

WEEKLY COMPASS

Weekly Alerts You Can Use!

CORPORATE ACTIONS

Stocks	Ex-Date	Purpose	Amount (Rs)	Record Date
REDINGTON	03 Dec 2019	Interim Dividend	1.50	04 Dec 2019
MANUGRAPH	04 Dec 2019	Dividend	0.50	-
BRNL	05 Dec 2019	Dividend	0.50	07 Dec 2019
HCLTECH	05 Dec 2019	Bonus issue 1:1	-	07 Dec 2019
HEIDELBERG	05 Dec 2019	Interim Dividend	1.50	06 Dec 2019
SAGRSOY-B	05 Dec 2019	Reduction of Capital	-I	06 Dec 2019

OFFER TO BUY

Company name	Start Date	Close Date	Offer Price (Rs.)	Proposed Acquisition (No. of shares)	CMP (Rs.)
LASA SUPERGENERIC LTD	02 Dec 2019	13 Dec 2019	18.25	1,05,74,894	17.80
NIIT LTD	25 Nov 2019	06 Dec 2019	125.00	2,68,00,000	105.95
FRESHTROP FRUITS LTD.	21 Nov 2019	04 Dec 2019	110.00	10,00,000	90.80

BONUS

Co-Name	Ex Bonus Date	Ratio
HCLTECH	05 Dec 2019	1:1
BALMLAWRIE	26 Dec 2019	1:2

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	12056	11751	12251	11628	11439	11695-12300	Buy between 11791-11835 zone, targeting 12221 and then at 12401 mark. Stop at 11595.
BANK NIFTY	31946	30651	32751	29738	29338	31200-32551	Buy between 31651-31655 zone. Targets at 32301/32751. Stop 30835.

Medium Term Pick :

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
KOTAK MAHINDRA BANK	1615.20	1471	1683	1590	1457	Positive	Technically, brace yourselves for a major breakout play from a classic 'Flag pattern' breakout on the monthly charts. An impulse uptrend is seen forming on the daily time scale, with positive SAR series, major confirmation above its all-time high at 1683 mark. A potential entrance exists at CMP, and on dips between 1500-1525 zone, targeting all-time-highs at 1683 and then logical targets at its psychological 1750 zone. Stops below 1471. Holding Period: 2 Months. Aggressive 6 months targets at 1900 mark.

Kotak Mahindra Bank Ltd is one of the fastest growing banks and is part of the larger Kotak Mahindra Group led by Mr. UdayKotak, Founder and Managing Director of the Bank. The group has a strong presence across financial services value chain dominating in the banks, securities and investment banking space. The group has a widespread presence across 1,503 branches. The group has a decent platform to cross-sell its products, given its presence in the financial spectrum

The key positive catalysts:

- CASA ratio at 50.70% and one of the best in class. Most importantly, likely to move to around 58% by 2021.
- At the bank level, capital adequacy overall at 18.1% and tier-1 of 17.6% .
- 811 continues to provide strong traction in terms of customer growth, resulting in high growth in savings deposits.
- Strong traction seen in loan growth momentum. Bank is poised to grow at 20% plus in terms of loan growth.
- Uptrend seen in NIM.
- Net NPA down to 0.71%. Earnings stability and improved visibility on higher RoA will drive multiple expansion.
- Market Capitalisation INR 2.5trillion.

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Add to that a bullish divergence and a rising stochastic signal (on weekly charts) with recent increase in volumes signaling a larger rebound. The 200 days Exponential Moving Average (EMA) of the stock on the daily chart is currently at 1471 zone. The level of Rs 1471-1501 zone will act as a strong support zone and any corrective declines to these levels should be used as an opportunity to initiate aggressive long positions.

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Daily Chart of Kotak Mahindra Bank:

