



Weak Getting Weaker

- Participation Yet To Get Broad Based**

As we screened the entire NSE it can be seen that only a handful of stocks in select sectors have been beneficiaries of the Nifty hitting 12000 last week. Even the Mid-cap & Small-cap indices do not give a fair reflection of the broader markets. So many star performers of the yesteryears have been non-performers since the Mar '20 recovery. However, in a way this is positive as the market is yet to reach that euphoric point. It is advisable not to be stubborn and let go of the losers as they could be impacted further whenever the market enters a longer correction. Strong getting stronger and weak getting weaker is the mantra at the marketplace. In this report we cover four segments (PSU, Media, Gas, select Auto names) that could underperform in the weeks ahead.

- PSU – Wealth Destroyers**

PSU stocks have been major wealth destroyers not just in the last many months but even a few years. Our stance has been bearish all along and we still do not recommend any bottom fishing. The set-up has only deteriorated in the recent past. Many names are getting closer to the Mar '20 lows. They could continue to get cheaper and cheaper and the opportunity cost to hold them could be greater and greater. Simply overlook the entire segment.

- Media Sector – Not On Watch**

Media stocks have exhibited underperformance in the last few weeks and many of them have broken important supports. This could be a trend that stays for some time. Names like Zee Ent., Sun TV, TV Today, Network 18 etc all have bearish set-ups. It is advisable to refrain buying the dips.

- Gas Sector – No Steam**

While the Nifty has run-up to 12k levels almost all stocks in the BSE Oil&Gas index have underperformed barring Reliance Industries. This again looks like a trend that is unlikely to change in the near term. Gas stocks in particular like GAIL, IGL, MGL, Petronet remain in a downtrend. Resist the temptation of buying them cheap.

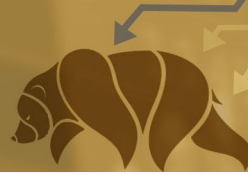
- Auto Laggards – Two Disappointments**

While the Auto sector has been a star performer in the last few months there are a couple of names that have not moved in sync with the sector. If the index were to come off in the near term, names like Motherson Sumi and MRF could see bigger breakdowns ahead. Avoid exposure to them and sell the rallies.

Market Indices	
SENSEX	39982
NIFTY	11762
52-week Range	7511-12430

Breadth Indicators	
Stocks Below 50 DMA	1113 / 1651
Stocks Below 200 DMA	652 / 1659

Stock/Sector Monitor
PSU
Media
Gas
Select Auto Names



The PSU's

Wealth Destroyer

- Overview**

The entire PSU segment has been in a massive downtrend. What has been hurtful is the fact that the headline indices have witnessed a stellar rally back close to the Feb '20 highs while the PSE index is at the May '20 lows. It has made a series of lower lows for the last 6 weeks. The chances of a move back down to the Mar '20 low is quite high.

- Zero Relative Strength**

The relative strength ratio chart vs the Nifty has been in a downtrend for the last 10 years now and it just keeps making new lows. Once the support of 2150 goes the index could be on course for 1980 and potentially lower.

