



ALL STAR CHARTS

Edelweiss Emerging Ideas Conference 2020

Technically Speaking | Deciphering Signals From Intermarket Linkages

JC Parets. Tom Bruni. Aayush Munjal.



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The Top/Down Approach

All Asset Classes

International Stock Market Indexes

India Stock Market Indexes

India Sectors & Industries

India Stocks

\$\$\$\$

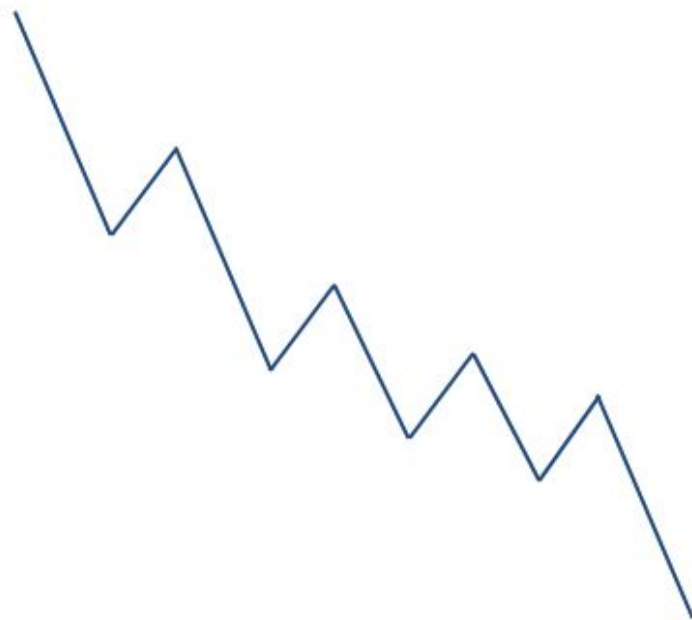
Our Primary Tools/Techniques

