

# NEWSLETTER

SEP 7, 2024

Market Sense

Sectoral Performance Review

Concept Spotlight: Staggered Stop Losses

New Listings this week: PREMIERENE, ECOSMOBLTY, STYLEBAAZA



Dashboard



Indicators on TradingView



Realtime Alerts

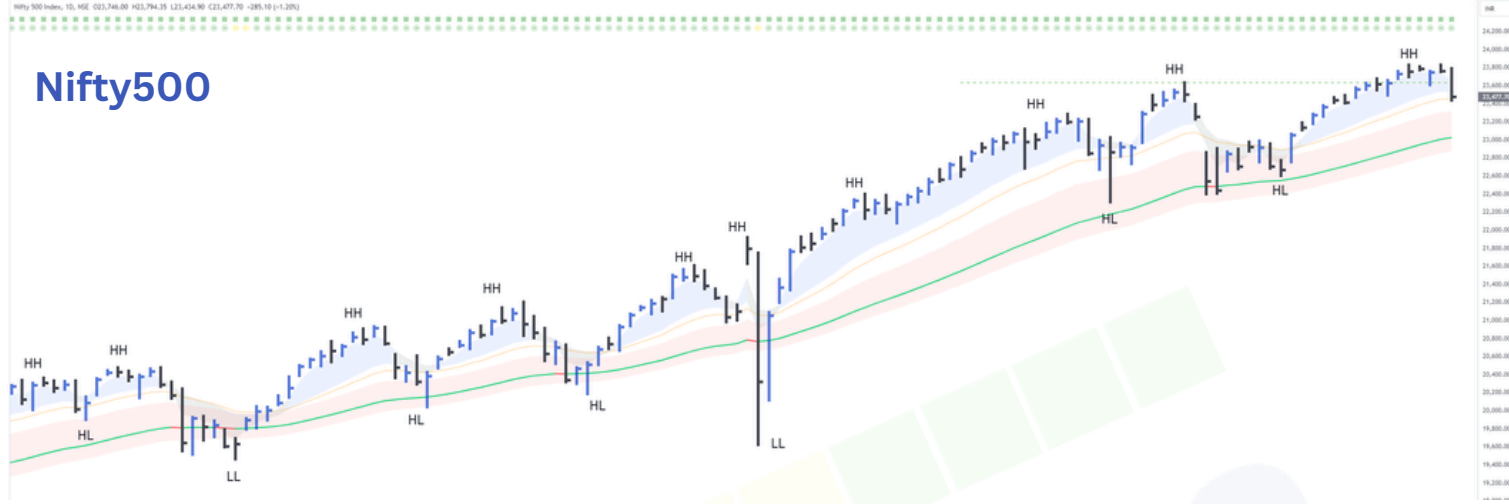


Discussion Group



Pro-Setups published on TradingView.com, Sep 06, 2024 16:58 UTC  
 Nifty 500 Index, 1D, HSE 021,794.00 021,794.15 123,434.90 021,477.70 -285.10 (-1.20%)