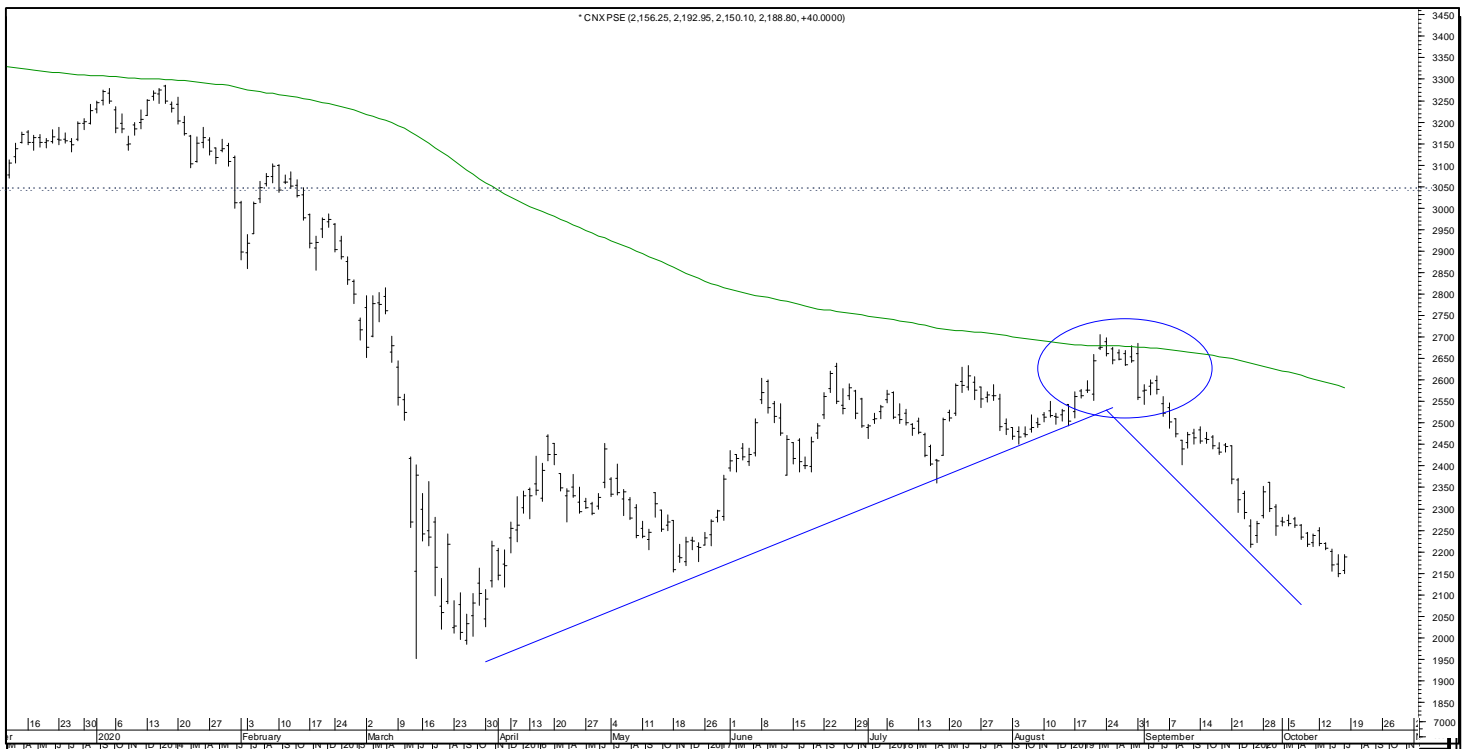
- Conclusion**

The strongest name in the segment was BPCL that has now joined the list of big losers. We don't see any positives on the OMC's overall. All the other top names like Coal India, NTPC, Power Grid, ONGC, PFC etc have weak set-ups. Stay away.

Price Performance			
Name	1 Month (%)	3 Month (%)	1 Year (%)
ONGC	-7.93	-11.8	-52.54
NIFTY	+1.36	+9.5	+2.5

Negative Technical Parameters
Weak relative strength
First to fall during a market correction
Most stocks trading below the major moving averages
Volumes increase on down days

Note : This coverage is a recommendation to avoid holding the sector/stocks in the portfolio



Source: Goldilocks Premium Research

The Media Sector

Not On Watch

- Overview**

Media stocks in general have been underperformers since early 2018. From time to time they do witness smart upticks that brings a lot of excitement but it fizzles out quickly. While the recovery from the Mar '20 lows was large, the index ran into resistance a couple of weeks back. We see continuing underperformance ahead.

- More Weakness Ahead**

The NSE Media index currently trades at 1448. Once the support of 1405-1410 goes expect a move all the way down to 1200. Resistance seen at 1515 and 1565 levels.

- Conclusion**

The sector is led by heavyweight Zee Ent. that continues to have a weak set-up. We see a move back to 162 in the near term while the eventual target stands at 135. Sun TV, TV18, TV Today etc also have bearish chart set-ups. Inox & PVR are ranged and could stand out in the weeks ahead.

Price Performance

Name	1 Month (%)	3 Month (%)	1 Year (%)
ZEE ENT.	-18.6	+4.79	-32.58
NIFTY	+1.36	+9.5	+2.5