Get Slides & More Individual Stock Setups

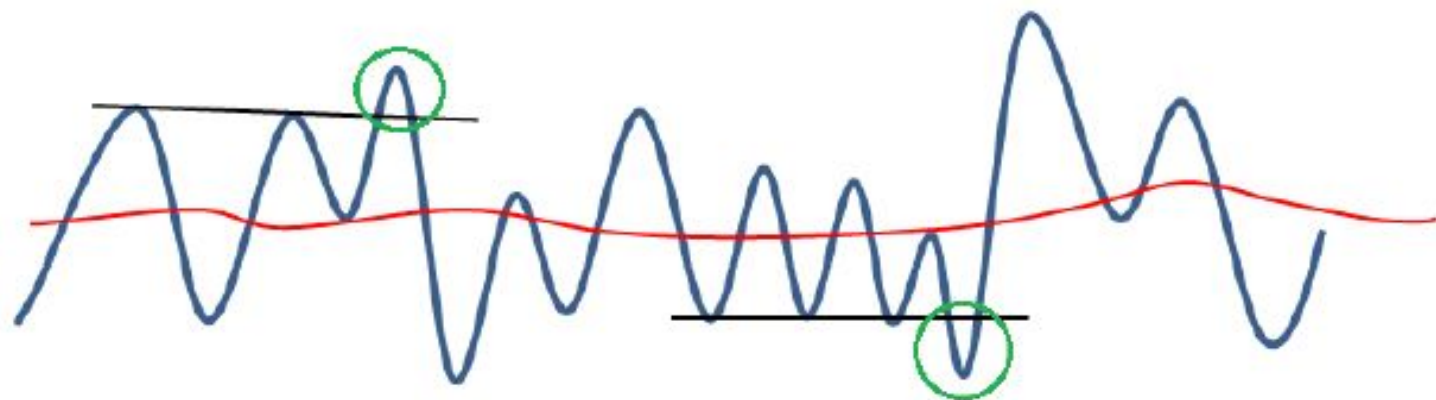
info@allstarcharts.com

Secret Code: Mango

Trend Identification
Momentum
Relative Strength
Fibonacci



Flat 200-Period
Moving Averages =



Momentum

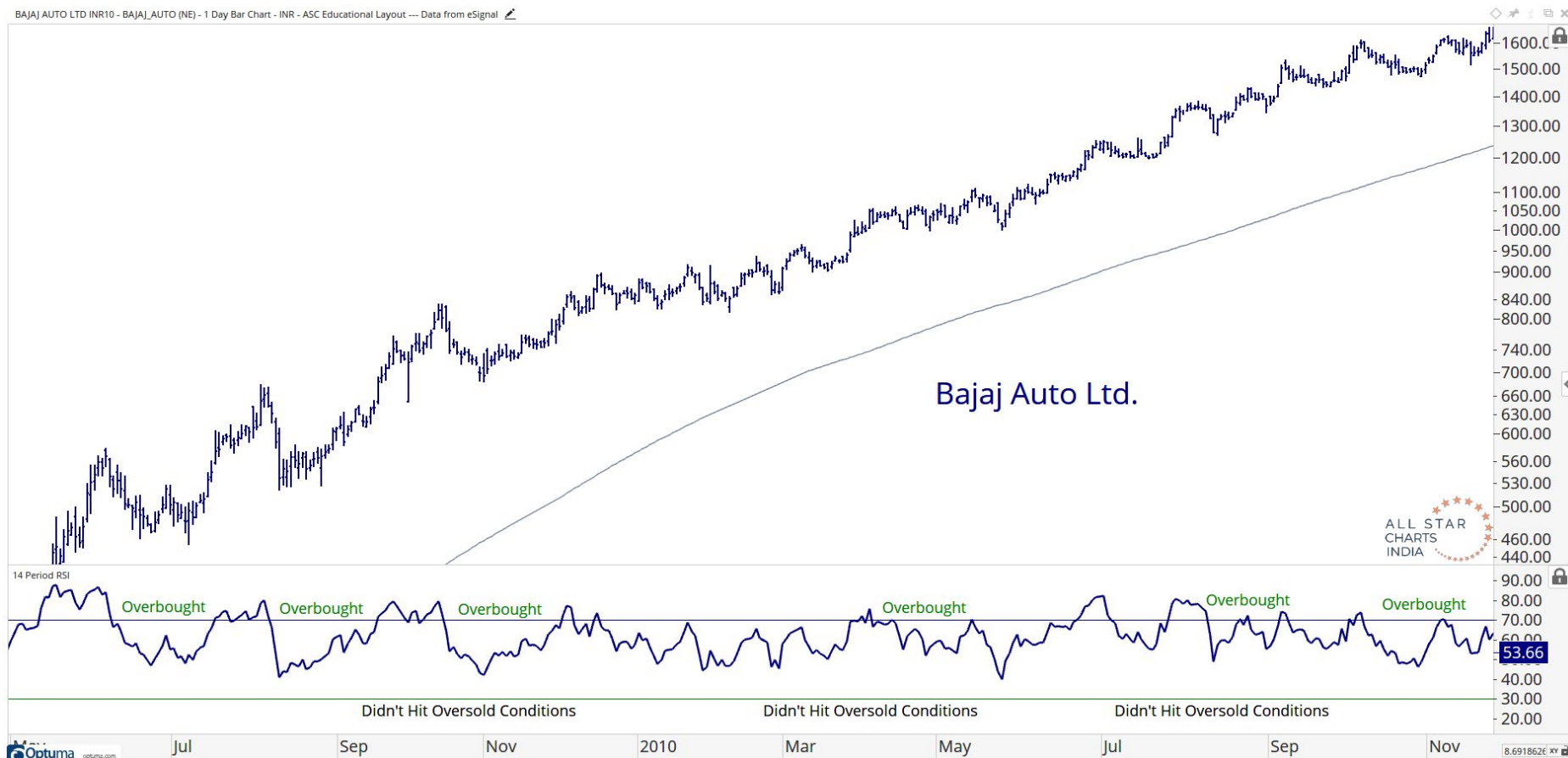
- Relative Strength Index (14 Period RSI)
- Different from “Relative Strength”
- 14 “Period” = 14 Day RSI or 14 Week RSI
- Oscillator = Indicator Readings 0-100