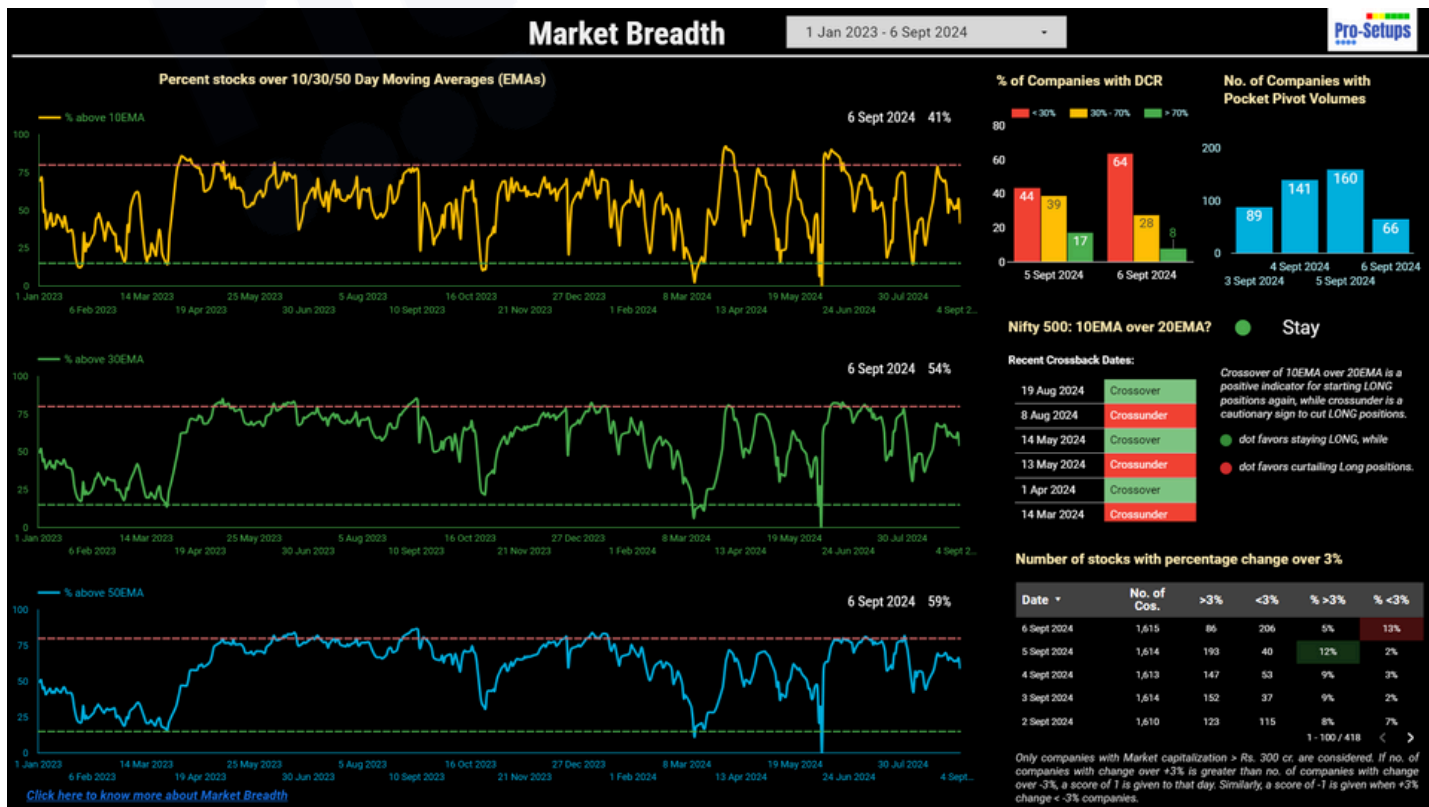
# Nifty500



The week started with Nifty500 opening at its new all-time high and closing near its lows. Despite a challenging week for Nifty500, with the index experiencing some pressure, the broader market trend still remains bullish. The recent dip could just be a temporary correction rather than a reversal, and there are no cautionary signals as of now. Nifty500 made a new Higher High this week and as the saying goes *“The trend is your friend, until it bends”*, we maintain our positions in the trend, yet staying alert for any clear signs of a shift. Until there are definitive indicators of a downturn, the overall outlook suggests staying the course.

However, as mentioned in previous newsletters, valuation concerns are emerging in the market. A strong trigger is needed to spark the next decisive move forward - something like a rate cut that could propel the markets to the next level.

The real excitement is happening in the IPO space. This week saw the listing of three companies: Premier Energies (up 140% from IPO price), Ecos (India) Mobility, and Bazaar Style Retail. You can find snapshots of these new listings in the newsletter below. Moreover, half a dozen companies are preparing for their IPOs in the next two weeks.