Negative Technical Parameters

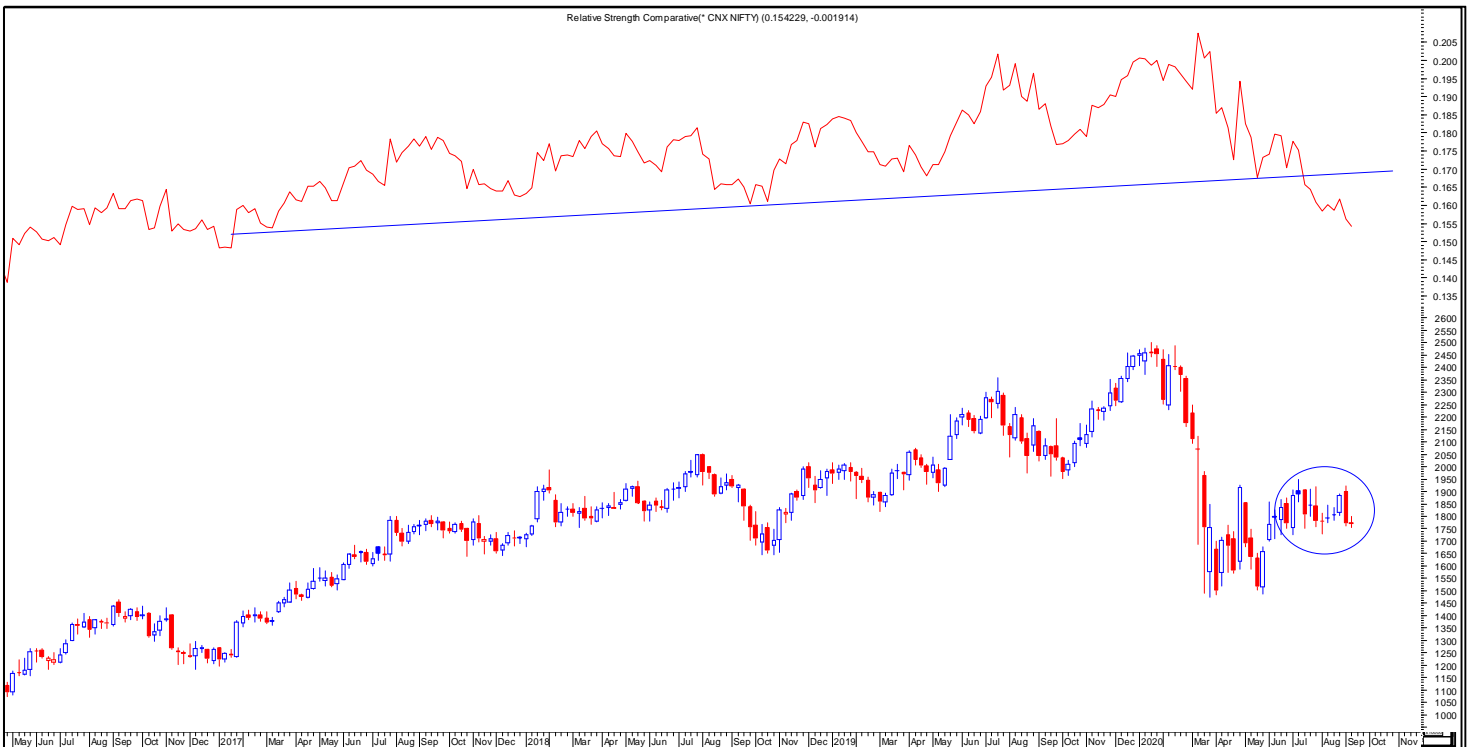
Strong bearish momentum

Develops "cold feet" near resistance levels

RSI study refuses to move into the overbought zone

Bearish moving average crossovers

Note : This coverage is a recommendation to avoid holding the sector/stocks in the portfolio



Source: Goldilocks Premium Research

THE GAS SEGMENT

No Steam

- Overview**

In the BSE Oil&Gas index, barring a Reliance Inds. nothing has done well in the last few months. Within the sector the Gas related stocks have been massive underperformers and we do not see the trend changing. Names like IGL, GAIL, MGL, Petronet could continue to weaken and hence bottom fishing should be avoided.

- Cheap Likely To Get Cheaper**

The Oil&Gas index has seen a major breakdown on the relative strength chart vs the Nifty. This could potentially open up substantial downside even from current levels. Cheap is likely to get cheaper.

- Conclusion**

GAIL has been in a downtrend for the last three months. Once the support of 80 goes, it could see a move back to 65 levels. Petronet seems ranged between 200-245. IGL could see a gradual move down to 340/320. MGL has major support around 760. Only Adani Gas is likely to stand out.

