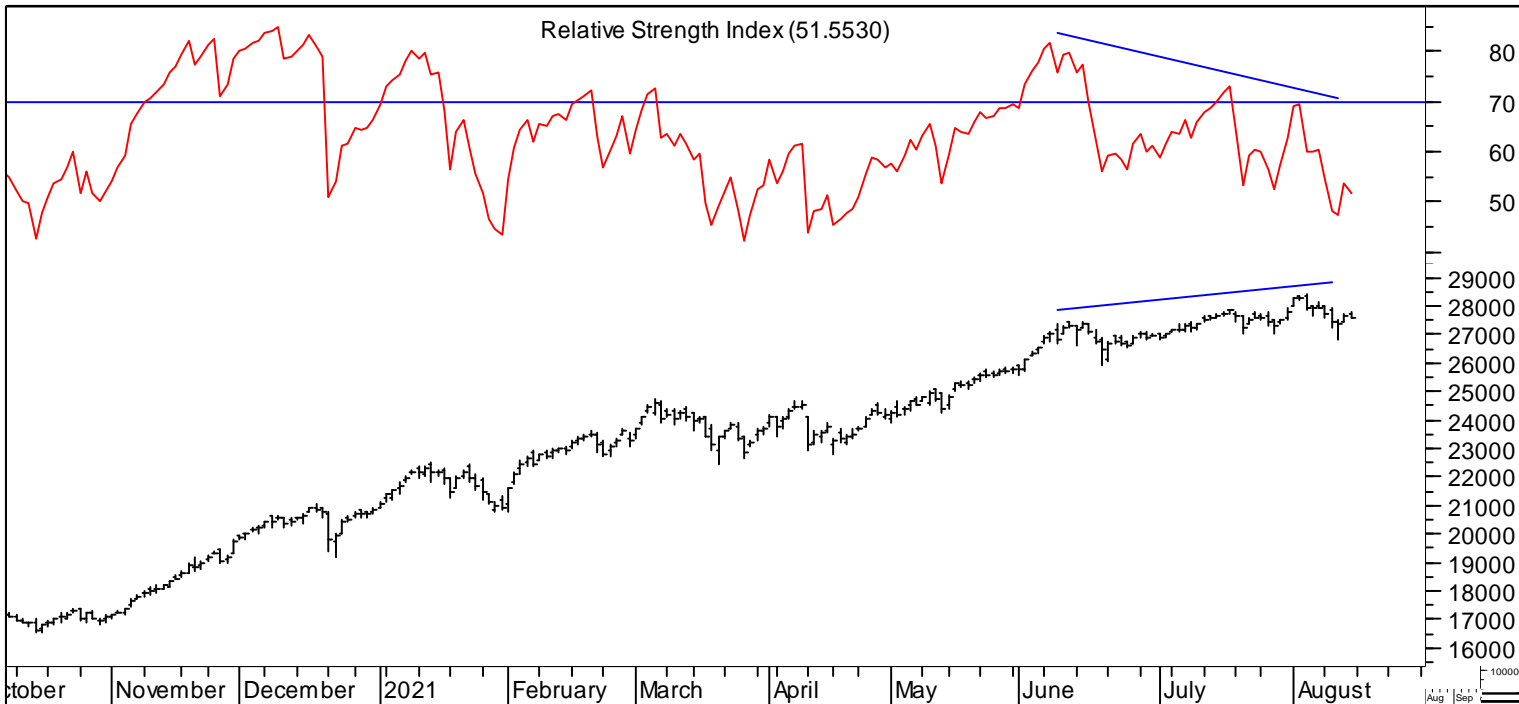
**Underperforming Stocks**

Bandhan Bank (Sup : 290, 279, 253)



**NSE MID-CAP 100 INDEX**

Exhibit 2



Source: Goldilocks Premium Research

**Outperformance Goes Away**

**Overview**

It is quite clear looking at the daily & weekly chart that the set-up has weakened. This has been seen for the first time in months. The index needs more price/time correction before things get back on track. 27000 and 26000 are the major supports. A gradual test of the same cant be ruled out. Need to be careful & stock specific.