Bull



Bear





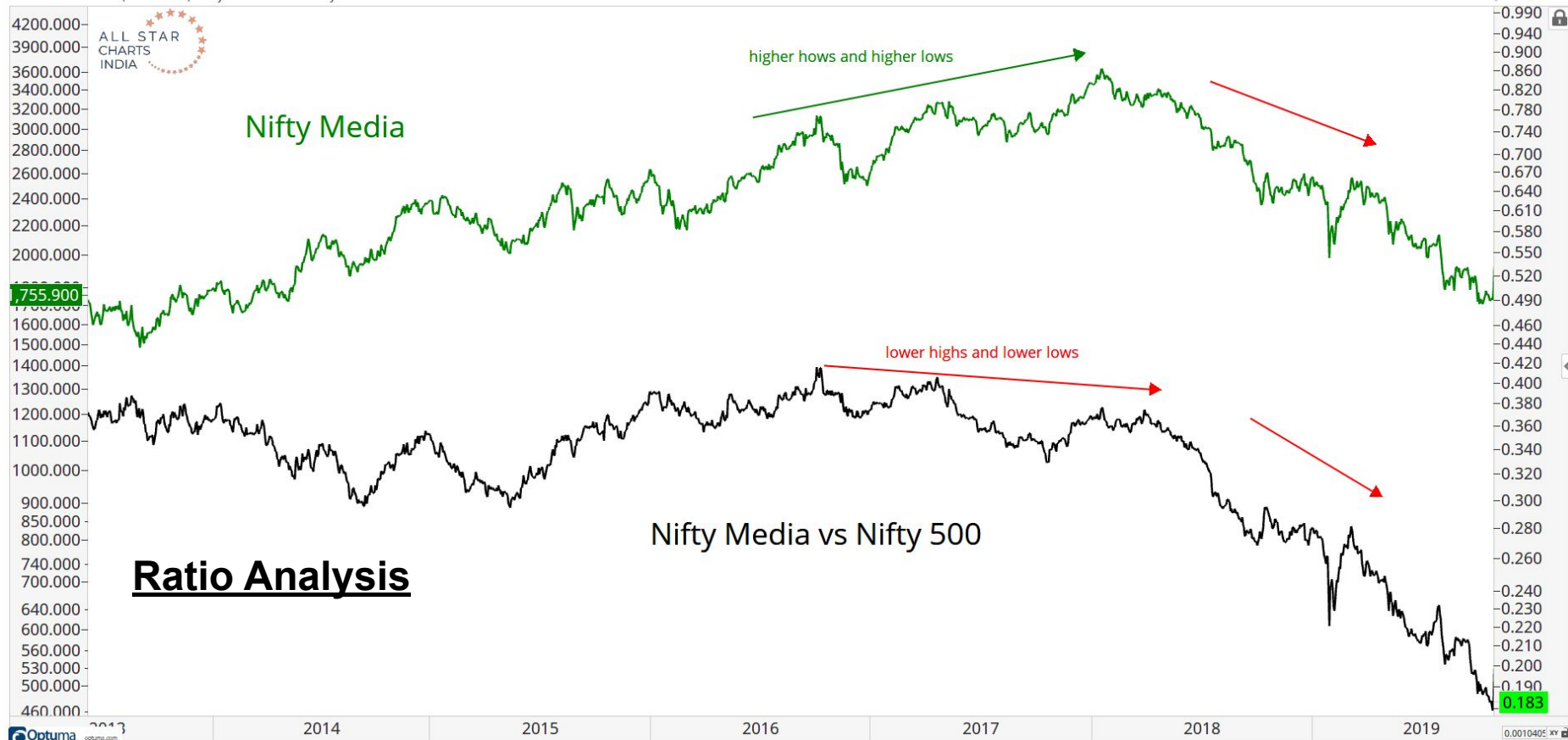
Wockhardt Pharma