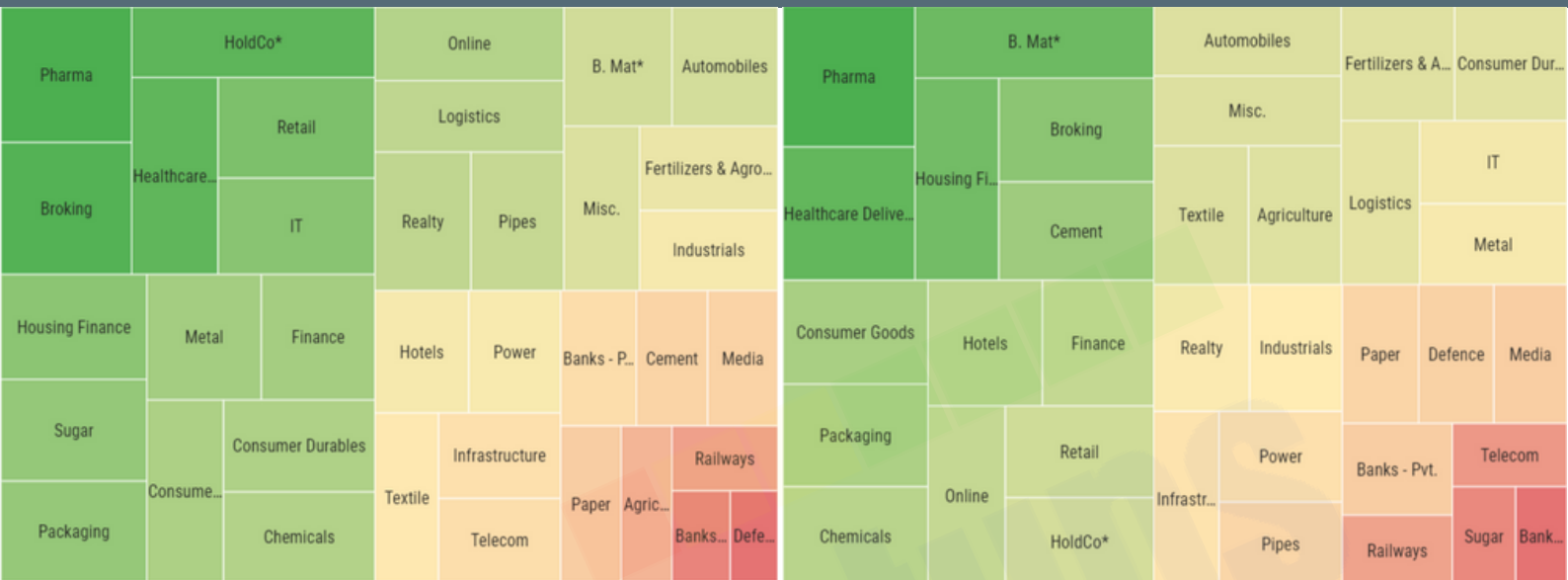


The market's breadth is beginning to shift downward. However, there's no major selloff yet, and the breadth remains mostly unchanged from the previous week. Although most major indices closed near their lows on Friday, it's still unclear whether this is just a temporary pullback within the larger uptrend or if a more significant correction is coming. The upcoming week will be crucial in determining the market's direction.

## Weekly Sector Performance Review

**Sectoral Heatmap**  
(based on **Monthly** Relative Strength)

**Sectoral Heatmap**  
(based on **Weekly** Relative Strength)

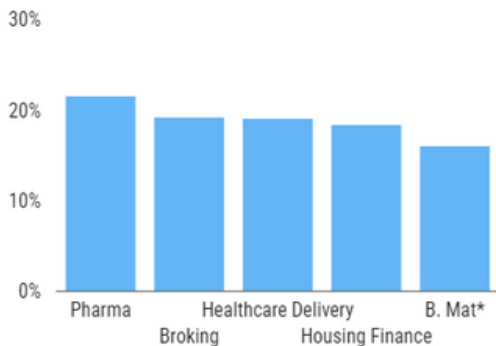


Sectors that are dark green on both heatmaps (*top-left corner*) are the strongest sectors that have performed on both timeframes. **Pharma & Healthcare Delivery** stand out to be among the top sectors. Sectors that are on the left hand side of Monthly RS heatmap should be the ones to look for pullbacks 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. For fresh sectoral moves coming week, one can study strong setups in **Building Materials**, specially **Paints** companies which benefit from the falling crude prices.

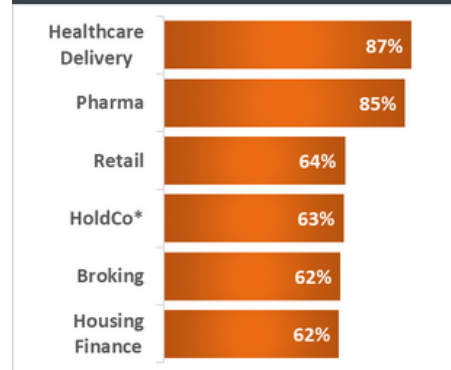
Sectors at the bottom-right (*deep red*) on both timeframes can be avoided, until they start showing signs of strength. **Defense, Railways** and **PSU Banks** which were once the leading sectors, are now losing steam and giving up on their respective 50EMAs.

