Alpha Quest

Our Long Only Monthly Call

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S&P Equity Research LLP is available on www.speqresearch.com

Product Note:

Alpha Quest-A premium service designed to empower investors seeking to capitalize on opportunities within the S&P BSE-100 universe. Each month, Alpha Quest presents carefully curated technical investment insights, featuring a selection of 10 stocks poised for potential growth.

Our recommendations, rooted in rigorous technical analysis, are delivered at the outset of every month, providing investors with timely guidance. Alpha Quest offers a concise yet comprehensive report, articulating our rationale behind each stock selection and our perspective on market trends.

Explore the April 2024 edition of Alpha Quest for actionable investment ideas.

SYMBOL	SECTOR	CMP	ACTION	AVERAGE	TGT 1	TGT 2	SL
SBIN	PSU BANKING	758	BUY	730	780	820	715
VEDL	METAL	301	BUY	273	330	365	261
MARUTI	AUTOMOBILES	12,552	BUY	11,800	13,850	14,210	11,400
HAL	AERONAUTICAL ENGINEERING	3543	BUY	3217	3800	3950	3180
SIEMENS	ELECTRICAL EQUIPMENT	5576	BUY	5200	6100	6450	5050
WIPRO	TECHNOLOGY	481	BUY	455	540	575	434
SRF	CHEMICALS	2621	BUY	2475	2750	2840	2380
TATAMOTORS	AUTOMOBILES	1004	BUY	960	1180	1250	925
PFC	FINANCE	408	BUY	360	440	480	350
			BUY				

CMP: Current Market Price; SL: Stop Loss; TGT: Target.

Chart sourced from Trading View

SYMBOL	SECTOR	CMP	ACTION	AVERAGE	TGT 1	TGT 2	SL
SBIN	PSU BANKING	758	BUY	730	780	820	715

Source: Trading View

21 DMA	100 DMA	200 DMA
754	663	623

SBI, India's largest public sector bank, is one of our top picks in the banking sector. Over the past month, it has outpaced NIFTYBANK.

Currently, the stock is on an upward trend, trading well above its 21/100/200 DMA levels on both daily and weekly charts, indicating strength across all time frames.

After a significant bounce from the support line and closing above the 21 DMA, the stock shows signs of an uptrend. Its movement from the lower support range towards the upper channel suggests a bullish trend likely to persist, with the stock expected to climb higher soon.

Given these observations, it's clear that SBI is poised to surge ahead and outperform its peers in the coming weeks, aiming towards its resistance levels by next month.

Recommendation: The recent price movement indicates that the stock's positive momentum is expected to persist in upcoming trading sessions. Therefore, we advise purchasing the stock with a target range of 780 to 820 in the near term, with a stop loss set at 715.

SYMBOL	SECTOR	CMP	ACTION	AVERAGE	TGT 1	TGT 2	SL
VEDL	METAL	301	BUY	273	330	365	261

Source: Trading View

21 DMA	100 DMA	200 DMA
275	262	255

Vedanta Ltd is a diversified natural resource group engaged in exploring, extracting, and processing minerals and oil & gas. The group engages in the exploration, production and sale of zinc, lead, silver, copper, aluminum, iron ore and oil & gas. It has presence across India, South Africa, Namibia, Ireland, Liberia & UAE.

VEDL is currently trading comfortably above the important moving averages. It recently experienced a clear breakout from a congestion zone, accompanied by strong volume, signaling increased buying interest and the start of a robust uptrend.

Following a notable rebound from the support of the 200 DMA, the stock demonstrates signs of an uptrend. Its movement from the lower support range towards the upper channel indicates a bullish trend likely to continue, with expectations of further upward movement soon.

Recommendation: The price action suggests that the positive momentum of the stock is likely to continue in the upcoming trading sessions. We recommend buying the stock with a target range of 330 to 365 in the near term, while setting a stop loss at 261.

SYMBOL	SECTOR	CMP	ACTION	AVERAGE	TGT 1	TGT 2	SL
MARUTI	AUTOMOBILES	12,552	BUY	11,800	13,850	14,210	11,400

Source: Trading View

21 DMA	100 DMA	200 DMA
11839	10777	10384

Maruti is the market leader in passenger vehicle segment in India. In terms of production volume and sales, the Company is now SMC's largest subsidiary. SMC currently holds 56.28% of its equity stake. The principal activities of the Company are manufacturing, purchase and sale of motor vehicles, components, and spare parts.

Maruti is currently in a bull market, having bounced nicely from the 200 DMA. Although it briefly dipped below the 21 DMA, it quickly rebounded with a strong bounce and resumed its upward trajectory. The RSI based MA technical indicator is also on the rise, indicating a strong upward movement.

For near term Maruti has a potential to move beyond 14200 levels with Key support placed at 11900 levels.

Recommendation: The price action indicates that the positive momentum of the stock is expected to persist in the upcoming trading sessions. We suggest buying the stock with a target range of 13850 to 14210 in the near term, while setting a stop loss at 11400.