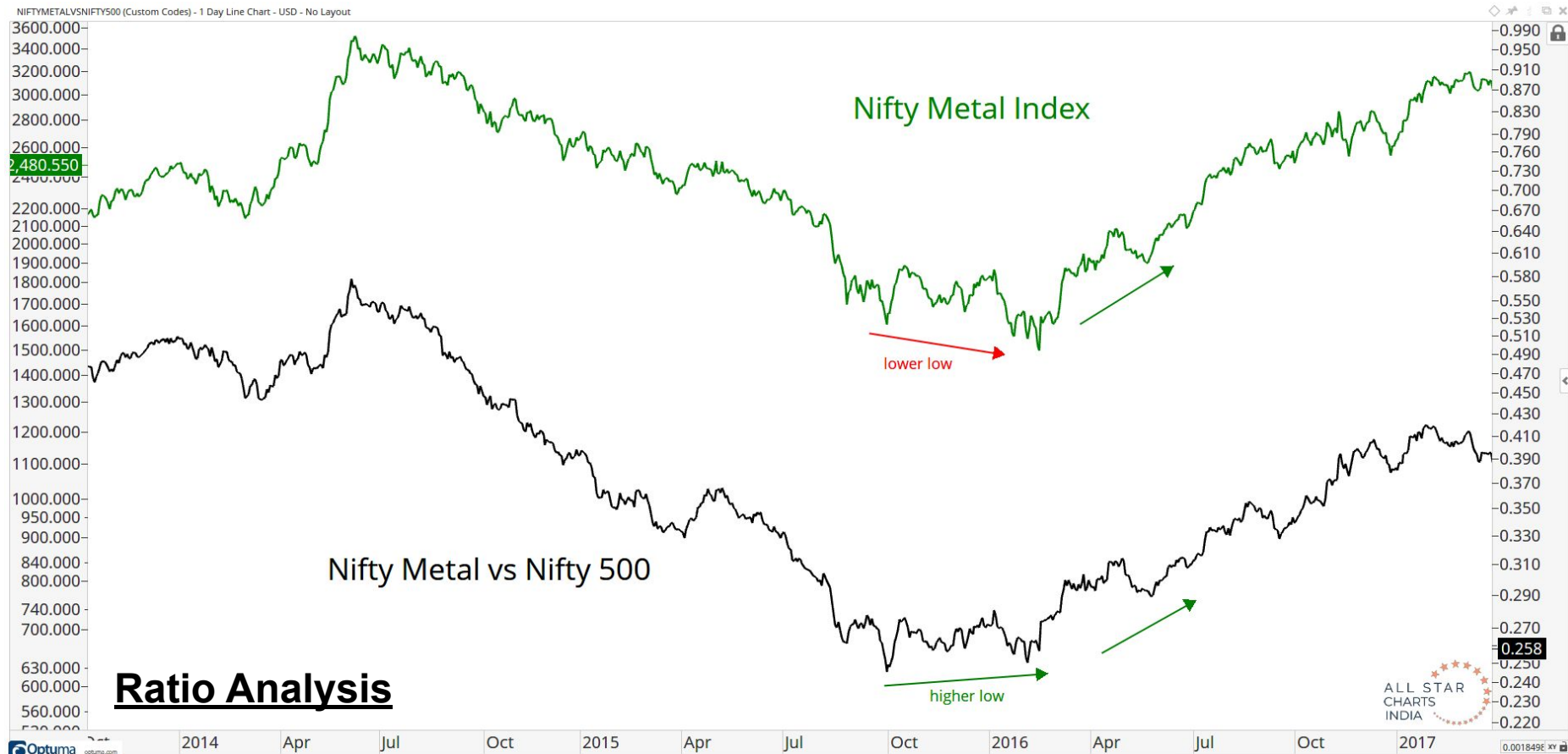












The Golden Ratio

1, 1, 2, 3, 5, 8, 13, 21, 34, 55, 89, 144, 