**Most Pocket Pivot Volumes in a week (by %)**



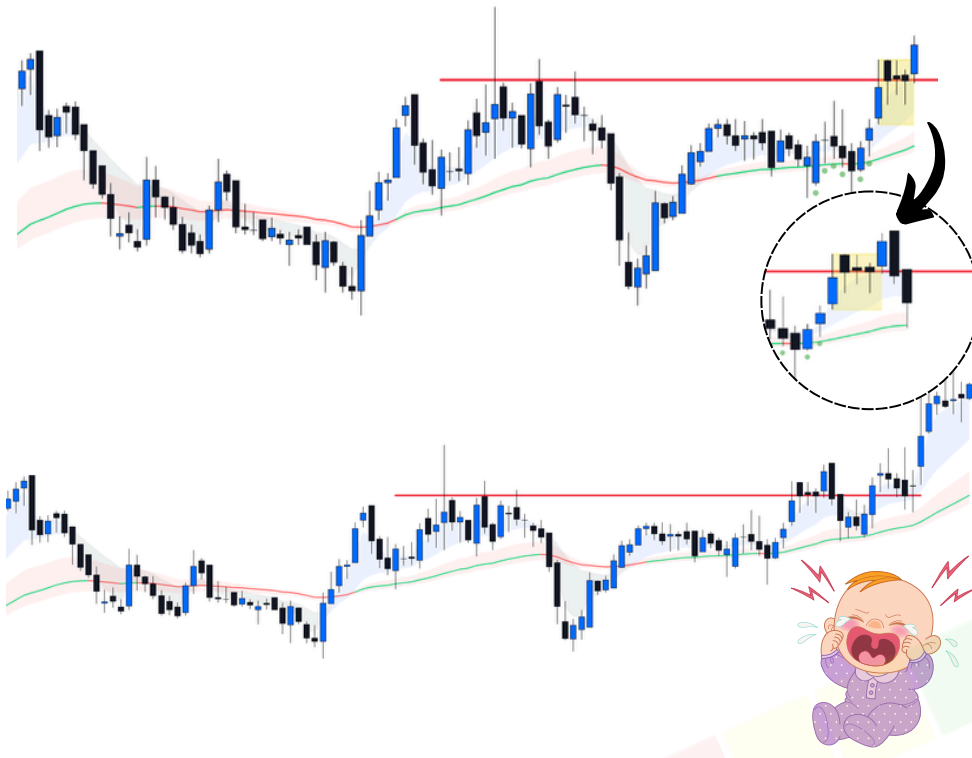
Based on the Weekly Pocket Pivot volumes we can identify that **Pharma, Broking, Healthcare Delivery, Housing Finance** and **Building Material** sectors had highest number of pocket pivot volumes suggesting that more active buying is seen in these sectors.

**%age of stocks with 10EMA > Rising 20EMA**



More than 80% of the companies in **Healthcare Delivery** and **Pharma** have their 10EMA over Rising 20EMA.

# Staggered Stop Losses



Picture this: you've spotted the perfect setup - ready to breakout from a solid six-month base. You decide to enter the trade just as the price breaks through mini coil forming at the resistance, setting your stop loss at the low of the mother bar (about 5% below your entry).

But then the stock says, "Nope." Instead of rocketing up, it hits your stop-loss, and boom - you're out! You stick to your plan like a Pro.

Then, the unexpected happens. The stock finds support at the rising 50EMA and starts climbing again, leaving you behind. You followed your plan, but the market had other ideas.

Now, if you'd used a staggered stop-loss approach, things could have turned out differently. Let's explore how a small tweak to your plan could've kept you in the trade, while managing the risk at the same time.

## Solution - Staggered or Bracketed Stops

With staggered stop loss, you set **multiple stop loss levels at different price points**, instead of setting a single stop loss level. This approach allows you to reduce your position size gradually as the market moves against you, rather than exiting the entire position at once.

