

# NEWSLETTER

**AUG 31, 2024**

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**Sectoral Performance Review**

**Concept Spotlight: GMMA - 3 simple strategies to Trade**

**New Listings this week: INTERARCH, ORIENTTECH**



**Dashboard**



**Indicators on TradingView**



**Realtime Alerts**



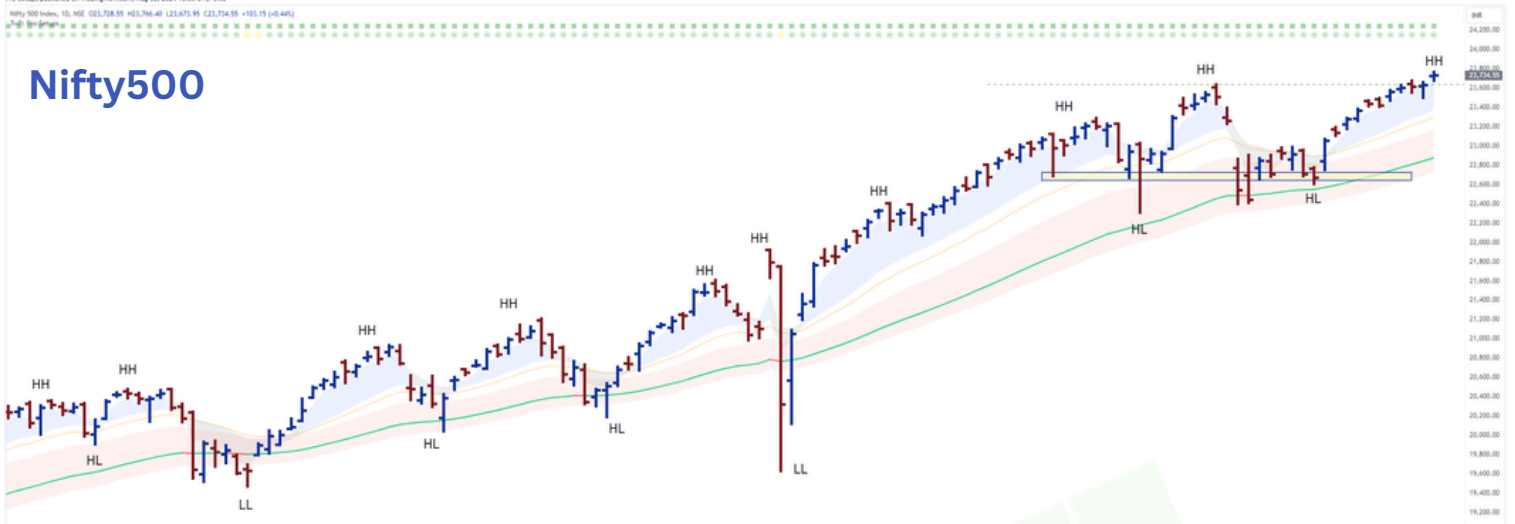
**Discussion Group**



Pro-Setups published on TradingView.com, Aug 30, 2024 16:03 UTC+5:30

Nifty 500 Index: 10, HSE 223,728.95 H53,796.40 L23,673.95 C23,734.95 +103.15 (+0.44%)  
 High: 23,734.95  
 Low: 23,673.95

# Nifty500



This week has been relatively uneventful, except for the Nifty500 quietly reaching new all-time highs, inching upwards with impressive consistency. Meanwhile, SEBI has raised concerns about SME IPOs, and rightfully so - after all, when a company with just two dealerships can attract ₹4800 crore of investor interest, one has to wonder (for those unfamiliar with the story, check out Resourceful Automobile online. The promoters certainly live up to their name! And for a laugh, don't miss Jaspal Bhatti's [YouTube video on PP Waterballs](#) - it's a classic!).

The markets are in a celebratory mood, and we certainly don't want anybody to play the role of party pooper!

### Market Breadth

1 Jan 2023 - 30 Aug 2024

**Percent stocks over 10/30/50 Day Moving Averages (EMAs)**

**% of Companies with DCR**

Date	< 30%	30% - 70%	> 70%
29 Aug 2024	48	41	11
30 Aug 2024	37	42	21

**No. of Companies with Pocket Pivot Volumes**

Date	No. of Companies
27 Aug 2024	125
28 Aug 2024	73
29 Aug 2024	50
30 Aug 2024	122

**Nifty 500: 10EMA over 20EMA?** ● Stay

**Recent Crossback Dates:**

Date	Indicator
19 Aug 2024	Crossover
8 Aug 2024	Crossunder
14 May 2024	Crossover
13 May 2024	Crossunder
1 Apr 2024	Crossover
14 Mar 2024	Crossunder

Crossover of 10EMA over 20EMA is a positive indicator for starting LONG positions again, while crossunder is a cautionary sign to cut LONG positions.  
 ● dot favors staying LONG, while  
 ● dot favors curtailing Long positions.