**Not A Good Looking Sight**

For the first time this year we see some serious negative triggers on multiple studies. What is quite glaring is the weakness on the daily/weekly RSI. The recent high could remain as a ST top for some weeks to come. 26000-28400 could be the trading band.

**Conclusion**

The opportunities in the Mid-cap space are far and few at this juncture. One will have to stick to top quality. Stocks like Godrej Prop., Cummins and Tata Chemicals have the best set-ups.

**Outperforming Stocks - Top Picks**

**Godrej Prop. (Res : 1620, 1750, 2000)**

**Cummins (Res : 985, 1045, 1100)**

**Tata Chemicals (Res : 960, 1000, 1070)**

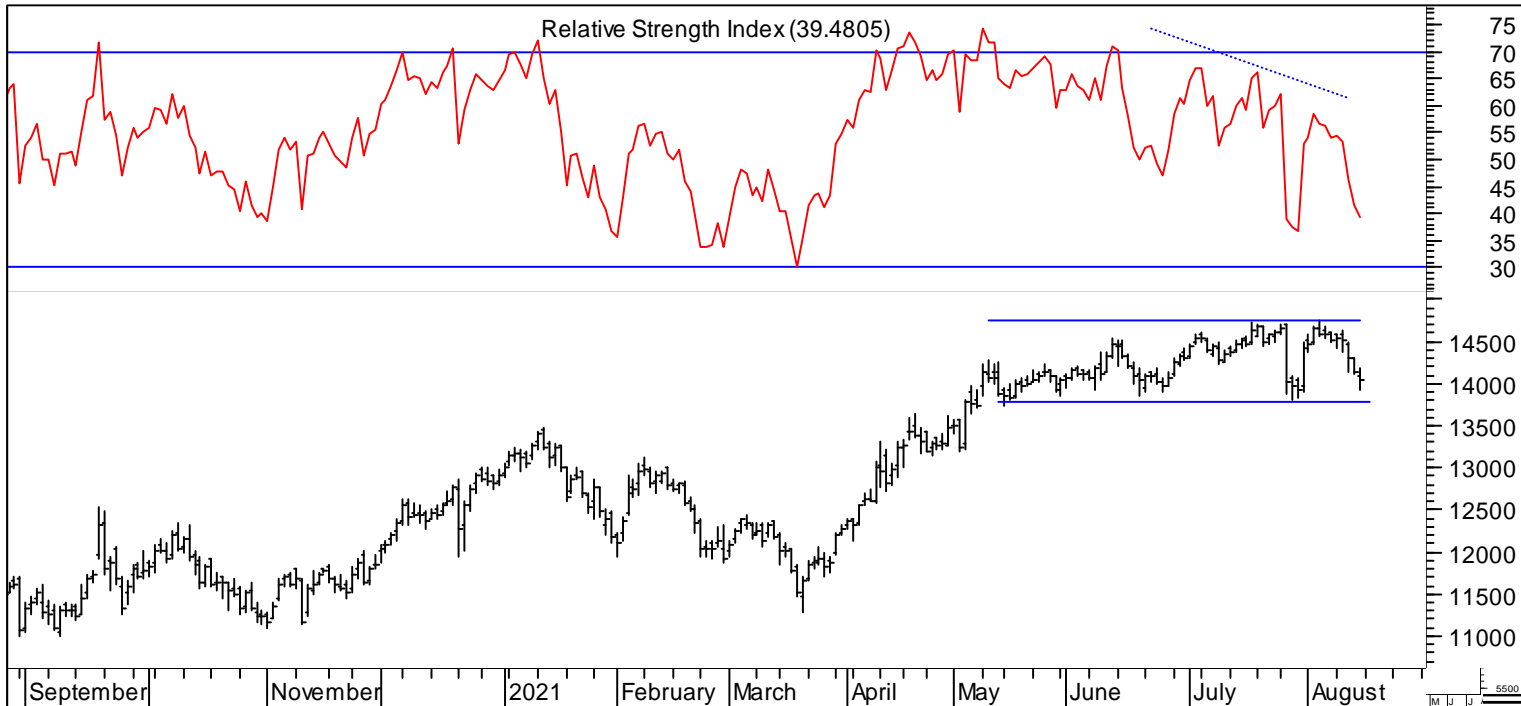
**Underperforming Stocks**

**Vodafone Idea (Sup : 6, 4.5, 3.5)**



**NSE PHARMA INDEX**

Exhibit 3



Source: Goldilocks Premium Research

**Underperformer**

• **Overview**

The sector has turned into an underperformer and this is unlikely to change in the near term. Our mentioned resistance of 14700-15000 has repeatedly provided resistance. The price action of last week has weakened the set-up further. Support is seen in the 13400-13500 zone. Getting past 14800 is going to be a challenge.

• **Multiple Negative Triggers**

We see multiple negative triggers on the ST charts. While negative divergence is clearly visible on the weekly, the pattern formed last week is bearish. Also the ratio chart has weakened. This could lead to more ST weakness before the MT trend resumes again.

• **Conclusion**

Very few stocks in the sector have good set-ups. It is better to avoid the space for the time being. Divis Lab remains the star performer followed by Alkem Labs and Sun Pharma.