By using staggered stop losses, you manage your risk more dynamically. If the market rebounds after hitting the first stop-loss level, you still have a portion of your position to benefit from the move. On the other hand, if the market continues to move against you, your losses are controlled, but you're not exiting your position prematurely.

### Different levels of Stop Loss on each partial exit

Fully @ 5% Stop	Half @ 2.5% Stop	One-Third @ 2.5% Stop
	Half @ 7.5% Stop	One-Third @ 5% Stop
		One-Third @ 7.5% Stop
<b>Stop Loss: 5%</b>	<b>Net Stop Loss: 5%</b>	<b>Net Stop Loss: 5%</b>

In the above example, if you would have kept staggered stops at 2.5% and 7.5% each, you would have made money on your entire position even if the first tranche was exited at a loss.



In the end, your loss remains the same, but with staggered stops, you give yourself a better chance to stay in the game for the rebound.



The concept of Staggered Stop Loss is taken from **Mark Minervini's Book - 'Think & Trade Like a Champion'**. One must read all his books to become a better trader.



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New Listing this Week

# Premier Energies Limited

NSE: PREMIERENE

**Sector:** Power  
**Industry:** Renewable Energy Equipment & Services  
**Market Cap:** ₹49,402 crores  
**Issue size:** ₹2,830 crores, of which ₹1,539 crores was Offer for Sale  
**IPO price:** ₹450

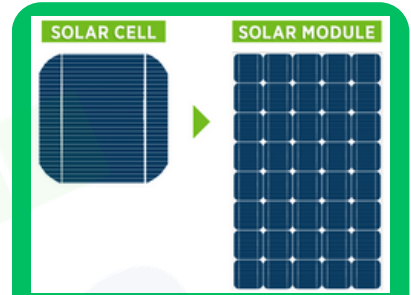
**PREMIERENE** is one of India's leading integrated solar cell and solar module manufacturer with around three decades of experience. Additionally, it provides EPC solutions, O&M services and has a 2MW solar power plant.

-  **4th largest** in terms of solar module manufacturing capacity
- 2nd largest** in terms of solar cell manufacturing capacity

There are a very few **integrated** solar cell and module manufacturing plants in India, and Premier Energies is the second largest after Adani group's Mundra Solar.



**5 manufacturing facilities** in Hyderabad  
**Installed capacity: 2GW for solar cells and 4.13GW for solar modules**  
**Plans** to increase the solar cell capacity further by 4GW and solar modules capacity by 4GW.

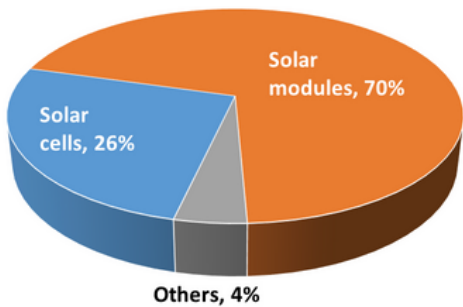


While module manufacturing is more of an assembly process, cell manufacturing, on the other hand, is the most complex process in the solar manufacturing value chain with extensive utilities management.

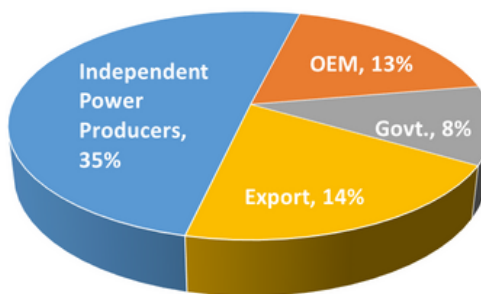
India's solar cell manufacturing capacity is still very low at just 8GW and Adani group's Mundra Solar has 50% of it, while PREMIERENE has 25%.