**Number of stocks with percentage change over 3%**

Date	No. of Cos.	>3%	<3%	% >3%	% <3%
30 Aug 2024	1,613	197	33	12%	2%
29 Aug 2024	1,614	67	167	4%	10%
28 Aug 2024	1,610	100	97	6%	6%
27 Aug 2024	1,605	185	56	12%	3%
26 Aug 2024	1,605	192	92	12%	6%

1 - 100 / 413 <

Only companies with Market capitalization > Rs. 300 cr. are considered. If no. of companies with change over +3% is greater than no. of companies with change over -3%, a score of 1 is given to that day. Similarly, a score of -1 is given when +3% change < -3% companies.

The week started with some selling pressure due to profit booking in the broader markets after continued up move. Stocks above all three moving averages (10/30/50 EMA) have slide down to mid-levels of 55-65%, indicating selling pressure. The pocket pivot volumes also witnessed a dip for first time in last 10 sessions from above 100 stocks to 50 stocks this week **but markets again recovered well on Friday** With indices making new all-time highs, it would be interesting to see how the next week unfolds with momentum returning again.

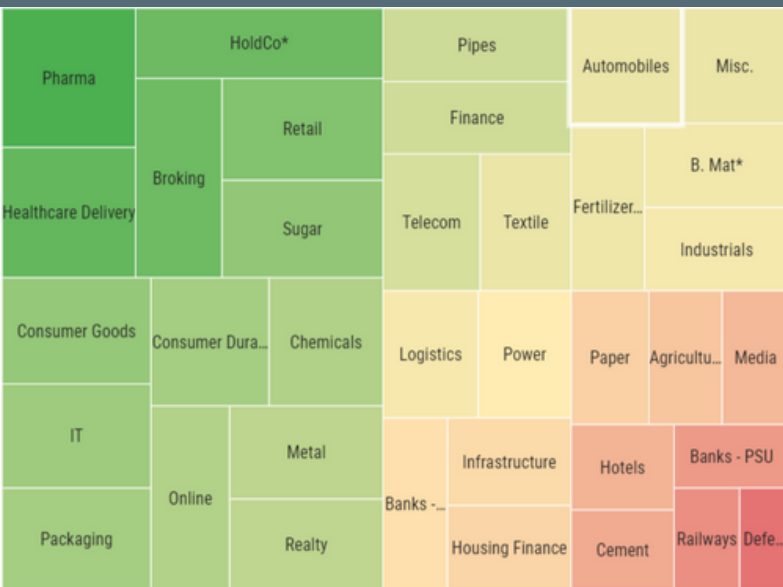
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## Weekly Sector Performance Review

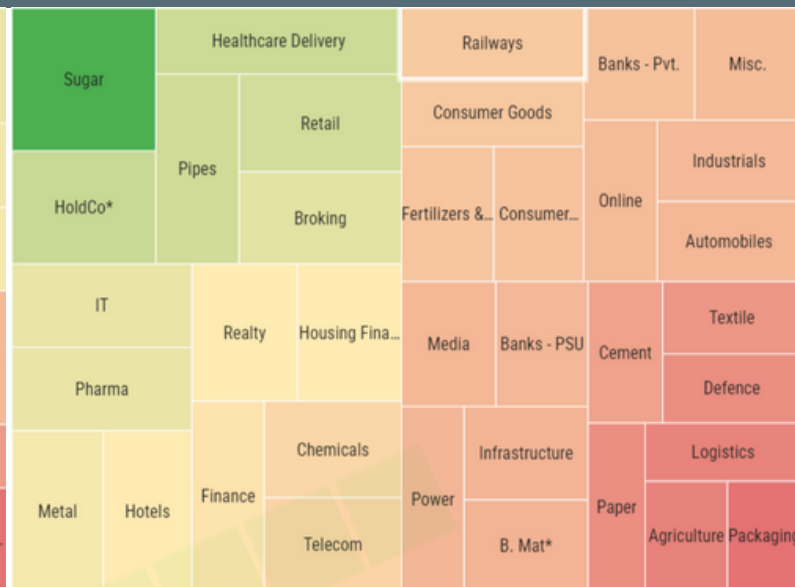
### Sectoral Heatmap

(based on **Monthly** Relative Strength)