233, 377, 610, 987, 1597, 2584

$$34 / 55 = 0.618$$

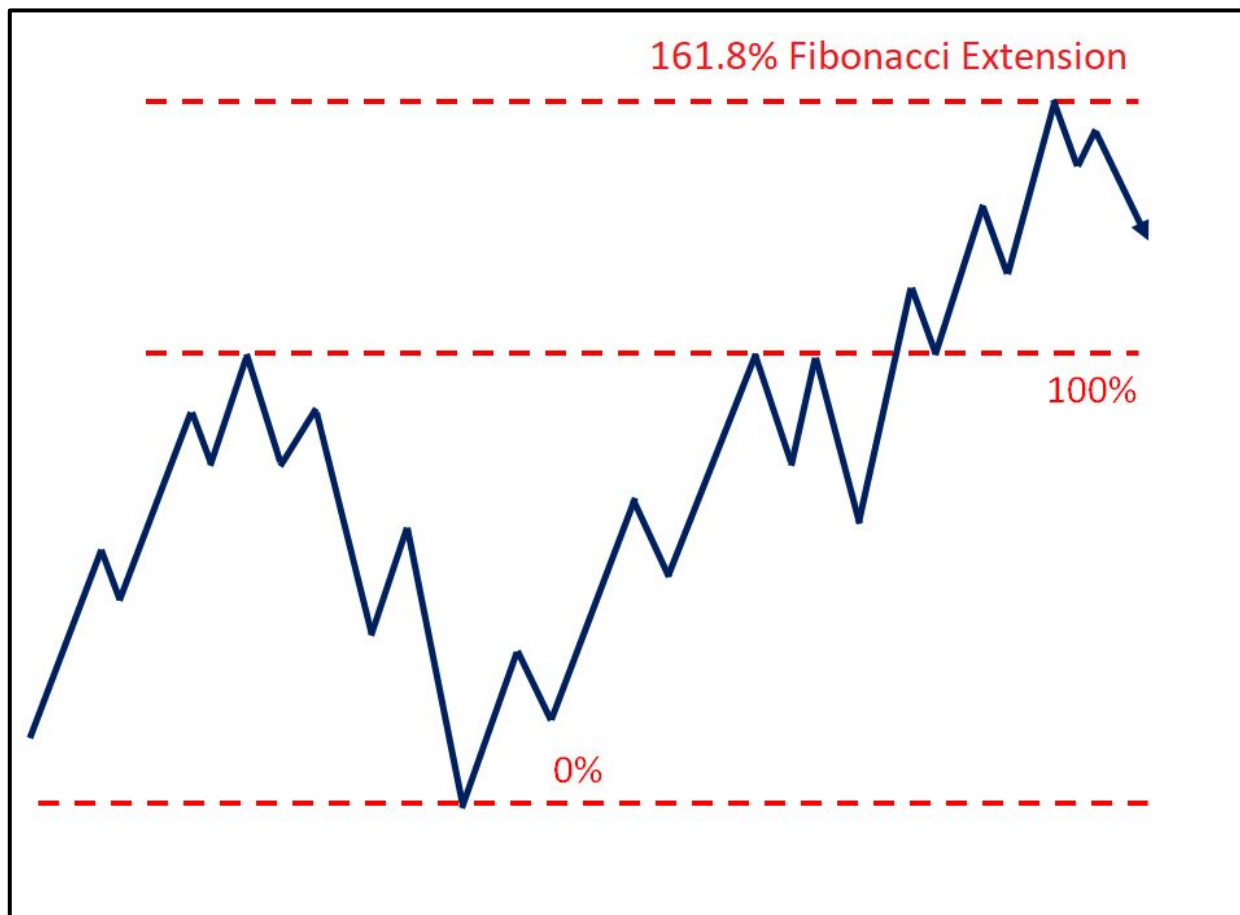
