

Gautam Shah (CMT, CFTe, MSTA)
gautam@goldilocksresearch.com
+971 58178 6966

Pullback Could Be Close To Completion

The Nifty lost 88 points over the day to close at 25509. Another day of weakness yesterday where the screen look quite fragile and there was a lot of participation on the way down. In the last one week the Nifty has seen a 600-point decline which has clearly become the talking point. A lot of concern has crept in, understandably. The banking sector has been relatively strong in this market decline. Yesterday was particularly weak for the broader markets.

Technically, a lot has been read into the weakness of the last one week as the nifty has seen a very quick and abrupt decline. However, in the overall context this still looks like a normal pullback. We say this because the nifty had seen a 1500-point rally and a 38% retracement is usually normal. At yesterday's low the index has confirmed this retracement and the indices are also right at the moving averages. The technical indicators, which were very overbought last week have now cooled off and are getting closer to the oversold zone. Given all of this it seems as if the market has come to a point from where it could potentially reverse. 25450 is the immediate support that we are working with and it will be watched in the next couple of trading sessions while the worst case remains at 25300. If the index does manage to rebound, we should see a quick recovery back. This is a buying opportunity.

Overall: There are still no overly concerning triggers on the technical studies. The index is now near major supports of 25450 and 25300.

For Subscribers Only

| | |
|----------------|--|
| Trend | Upward |
| Nifty | 25509 |
| Support | 25450, 25300 |
| Resistance | 25576, 25650 |
| Bank Nifty | 57554 |
| Support | 57500, 57300 |
| Resistance | 57680, 57900 |
| Trend Strength | <div><div></div><div></div><div></div><div></div><div></div></div> |
| Global Impact | <div><div></div><div></div><div></div><div></div><div></div></div> |

SECTORAL TRENDS

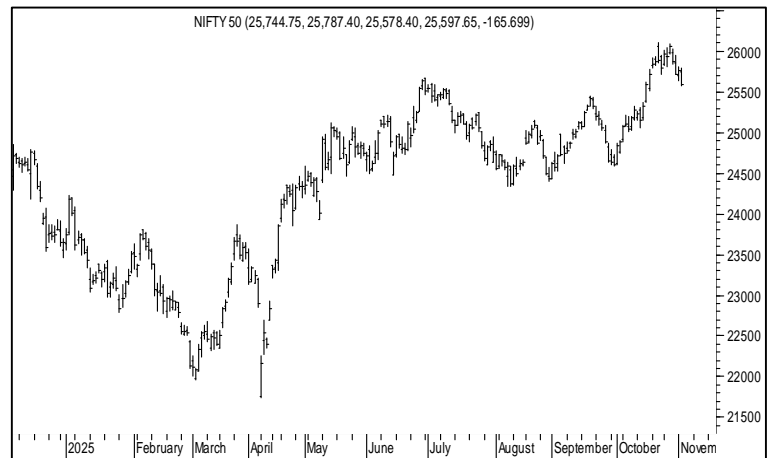
| SECTOR | TREND | OUTLOOK | RANK |
|---------------|-------|--|------|
| Banking | ↑ | Buying opportunity | 1 |
| Metals | ↑ | Buying opportunity | 2 |
| Mid-Cap | ↑ | Corrects from resistance. Downside limited | 3 |
| Auto | ↑ | Still consolidating | 4 |
| Capital Goods | ↔ | Pattern formed negative again | 5 |
| Pharma | ↓ | Limited upside | 6 |
| Technology | ↓ | Stays weak | 7 |
| FMCG | ↓ | Remains an underperformer | 8 |

WEIGHT OF EVIDENCE

Nifty – Not Overbought

Last week there was a concern that the indices had turned very overbought after the big and quick 1500 point rally. This needed some correction and it seems to have played out in the last six days. Now the technical studies are far away from the overbought zone. Infact, they are getting closer to the oversold zone and therefore the chances of a rebound are high.

Exhibit 1



Metals – Buying Opportunity

The metals index has been one of the star performers of the last one month. It is still above working target of 10800 and got into pullback mode. This is quite normal and the index is now approaching important support levels. The medium-term setup remains positive and therefore this is a buying opportunity. The chances of a rebound from here are high.

Exhibit 2



Media – Worst of The Lot

The media sector has been one of the worst performers in the last many months. We have never liked it as the charts have always been quite terrible. The index continues to make a sequence of lower tops and lower bottoms. There has never been a reason for any sort of bottom fishing and this stand remains.

Exhibit 3



DISCLAIMER

Goldilocks Global Research L.L.C-FZ

Address:

Meydan Grandstand, 6th Floor, Meydan Road
Nad Al Sheba
Dubai, U.A.E
License No: 2307986.01

www.goldilocksresearch.com
Email: support@goldilocksresearch.com
Contact: +971 58178 6966

**Goldilocks Global Research L.L.C-FZ in arrangement with SEBI Registered Research Analyst www.naresearchservice.com
SEBI Registration No.: INH000017897**

The information and views in this report are believed to be reliable, but we do not accept any responsibility (or liability) for errors of fact or opinion. Users have the right to choose the product/report that suits them the most.