### Sectoral Heatmap

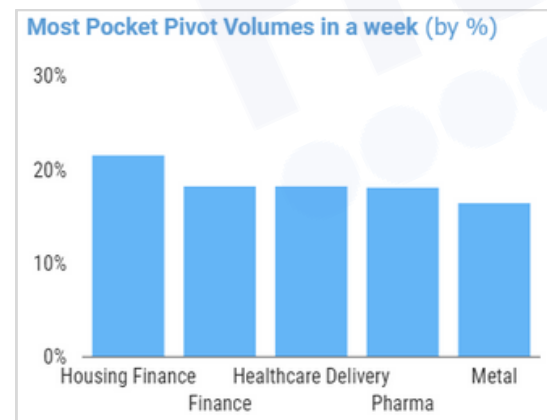
(based on **Weekly** Relative Strength)



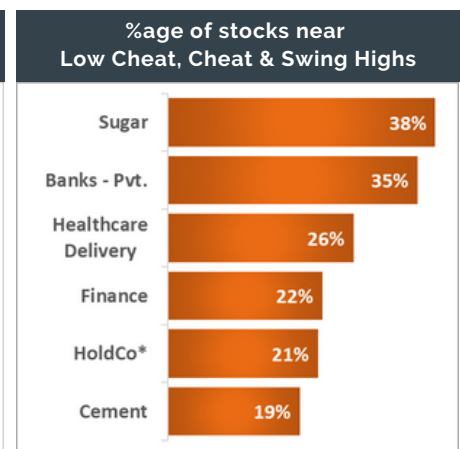
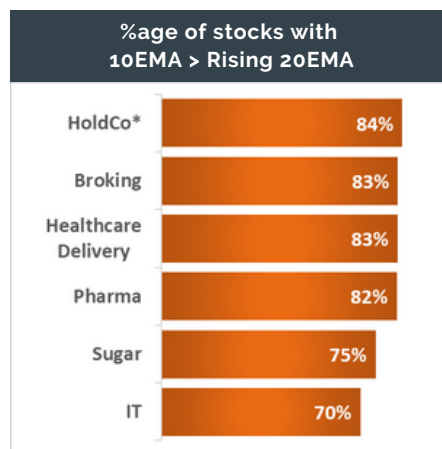
Sectors that are dark green on both heatmaps (*top-left corner*) are the strongest sectors that have performed on both timeframes. **Holding Companies & Healthcare Delivery** stand out to be among the top sectors. Sectors that are on the left hand side of Monthly RS heatmap should be the ones to look for pullbacks as well as fresh breakouts.

When we try to identify which sector can give us maximum move as a whole, we have to anticipate the movement from light green/yellow to darker green zone on Monthly RS Heatmap. In other words, we try to determine the sector that is not the strongest currently, but can become so in coming weeks. We do it by noticing the sectors that are strong on Weekly RS Heatmap. **Sugar** showed signs of pickup last week itself and remained the strongest sector this week, thanks to the policy shift announcing the removal of the previous cap on sugar diversion for ethanol. For fresh sectoral moves, one can study strong setups in **Pipes, Metal** and **IT** coming week.

Sectors at the bottom-right (*deep red*) on both timeframes can be avoided, until they start showing signs of strength. **Defense** and **Railways**, which were once the leading sectors, are now losing steam and giving up on their respective 50EMAs. Of the combined 26 stocks from these two sectors, only six stocks are currently above 50EMA clearly showing the sign of weakness.



Based on the Weekly Pocket Pivot volumes we can identify that **Metals, Housing Finance, Pharma, Finance** and **Pipes** sectors had highest number of PP volumes suggesting that more active buying is seen in these sectors.



More than 80% of the companies in **HoldCo, Broking, Healthcare Delivery, Pharma & Sugar** sectors have their 10EMA over Rising 20EMA. With Banking stocks largely underperforming markets, one can look at charts of **Private Banks** since over one-third of them are near their resistance zones.

(These two charts are currently not part of Sectoral Performance page, but can be made with data from the Screener page.)