$$610 / 987 = 0.618$$

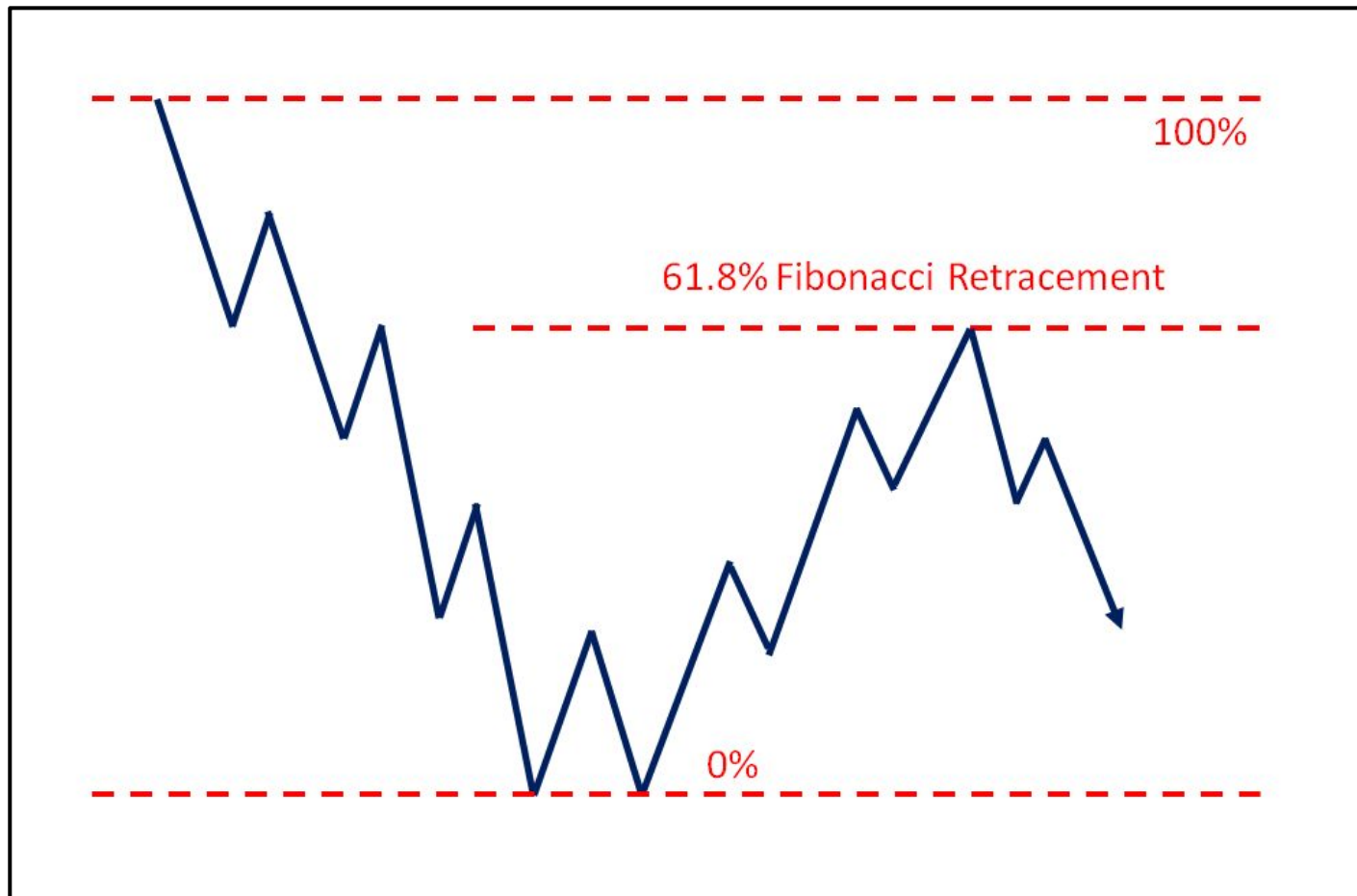
The Golden Ratio

1, 1, 2, 3, 5, 