**Order Book** as on July 31, 2024: ₹5,927 crores

Revenue Breakdown by Product

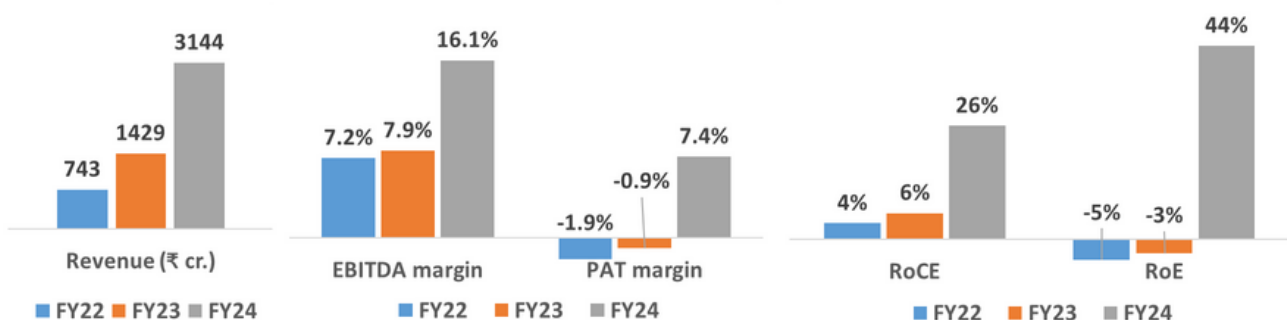


Revenue Breakdown by Customer



In FY24, the Company imported ~61% of its raw materials, of which ~48% was from China.

### Key Financials



New Listing this Week

# Ecos (India) Mobility & Hospitality Limited



**NSE: ECOSMOBLTY**

**Sector:** Misc.  
**Industry:** Misc.  
**Market Cap:** ₹2,633 crores  
**Issue size:** ₹601 crores. Entire IPO is Offer for Sale  
**IPO Price:** ₹334



In a highly unorganized transportation industry, **ECOS** is largest organized chauffeur driven mobility provider to corporates in India. It provides chauffeured car rentals (CCR) and employee transportation services (ETS).

Pan India presence in 109 cities	Over 1,100 corporate clients	More than 8,400 daily trips	Fleet of over 12,000 vehicles	<b>Asset Light Model</b> Only 6% fleet is owned Rest is sourced from vendors

**Business Divisions**

**Chauffeured Car Rentals (CCR)**

It's a B2B2C business, where customers are corporates and end consumer is employee of that corporate.

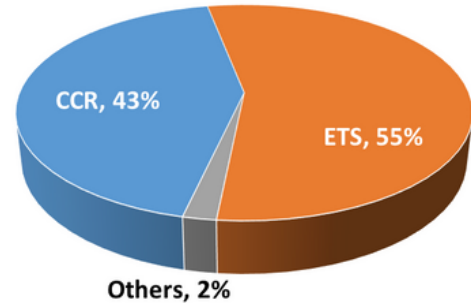


**Employee Transportation Services (ETS)**

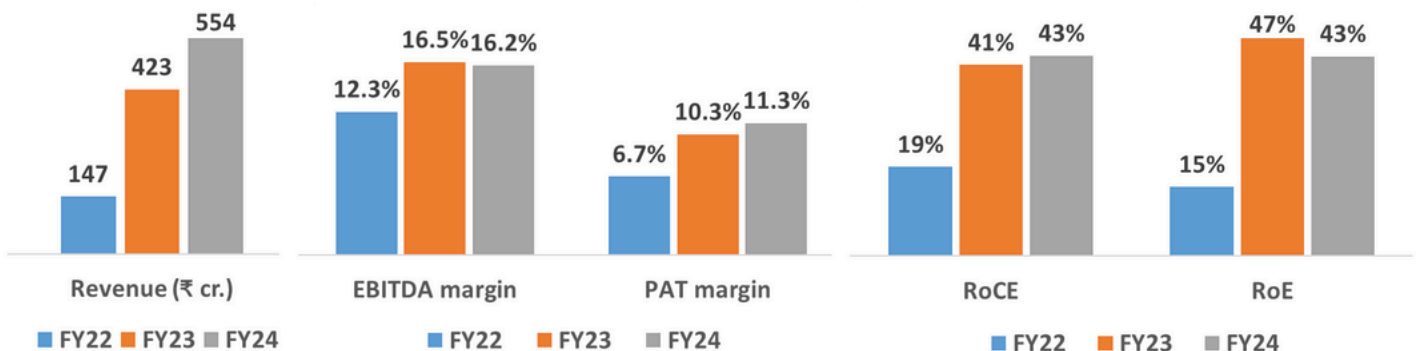
Again, customers are corporates, but the business revolves around pick up and drop of employees from home-office-home.