Investment in equity shares has its own risks. Sincere efforts have been made to present the right investment perspective. The information contained herein is based on analysis and on sources that we consider reliable. We, however, do not vouch for the consistency or the completeness thereof. This material is for personal information and we are not responsible for any loss incurred due to it & take no responsibility whatsoever for any financial profits or loss which may arise from the recommendations above.

Our subscribers, a third party or anyone else have no rights to forward or share our calls or SMS or Reports or any information provided by us to/with anyone (through any medium) which is received directly or indirectly by them. If found so then legal action can be taken. Please note, any evidence of distribution, copying, forwarding of reports/calls will lead to automatic cancellation of subscription without any refunds.

There are risks associated with utilizing internet and short messaging system (SMS) based information and research dissemination services. Subscribers are advised to understand that the services can fail due to failure of hardware, software, and Internet connection. While we ensure that the messages/emails are delivered in time to the subscribers Mobile Network, the delivery of these messages to the customer's mobile phone/handset/desktop/ipad/tablet/laptop is the responsibility of the customer's Mobile Network/internet connection/wifi. SMS/Emails may be delayed and/or not delivered to the customer's mobile phone/handset on certain days, owing to technical reasons and Goldilocks Global Research L.L.C-FZ and its employees, cannot be held responsible for the same.

Goldilocks Global Research L.L.C-FZ in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

You should strictly abide with the consultation provided at Goldilocks Global Research L.L.C-FZ and trade only as per the levels provided by us. Unlike an actual performance record, simulated results do not represent actual trading. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown.

You, and not Goldilocks Global Research L.L.C-FZ, assume the entire cost and risk of any trading you choose to undertake. You are solely responsible for making your own investment decisions. If you choose to engage in transactions with or without seeking advice from a licensed and qualified financial advisor or entity, then such decision and any consequences flowing there from are your sole responsibility. Goldilocks Global Research L.L.C-FZ, its management or any employees are in no way liable for the use of the information by others in investing or trading in investment vehicles.

Goldilocks Global Research L.L.C-FZ, its management, and/or their employees take no responsibility for the veracity, validity and the correctness of the expert recommendations or other information or research. Although we attempt to research thoroughly on information provided herein, there are no guarantees in consistency. The information presented in this report has been gathered from various sources believed to be providing correct information. Goldilocks Global Research L.L.C-FZ, and/or employees are not responsible for errors, inaccuracies if any in the content provided in this report.

DISCLAIMER

Your use of this and all information contained on www.goldilocksresearch.com is governed by these Terms and Conditions of Use. This material is based upon information that we consider reliable, but we do not represent that it is consistent or complete, and that it should be relied upon, as such. You should not rely solely on the Information in making any investment. Rather, you should use the Information only as a starting point for doing additional independent research in order to allow you to form your own opinion regarding investments. By using www.goldilocksresearch.com including any software and content contained therein, you agree that use of the Service is entirely at your own risk. You understand and acknowledge that there is a very high degree of risk involved in trading securities. Goldilocks Global Research L.L.C-FZ makes no warranties and gives no assurances regarding the truth, timeliness, reliability, or good faith of any material posted on www.goldilocksresearch.com.

Goldilocks Global Research L.L.C-FZ strictly follows Trading Principle and Stop Loss Policy wherein Customer by default agree to not do/ enter any trade without Pre Informed/ Defined Stop Loss. If you trade against the stop loss policy, you alone shall be responsible for the same & Goldilocks Global Research L.L.C-FZ shall have zero liability towards it.

Neither Goldilocks Global Research L.L.C-FZ or their relatives individually owns one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

Goldilocks Global Research L.L.C-FZ (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Goldilocks Global Research L.L.C-FZ is not serving as an officer, director or employee of the company(ies) covered under this report.

Trading recommendations based on quantitative analysis are based on index/stock's momentum, price movement, trading volume and other volatility parameters, as opposed to study of macro economic scenario and a company's fundamentals. The trading calls and/or contents of this document are not made with regard to the specific investment objectives, financial situation or the particular needs of any particular person. Any action taken by you based on the aforesaid report and suffer adverse consequences or loss, you shall be solely responsible for the same. We expressly disclaim any liability and responsibility for any losses arising from any uses to which this communications is out.

Securities Investments are subject to market risk, economic risk, interest rate risks, credit risks, political and geopolitical risks, currency risks, country risks and risks arising from changing business dynamics. The performance of company(ies) covered herein may be adversely affected by numerous factors including, for example, (i) business, economic, and political conditions; (ii) the supply of and demand for the goods and services produced, provided, or sold by such companies; (iii) changes and advances in technology that may, among other things, render goods and services sold by the such companies obsolete; and (iv) actual and potential competition from other companies, whether in India or abroad. (v) Certain companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms or at all. (vi) adverse news about the company/sector, (vii) poor results of the company (ix) unforeseen force major events like war, hostilities, revolution, riots, civil commotion, strikes, lockouts, epidemic, fire, explosion, flood, earthquake, act of God, any act of Government or any such other cause. Hence, there is no assurance, insurance or guarantee that the forecast, recommendation, opinion, etc. given about the securities/companies in the report will be achieved.