**Outperforming Stocks - Top Picks**

**Divis Lab (Res : 5150, 5300)**

**Alkem Labs (Res : 3800, 4150)**

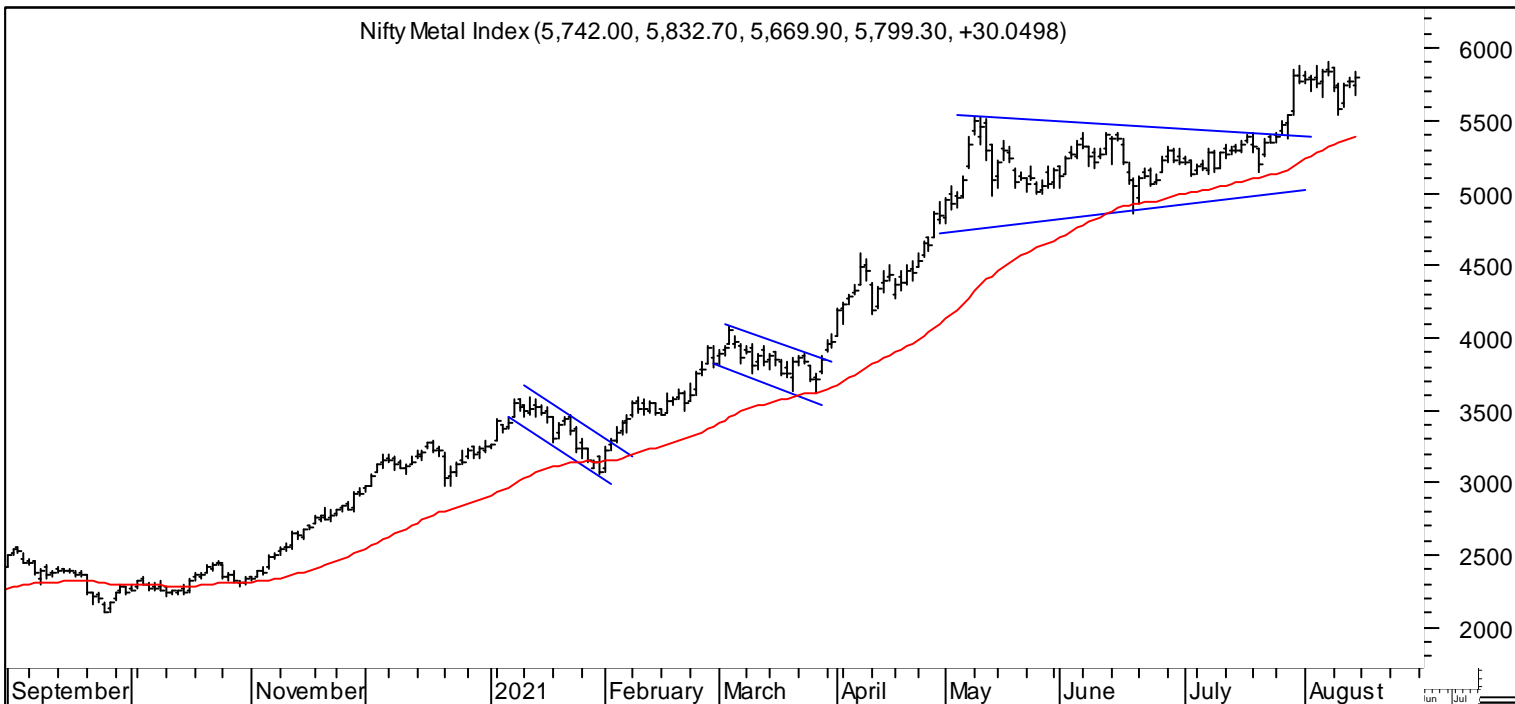
**Sun Pharma (Res : 807, 857, 955)**

**Underperforming Stocks**

**Auro Pharma (Sup : 744, 688, 635)**

**NSE METALS INDEX**

Exhibit 4



Source: Goldilocks Premium Research

**Stock Specific Strength Seen**

**Overview**

While the index has been steady all along on the back of a few stocks the technical studies don't have the best positioning. A breakout had taken place past 5500 that opened up some upside but it could face serious resistance around the 6000 level. Hence, it is advisable to be nimble footed and selective on stocks.

**Resistance Seen Around 6000**

It is quite clear looking at the technical indicators that the charts are not supportive of the rally anymore. However, one should never fight strong trends. There is some juice left towards 6000 where we review. This is a crucial Fibonacci based resistance.

**Conclusion**

Some stocks in the sector still have a lot of room on the upside. The move from here is likely to be stock specific. We see Vedanta, Hindalco and JSPL as outperformers in the weeks ahead.