**Revenue Breakdown**



**Key Financials**



New Listing this Week

# Bazaar Style Retail Limited

NSE: STYLEBAAZA



**Sector:** Retail  
**Industry:** Retail  
**Market Cap:** ₹2,984 crores  
**Issue size:** ₹835 crores, Entire IPO is Offer for Sale  
**IPO Price:** ₹389



Bazaar is an East-India based value fashion retailer, with over 162 stores spread across over 1.47 million sq. ft. area. Its stores are run under the name 'Style Bazaar', predominantly in Orissa and West Bengal.



East India presence with 162 stores



162 stores, with over 1.47 mn. sq. ft. area



Avg. store size of 9,046 sq. ft.

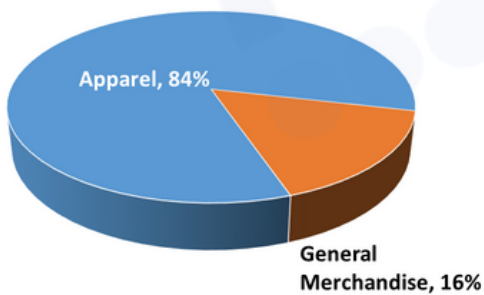


Sales per sq. ft. of ₹7,758

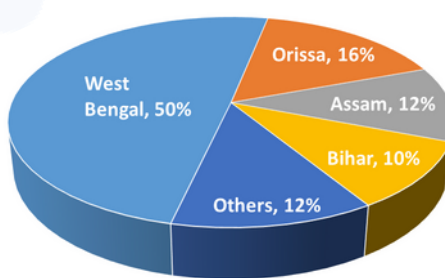


Company boasts of pre-IPO investors including late **Rakesh Jhunjunwala**, Kewal Kiran Clothing Limited, promoter of Haldirams, family office of Supreme Industries, amongst others.

Revenue Breakdown by Product



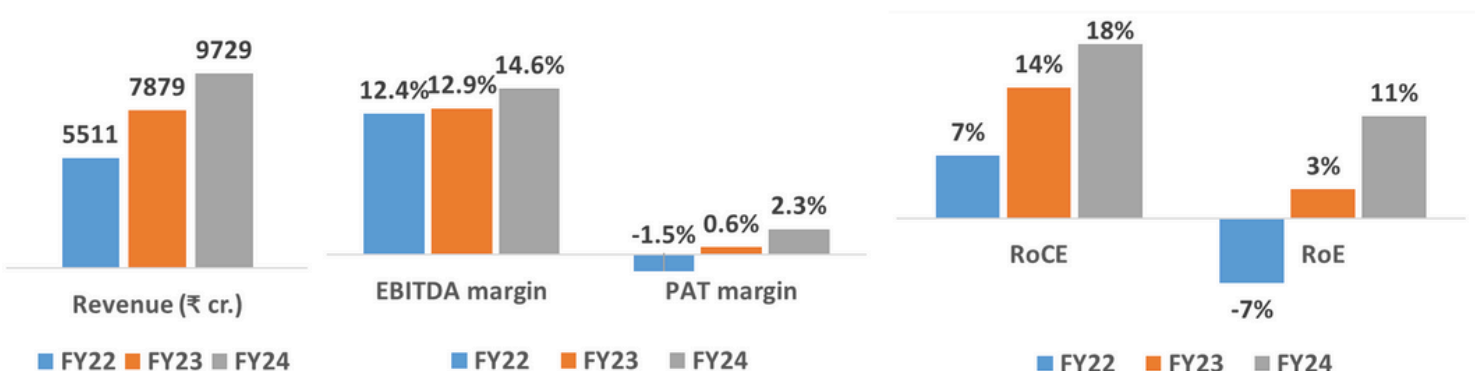
Revenue Breakdown by State



Company is focusing on private label brands to increase margins. These private label brands grew at a CAGR of over 60% in last two years and contributed 37% to Revenue in FY24. Its top brand 'Square Up' contributed over ₹100 cr.



Key Financials





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#### Contact:

 [www.pro-setups.com](http://www.pro-setups.com)

 [puneet@pro-setups.com](mailto:puneet@pro-setups.com)

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