Price Performance

Name	1 Month (%)	3 Month (%)	1 Year (%)
GAIL	-8.6	-13.4	-33.8
NIFTY	+1.36	+9.5	+2.5

Negative Technical Parameters

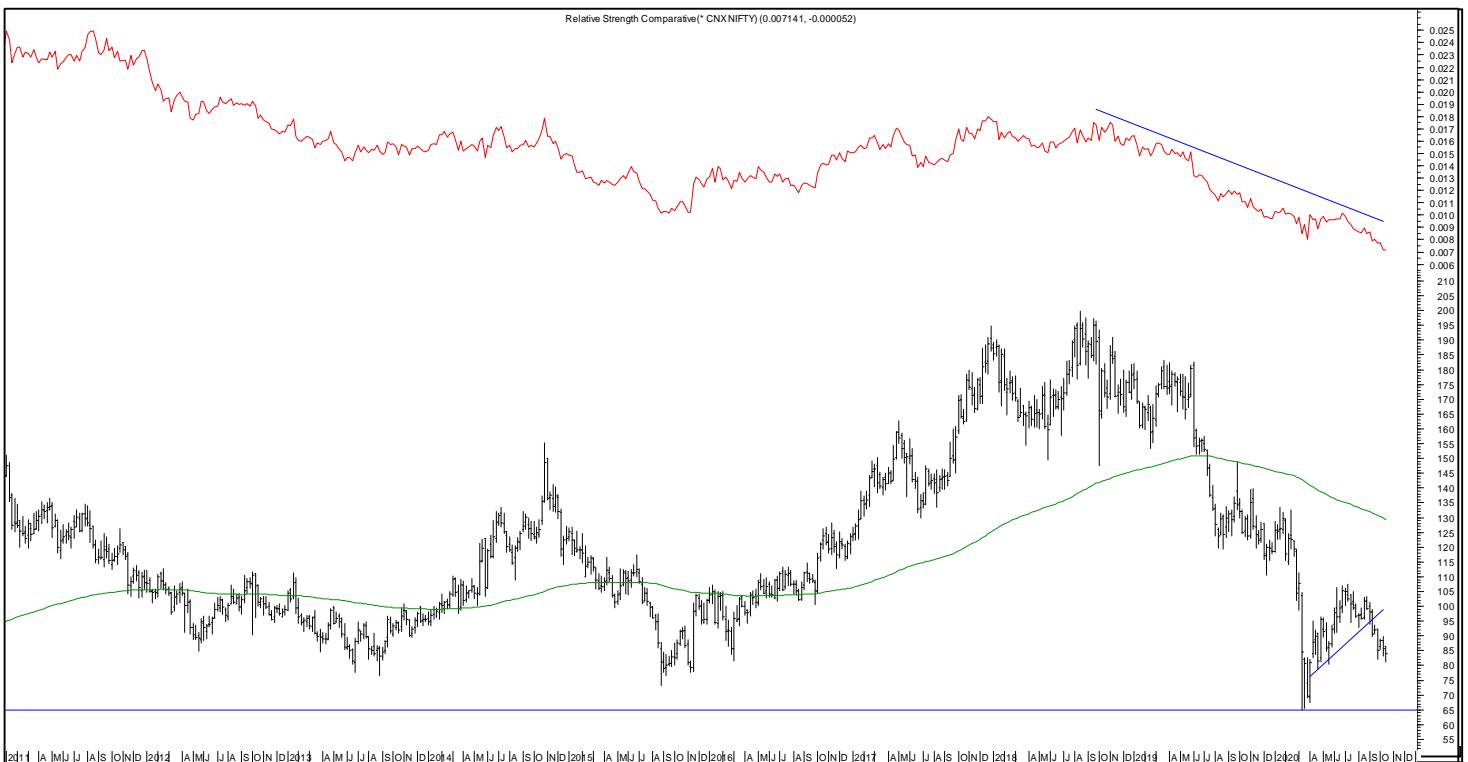
Continues to make lower tops and lower bottoms

Trading below all major moving averages

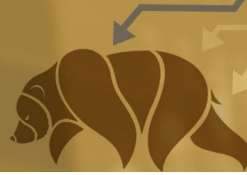
Bearish candlestick patterns

Indicators hitting multi-month lows

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Source: Goldilocks Premium Research



Auto & Auto Ancillary

Pockets Of Underperformance

- Overview – Names To Avoid**

No doubt that the Auto index has been the star performer of the last five months. The index has rallied from 4500 to almost 8300. However, in this entire move there are many names that have not contributed at all and continue to look weak. Our focus is on them. This is important because if the index corrects from around 8500, some names could lose substantial ground. We talk about two stocks today – Motherson Sumi & MRF.