SYMBOL	SECTOR	CMP	ACTION	AVERAGE	TGT 1	TGT 2	SL
HAL	AERONAUTICAL ENGINEERING	3543	BUY	3217	3800	3950	3180

Source: Trading View

21 DMA	100 DMA	200 DMA
3217	2845	2385

Hindustan Aeronautics is engaged in the business of Manufacture of Aircraft and Helicopters and Repair, Maintenance of Aircraft and Helicopters.

HAL has reduced its debt significantly and is nearly debt free. They delivered good profit growth of 23.9% CAGR over last 5 years, along with good ROE of over 24%. HAL has been maintaining a healthy dividend payout of 29.6%.

Technically, the price is trading well above the key moving averages and with a good volume. Due to the momentum the RSI came to 65 levels indicating further upward momentum.

Recommendation: The fundamentals and the technical set up suggest that the stock's positive momentum is expected to continue in upcoming trading sessions. Therefore, we advise buying the stock with a target range of 3800 to 3950 in the near term, with a stop loss set at 3180.

SYMBOL	SECTOR	CMP	ACTION	AVERAGE	TGT 1	TGT 2	SL
SIEMENS	ELECTRICAL EQUIPMENT	5576	BUY	5200	6100	6450	5050

Source: Trading View

21 DMA	100 DMA	200 DMA
4897	4203	3945

Siemens Limited offers products, integrated solutions for industrial applications for manufacturing industries, drives for process industries, intelligent infrastructure and buildings, efficient and clean power generation from fossil fuels and oil & gas applications, transmission, and distribution of electrical energy for passenger and freight transportation, including rail vehicles, rail automation and rail electrification systems. Fundamentally, the stock is well placed with low debt and a dividend payout of over 20%.

Technically the stock is holding well above the key moving averages. Siemens started moving up after a long consolidation and showing strong trend in Cumulative volume delta.

Recommendation: The strong movement indicates that the stock's gain is expected to persist in upcoming trading sessions. Therefore, we advise buying the stock with a target range of 6100 to 6450 in the near term, with a stop loss set at 5050.

SYMBOL	SECTOR	CMP	ACTION	AVERAGE	TGT 1	TGT 2	SL
WIPRO	TECHNOLOGU	481	BUY	455	540	575	434

Source: Trading View

21 DMA	100 DMA	200 DMA
502	466	436

Wipro Ltd is a global Information technology, consulting, and business process services (BPS) company. It is the 4th largest Indian player in the global IT services industry.

Wipro is placed at a reasonable valuation among its peers. This stock is taking support near its 100 DMA. This stock witnessed correction and then consolidation. Right now, it is trading near its support and is poised to move higher.

Wipro is now reversing from the lower range and is on the verge of crossing the mean in the Envelope setup. This reversal could push the stock higher in coming days. Once Wipro cross the 21 DMA there will be another rally in the scrip and will outperforming the Index.

Recommendation: The recent price movement indicates that the stock's positive momentum is expected to persist in upcoming trading sessions. Therefore, we advise purchasing the stock with a target range of 540 to 575 in the near term, with a stop loss set at 434.

SYMBOL	SECTOR	CMP	ACTION	AVERAGE	TGT 1	TGT 2	SL
SRF	CHEMICALS	2621	BUY	2475	2750	2840	2380

Source: Trading View

21 DMA	100 DMA	200 DMA
2482	2393	2336

SRF Ltd stands as a prominent figure in India's refrigerants, engineering plastics, and industrial yarn sectors. Additionally, the company boasts manufacturing capabilities in polyester films and fluoro-specialties.

SRF is trading well above its key Moving averages. SRF recently broke key congestion area and is now holding well above the supply zone. Moving average crossover (21DMA / 100DMA, 100DMA/200DMA) witnessed follow-up momentum along with rising trading volume along with higher Deliverable volume. This stock is placed at a comfortable region from Fundamental and Technical front.

On a longer time frame, we can see SRF is forming higher highs and higher lows in the channel and is set to move higher in coming days.

Recommendation: The price action indicates that the stock's momentum is expected to continue. We advise buying the stock with a target range of 2750 to 2840, with a stop loss of 2380.

SYMBOL	SECTOR	CMP	ACTION	AVERAGE	TGT 1	TGT 2	SL
TATAMOTORS	AUTOMOBILES	1004	BUY	960	1180	1250	925

Source: Trading View

21 DMA	100 DMA	200 DMA
987	833	726

Tata Motors Group is a leading global automobile manufacturer. Part of the illustrious multi-national conglomerate, the Tata group, it offers a wide and diverse portfolio of cars, sports utility vehicles, trucks, buses and defense vehicles to the world.

After briefly closing below 21 DMA, stock managed to cross the moving average in recent days. The stock is in a good trend along with all the moving averages moving upwards. This stock is gaining momentum and a divergence is clearly visible in shorter Moving average.

For short to medium term this stock can regain its and make a new life time high. Fundamentally the stock is improving on its EPS 21.14(Dec 2023) 52.37(Mar 2024). And presently at 10 PE.

Recommendation: The recent development indicates that the stock's positive movement is expected to continue in upcoming trading sessions. Therefore, we advise purchasing the stock with a target range of 1180 to 1250 in the near term, with a stop loss set at 925.