**Outperforming Stocks - Top Picks**

**Vedanta (Res : 350, 385, 440)**

**Hindalco (Res : 490, 530, 570)**

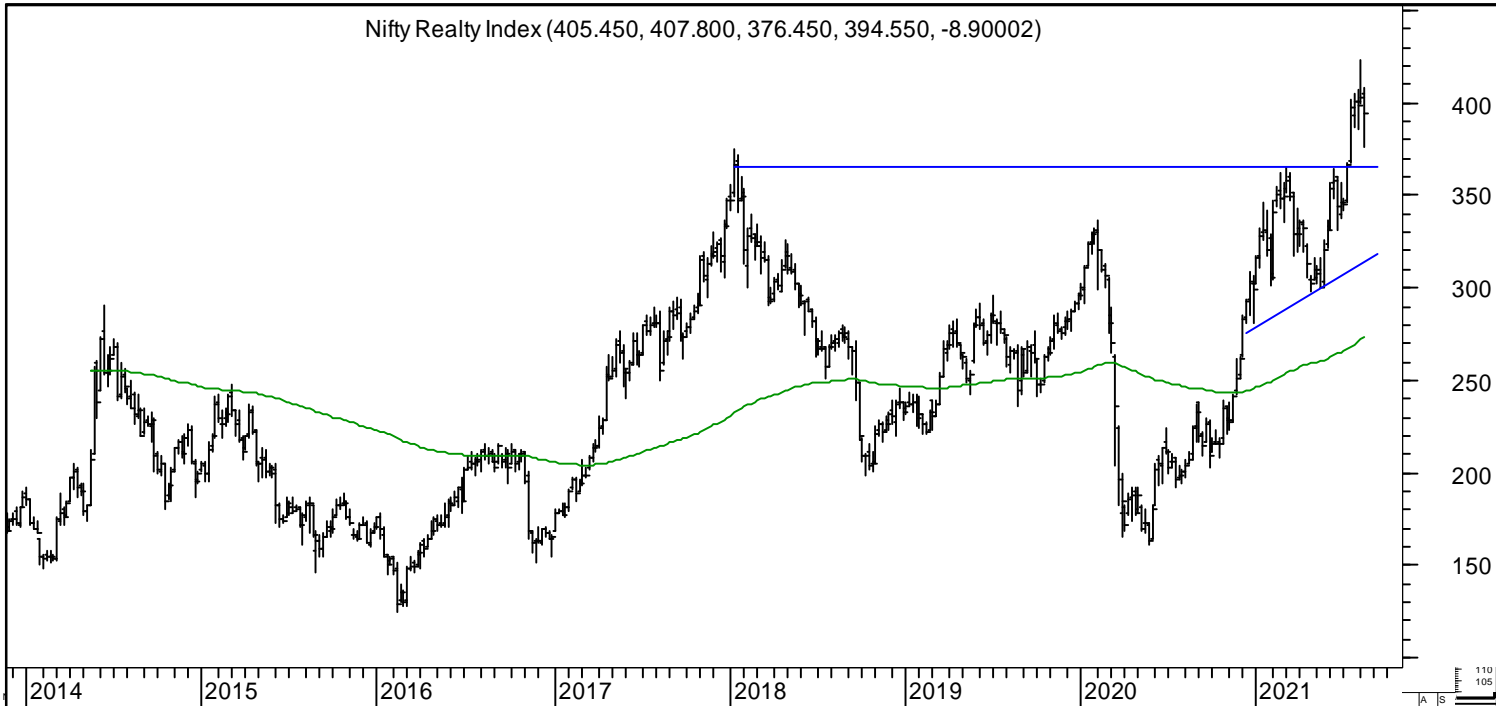
**JSPL (Res : 457, 500, 522)**

**Underperforming Stocks**

**Coal India (Sup : 141, 134)**

**NSE REALTY INDEX**

Exhibit 5



Source: Goldilocks Premium Research

**Eyeing 475**

- Overview**  
We caught on to the bull trend in the Real Estate sector early on that has been rewarding. However, what has transpired so far is the tip of the iceberg. The cool-off in the last 2 weeks is healthy. The MT trend is strongly up. Strong support seen at 375/365. One should stay positioned for a run-up towards 475.
- A Perfect Pullback**  
The decline in the recent past is the best way for the sector to consolidate and rally big again. A bullish pattern is still in play, the "Dow Theory" buy continues, indicators have cooled off, the ratio chart hints at continuing outperformance. Hold and add on dips.
- Conclusion**  
We see strength across the board. Most of the stocks in the sector have excellent medium-term set-ups. We see Oberoi Realty, DLF and IB Real Estate as outperformers.