## GMMA - 3 simple strategies to Trade

In last week's [Newsletter](#), we learnt that:

- the **Blue** and **Red clouds** that you see in Pro-Setups indicator are based on **GMMA**.
- **Blue cloud** is combination of 3, 5, 8, 10 & 15 EMAs.
- **Red cloud** is combination of 30, 35, 40, 50 & 60 EMAs
- In a strong **trending market**, it is normal to see the **Blue cloud compress** while there is **no impact on Red cloud**.
- When blue cloud compresses, we get **blue dots** at the bottom of our chart in Pro-Setups indicator.
- In **Uptrend**, the Blue cloud continuously moves above the Red cloud.
- In **Downtrend**, the Blue cloud continuously moves below the Red cloud.

### 3 simple strategies that we can use to trade with these clouds

#### 1. Compressed Blue cloud in Uptrend with Tight Range

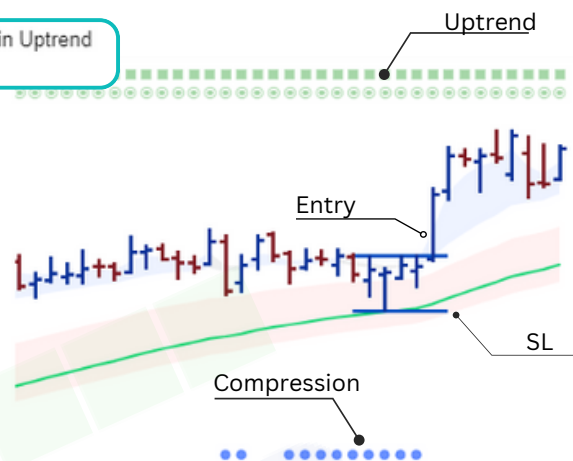
Compressed Blue cloud in Uptrend with Tight Range

##### Objective:

Identify stocks in Uptrend when their blue cloud is compressed and making tight range so that our SL is low. Enter when price starts to move up, breaking the tight range.

##### Scan:

- **Uptrend:** Weekly & Daily trend - Green, 50EMA>200EMA, Rising50EMA
- **Compression:** Atleast 3 blue dots
- **Tight range:** 3 week High-Low range < 20%, 5 Day High-Low range < 10%, Bollinger Band width < 15%



#### 2. Gray cloud turns Blue

Gray cloud turned Blue

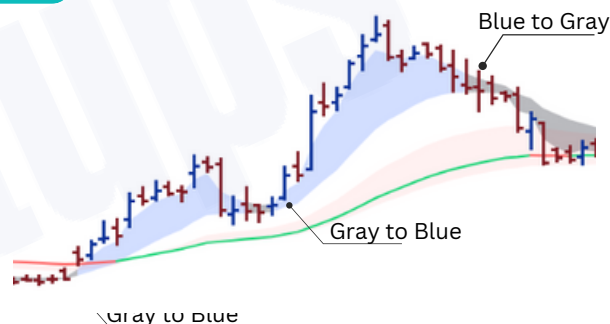
When price starts to fall, our Blue cloud turns Gray in color. We call it as price in stress. When price starts to rise again, it changes its color from Gray to Blue, meaning price is coming out of stress.

##### Objective:

To identify stocks that are coming out of stress. Blue cloud need not necessarily be compressed.

##### Scan:

- **Uptrend:** Weekly & Daily trend - Green, 50EMA>200EMA, Rising50EMA
- **Gray to Blue** filter.



#### 3. Crossover of Blue cloud over Red

Crossover of Blue cloud over Red

##### Objective:

To identify stocks that are changing trend. This strategy is prone to have a *higher failure rate* than the previous two strategies, because we are anticipating a trend change here. Hence, it is better to use it for **positional trades** once you know about the company fundamentally as well.

##### Scan:

- **Crossover of Blue cloud over Red** filter.



**Dashboard** gives you readymade filters for all three strategies mentioned above. In addition, we also get **real-time alerts** for stocks that have started the move based on the first strategy.