SYMBOL	SECTOR	CMP	ACTION	AVERAGE	TGT 1	TGT 2	SL
PFC	FINANCE	408	BUY	360	440	480	350

Source: Trading View

21 DMA	100 DMA	200 DMA
401	392	303

Power Finance Corporation (PFC) was set up as a financial institution dedicated to power sector financing and committed to the integrated development of the power and associated sectors. PFC is providing large range of financial products and services like project term loan, lease financing, direct discounting of bills, short term loan, consultancy services etc. for various power projects in generation, transmission, distribution sector as well as for renovation &modernization of existing power projects.

Technically this stock crossed the 21 Day Moving Average and successfully closed above. This could end the short-term downtrend and will begin a new upward trend in near term.

This stock is massively undervalued with a PE of 8. PFC maintained healthy dividend payout of about 22%. In short to medium term the EPS will be appreciated which will push the price higher.

Recommendation: The recent price movement indicates that the stock's positive momentum is expected to persist in upcoming trading sessions. Therefore, we advise purchasing the stock with a target range of 440 to 480 in the near term, with a stop loss set at 350.

SYMBOL	SECTOR	CMP	ACTION	AVERAGE	TGT 1	TGT 2	SL
ICICI Pru	INSURANCE	620.75	BUY	580	680	735	550

Source: Trading View

21 DMA	100 DMA	200 DMA
582	548	539

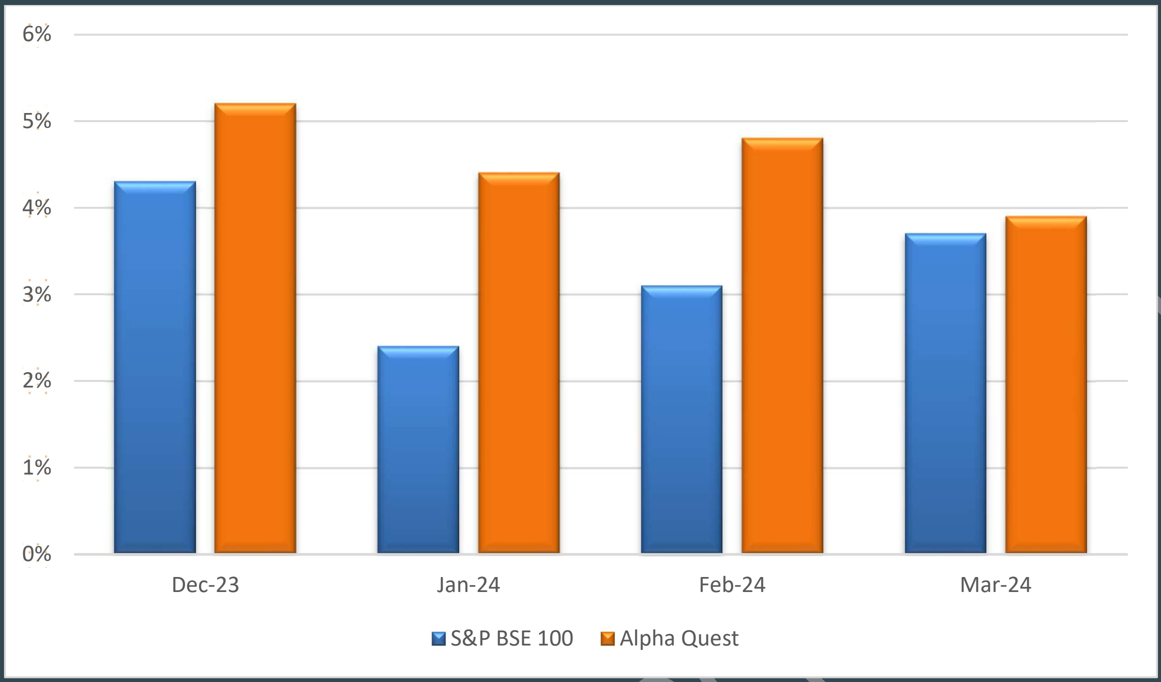
ICICI Prudential Life Insurance Company Ltd carries on business of providing life insurance, pensions and health insurance products to individuals and groups. The business is conducted in participating, non-participating and unit linked lines of business. These products are distributed through individual agents, corporate agents, banks, brokers, sales force.

ICICI Prudential Life Insurance recently touched its 21 DMA and bounced for higher price. 21 DMA successfully crossed 100 and 200 DMA. 100 DMA is poised to cross the 200 DMA. This is indicating a fresh rally in the stock in near future.

This stock has broken a medium-term downward channel, and gave a healthy rally with good volume. We believe this will continue and will make higher highs.

Recommendation: The recent price movement indicates that the stock's positive momentum is expected to persist in upcoming trading sessions. Therefore, we advise purchasing the stock with a target range of 680 to 735 in the near term, with a stop loss set at 550.

Past Track record of Alpha Quest



Key Ratios

	S&P BSE 100	ALPHA QUEST
Max Gain		
Sharpe Ratio		
Drawdown		
Percentage return		

Analyst Certification:

Sudipto Ghosh ……

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