- Conclusion**

Motherson Sumi has been in the well-marked range of 105-125 for the last two months. A close below 105 could trigger a breakdown that could then take the stock down to 87 and lower. Many advance technical indicators are already hinting at the same. Upside is capped to the 115/125 area. MRF has underperformed throughout the last five months. 56000-61000 is the immediate working zone. A close below the same leads to 51-52k.

Price Performance

Name	1 Month (%)	3 Month (%)	1 Year (%)
MRF	-2.62	-8.7	-7.79
NIFTY	+1.36	+9.5	+2.5

Negative Technical Parameters

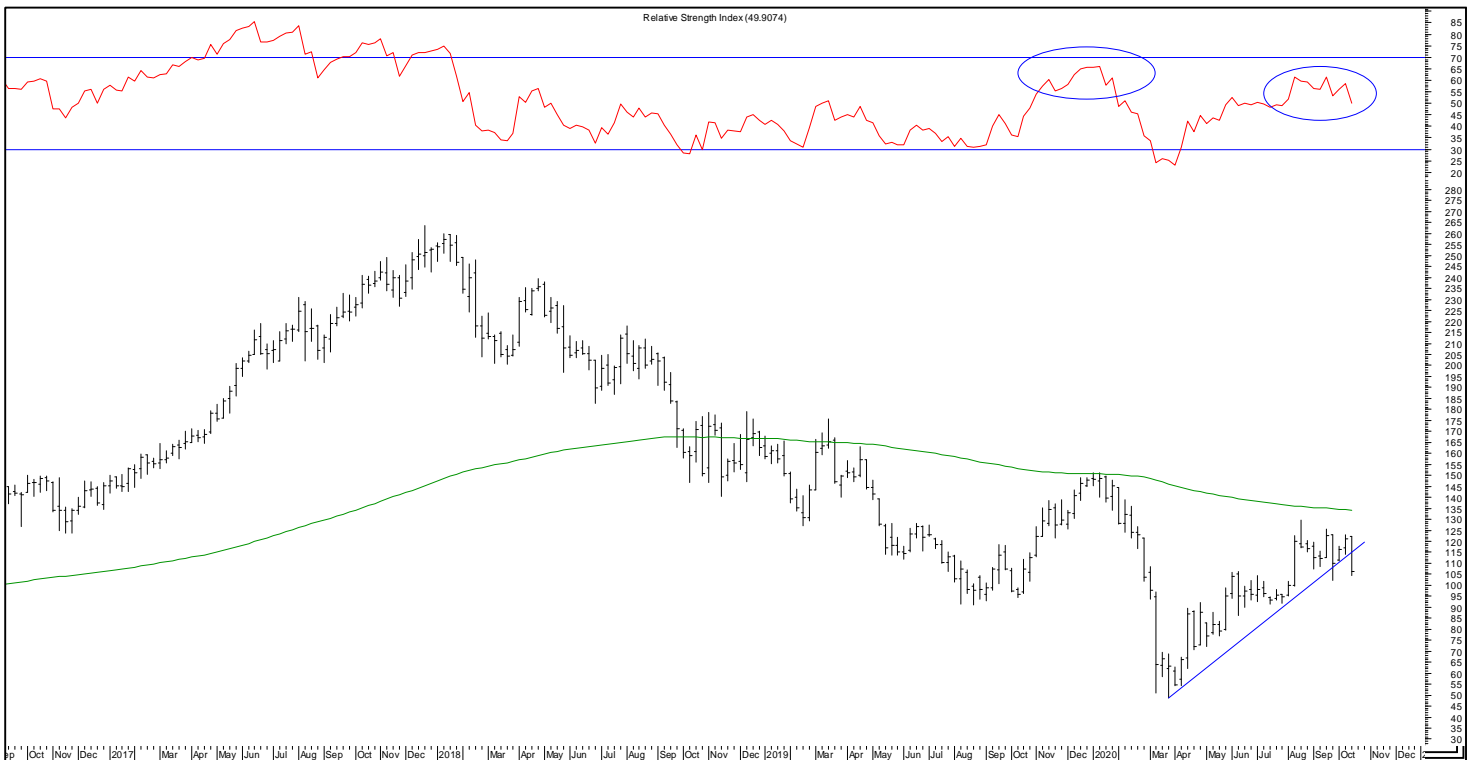
Range-bound with a negative bias

Low volumes on up days

Underperforming the Sector and the Nifty

Staying close to support levels consistently

Note : This coverage is a recommendation to avoid holding the sector/stocks in the portfolio



Source: Goldilocks Premium Research



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