**Outperforming Stocks - Top Picks**

**Oberoi Realty (Res : 750, 810, 900)**

**DLF (Res : 365, 400, 424)**

**IB Real (Res : 158, 175, 203)**

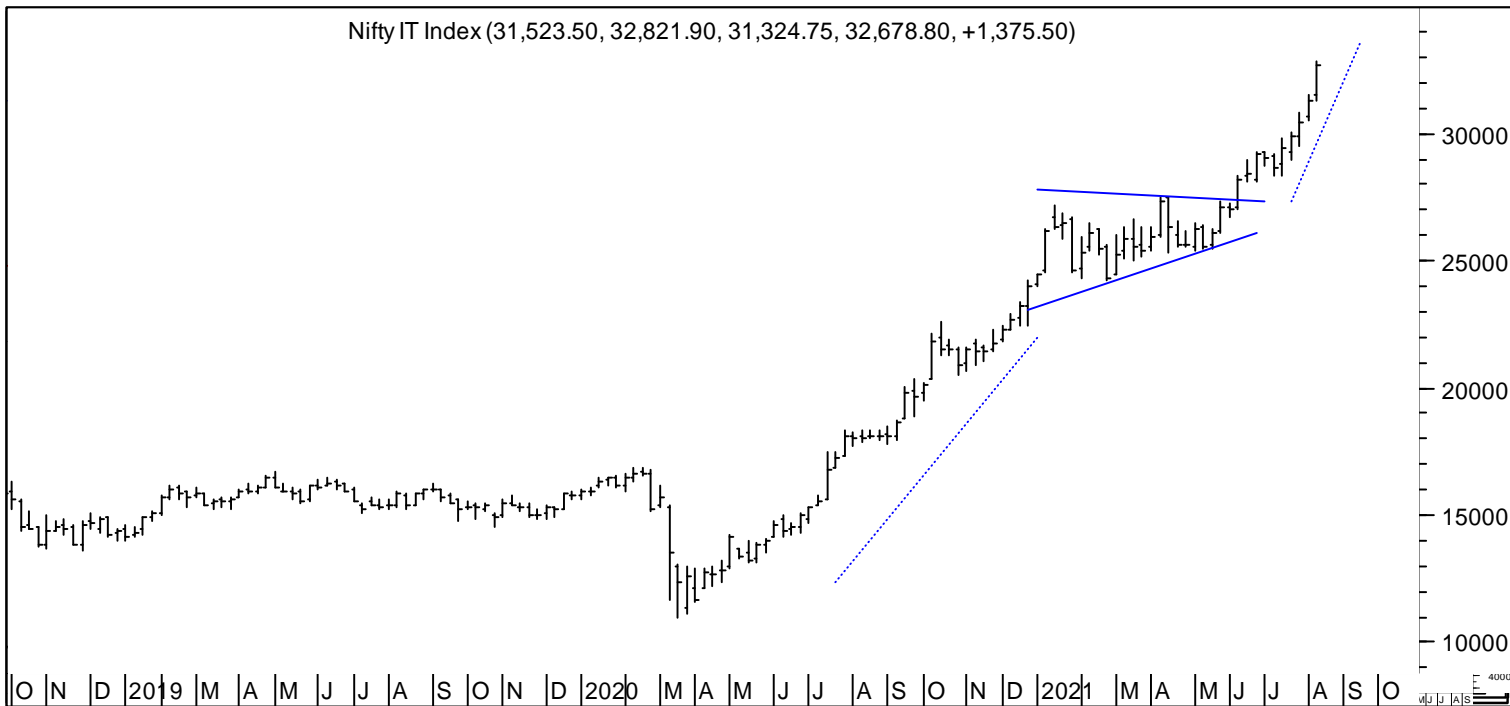
**Underperforming Stocks**

**Hemisphere Prop. (Sup : 130, 124, 110)**



**NSE IT INDEX**

Exhibit 6



**Best Is Yet To Come**

• **Overview**

The IT index has seen a near parabolic move in the last few weeks. This has got many participants concerned. However, based on the charts there is nothing to worry. The MT trend is still strong and the best is yet to come. Our working target remains at 36000, which is a major resistance where we consider profit booking.

• **A New 2-Year High On The RSI**

The key takeaway from last week was the new 2-year high on the RSI. It just goes to show that the momentum is super strong. The patterns have looked good while the averages are beautifully placed. 31600 and 30800 now turn into strong supports.

• **Conclusion**

Almost all stocks in the sector have seen an extension on the upside. This is likely to continue. The surprise element is likely to stay. LTI, HCL Tech and Wipro have the best set-ups currently.

**Outperforming Stocks - Top Picks**

LTI (Res : 5075, 5320, 5690)

HCL Tech. (Res : 1160, 1210, 1320)

Wipro (Res : 645, 700, 765)