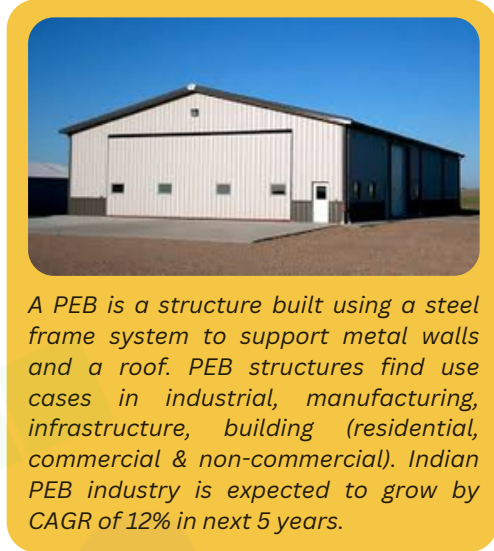
New Listing this Week

# Interarch Building Products Limited



## NSE: INTERARCH

**Sector:** Building Material  
**Industry:** Building Material  
**Market Cap:** ₹1,900 crores  
**Issue size:** ₹600 crores, of which ₹400 crores was Offer for Sale  
**IPO price:** ₹900



A PEB is a structure built using a steel frame system to support metal walls and a roof. PEB structures find use cases in industrial, manufacturing, infrastructure, building (residential, commercial & non-commercial). Indian PEB industry is expected to grow by CAGR of 12% in next 5 years.

**INTERARCH** is one of India's leading integrated pre-engineered steel construction solution provider in India. It provides complete **Pre-Engineered Steel Buildings (PEB)** on turnkey basis and also sells PEB materials to third party erectors.

**Order Book** as on March 31, 2024: ₹1,153 crores



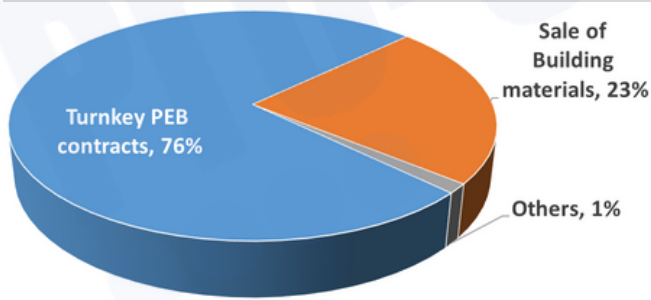
- 3rd largest** in terms of Revenue of Integrated PEB players
- 2nd largest** in terms of Installed capacity
- 6.5% market share** in India



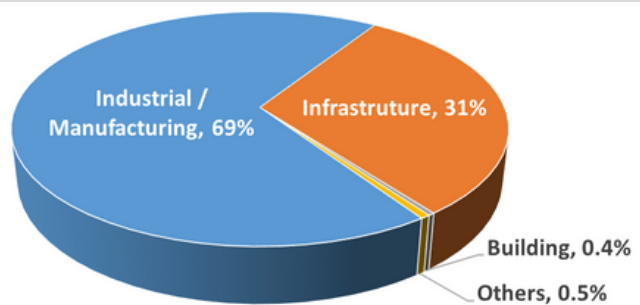
**4 manufacturing facilities:** 2 in Tamil Nadu and 2 in Uttarakhand  
**Installed capacity: 141,000 MTPA**

Plans to upgrade these factories and also set up a new manufacturing facilities in Andhra Pradesh and Gujarat.