**Underperforming Stocks**

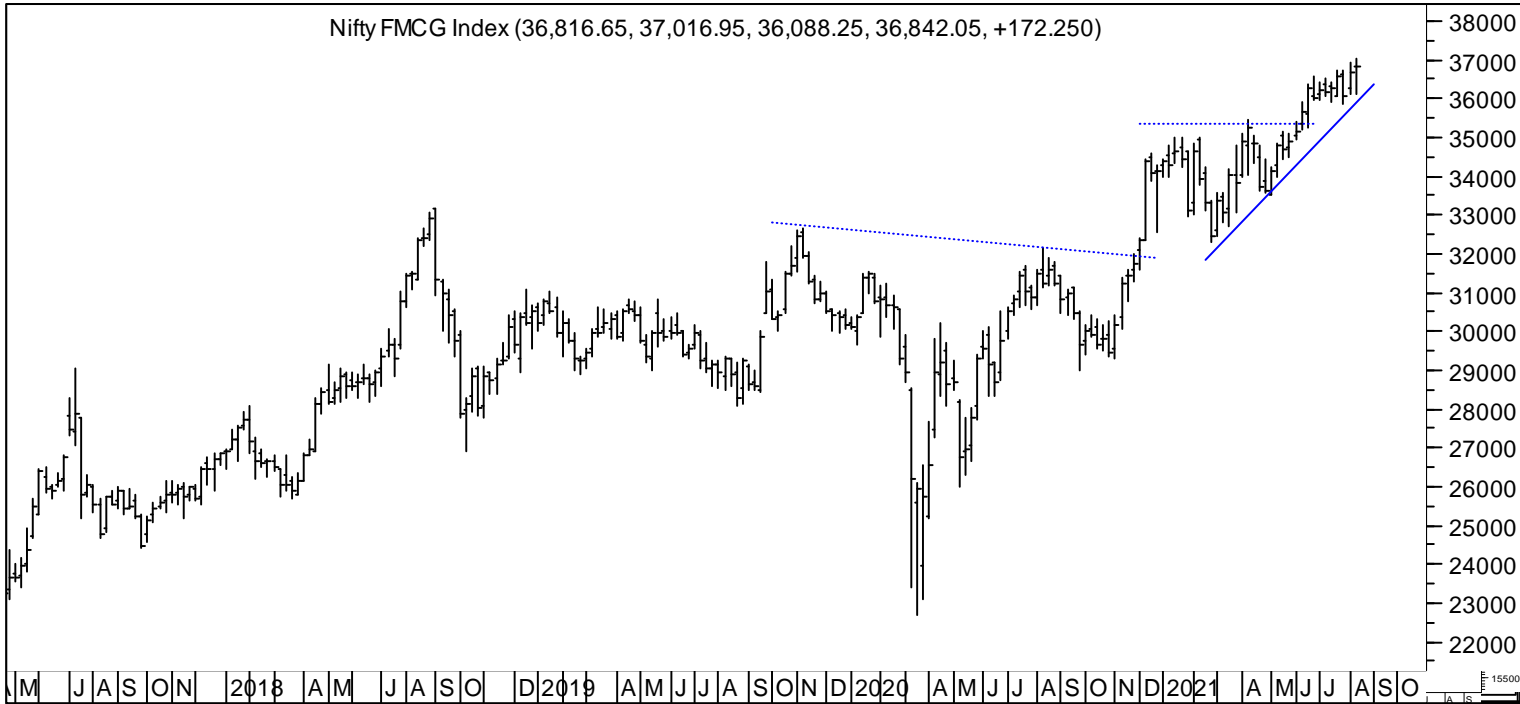
NIL





**NSE FMCG**

Exhibit 7



Source: Goldilocks Premium Research

**Steady At The Highs**

• **Overview**

The sector has been ranged with a bullish bias for the last couple of months. While the gains have not been spectacular but the trajectory of the trend has been up all along. Many more stocks are starting to participate as well. 37000 is an important resistance. Once cleared (likely) the index should be on course for 40000.

• **Support On All Dips**

There have been many underperformers in the sector from time to time whether its ITC or HUL or Nestle or Britannia. However, the other stocks have ensured that the sector remains firm. Also notice how the averages have supported the price action all along.

• **Conclusion**

With the overall trend still strong, more and more stocks are likely to participate from current levels. While Jubilant Foods remains the evergreen name, Godrej Con. and Tata Con. are not far behind.

**Outperforming Stocks - Top Picks**

Jubilant Foods (Res : 3850, 4100, 4600)

Godrej Cons. (Res : 1175, 1280)

Tata Consumer (Res : 897, 955, 1000)

**Underperforming Stocks**

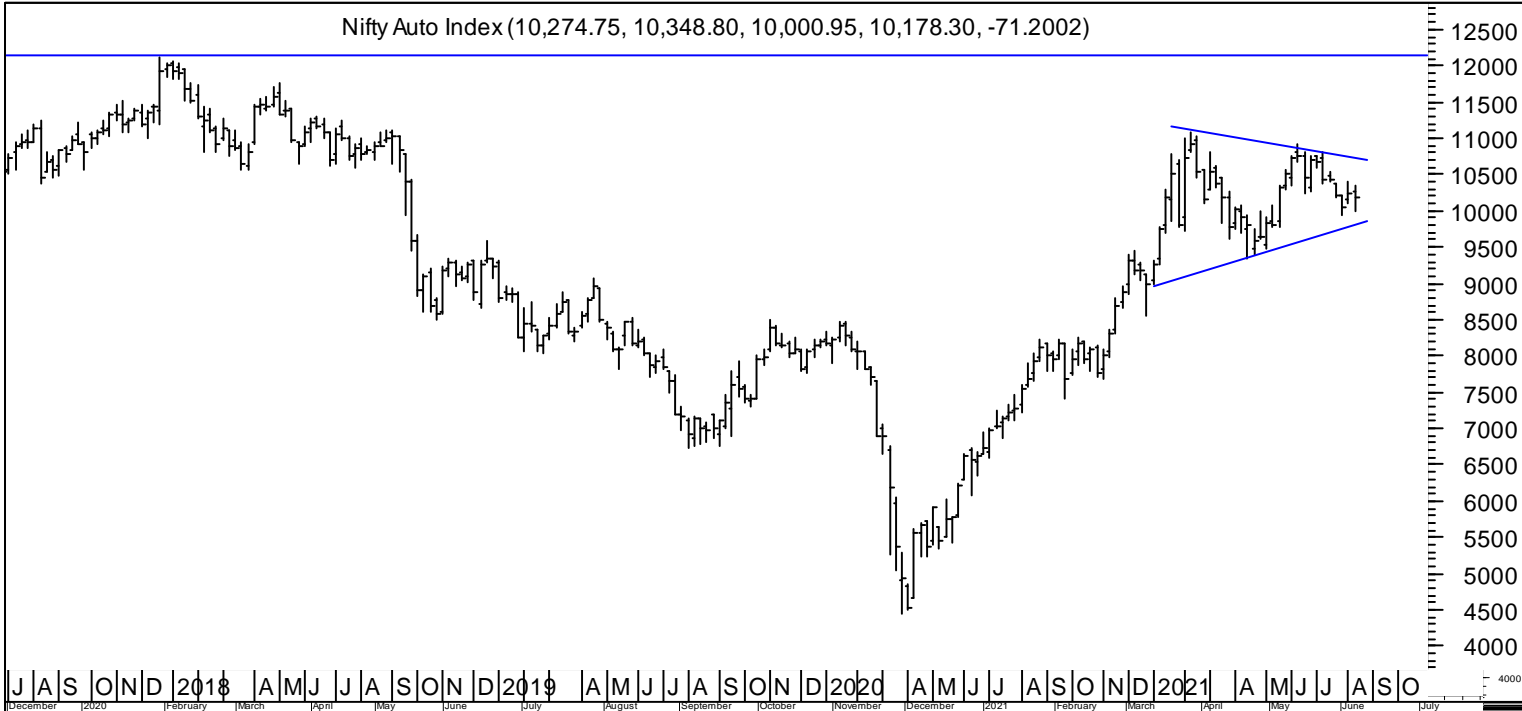
Colgate (Sup : 1615, 1580, 1515)





**NSE AUTO INDEX**

Exhibit 8



Source: Goldilocks Premium Research

**Make-or-Break Period Ahead**

• **Overview**

The Auto index continues to be ranged and hence has been underperforming. However, it seems to have come to a point that could be a make or break. This 9950-10000 area is extremely crucial. Either it rebounds from here and goes back to 11k and well beyond or if broken, we have serious trouble on our hands.

• **At Pattern/Trendline Support**

With the weakness of the last one month the index is back near a major trendline support. This is beautifully visible on the weekly chart. The coming two weeks could decide the trend ahead. A close past 10400 brings the bulls back into the scene. We are optimistic.

• **Conclusion**

If the Auto index does rebound from support levels many stocks are likely to do well. We see a favourable risk-reward opportunity. Bharat Forge, Ashok Leyland & Bajaj Auto have the best set-ups.

**Outperforming Stocks - Top Picks**

**Bharat Forge (Res : 865, 935, 1050)**

**Ashok Leyland (Res : 143, 152, 167)**

**Bajaj Auto (Res : 3950, 4110, 4300)**

**Underperforming Stocks**

**Hero Moto (Sup : 2740, 2600)**



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