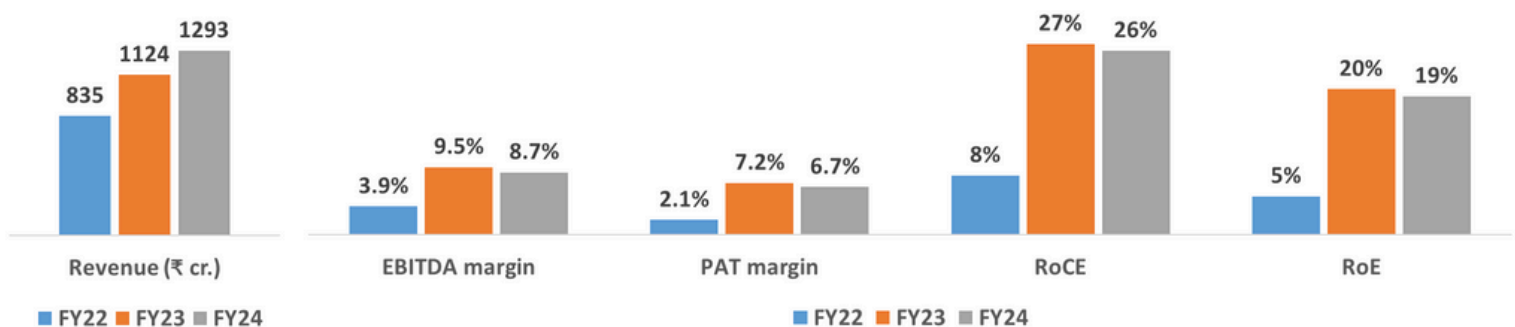
Revenue Breakdown by Segment



Revenue Breakdown by Sector



### Key Financials



New Listing this Week

# Orient Technologies Limited

**NSE: ORIENTTECH**

**Sector:** Information Technology  
**Industry:** Information Technology - Hardware  
**Market Cap:** ₹900 crores  
**Issue size:** ₹215 crores, of which ₹95 crores was Offer for Sale  
**IPO Price:** ₹206



Business Verticals

IT Infrastructure

- Data Centre Solutions
- End-User Computing

Cloud & Data Management

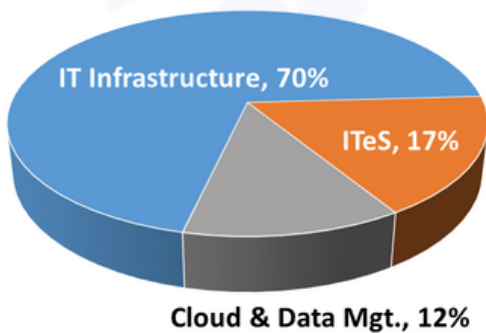
- Data analytics,
- Business analytics
- Automate back office functions
- Infrastructure as a Service & other SaaS services.

IT Enabled Services (ITeS)

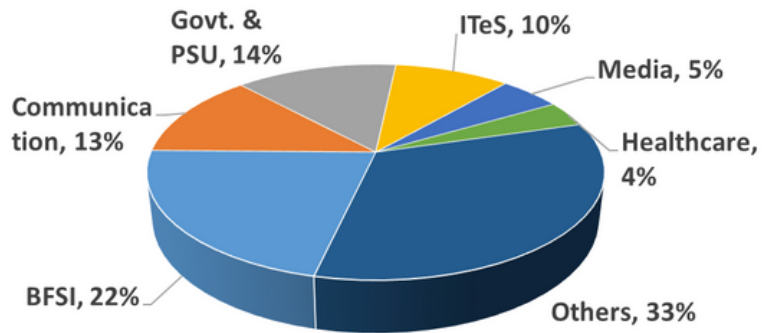
- Managed services - monitoring, maintenance & support of IT systems
- Backup & Disaster recovery
- Multi-Vendor Support through AMC contracts
- IT Facility Management, Network Operations Centre services
- Remote network management & Security
- DaaS where it provides desktops, laptops, etc. on a 'pay-per-use' model



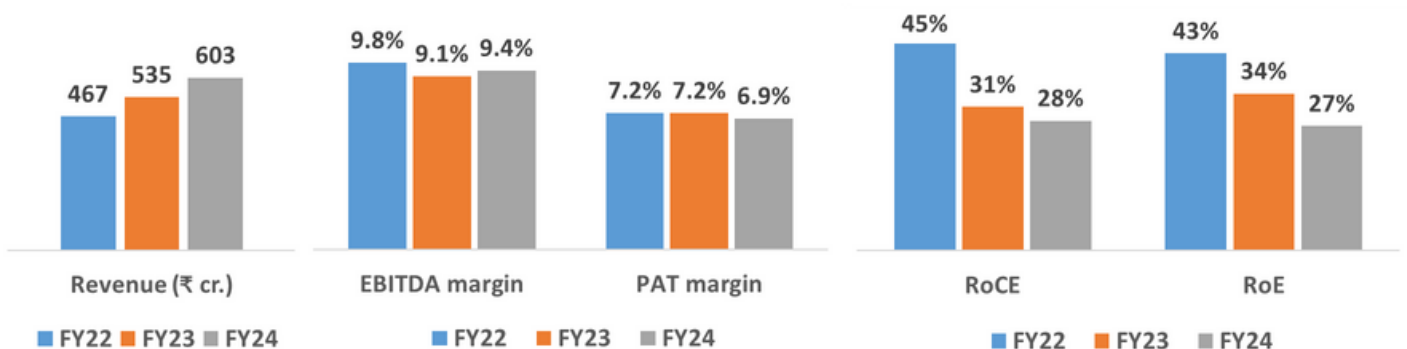
Revenue Breakdown by Business Vertical



Revenue Breakdown by Sector served



Key Financials



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