8, 13, 21, 34, 55, 89, 144, 233, 377, 610, 987, 1597, 2584

$$89 / 55 = 1.618$$

$$377 / 233 = 1.618$$

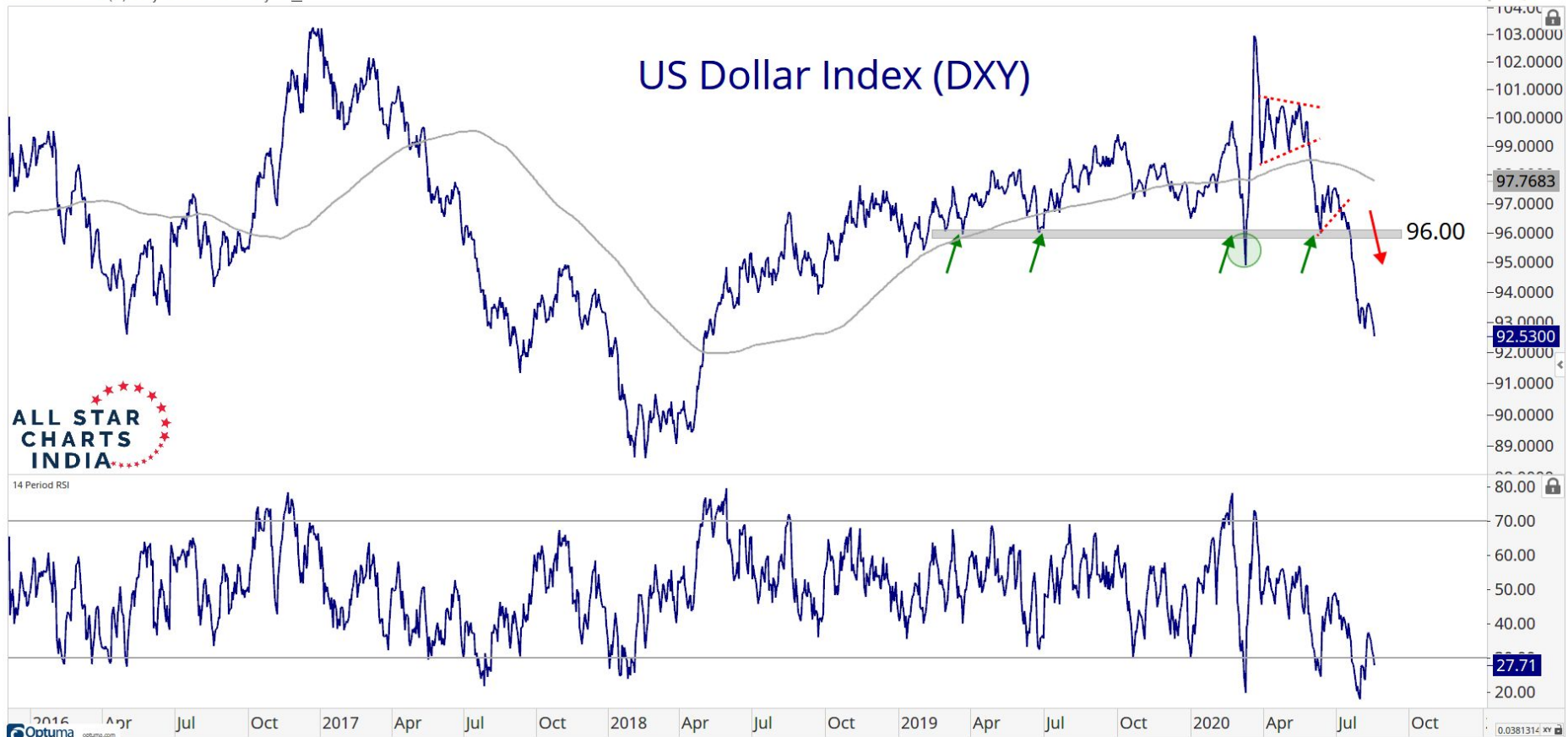


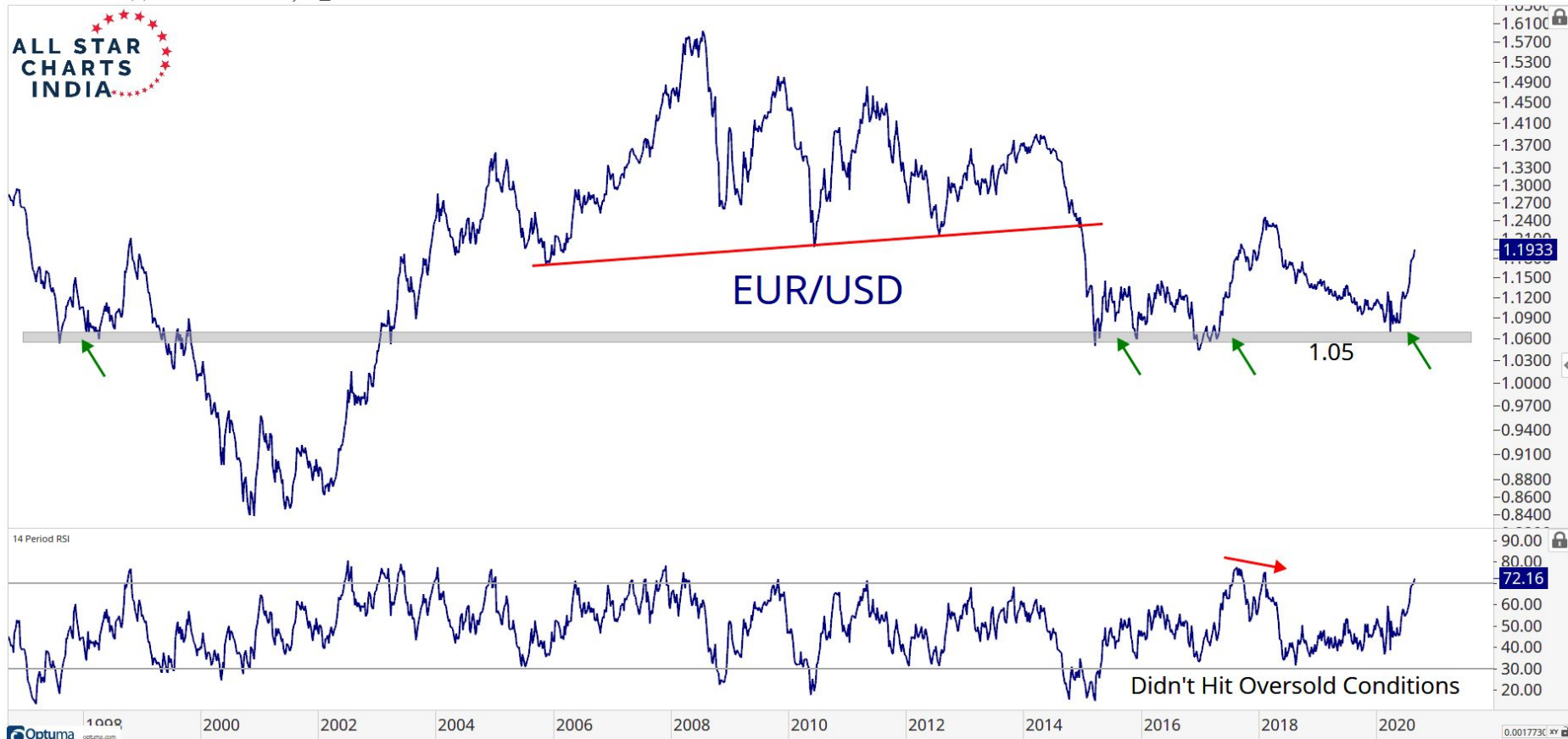


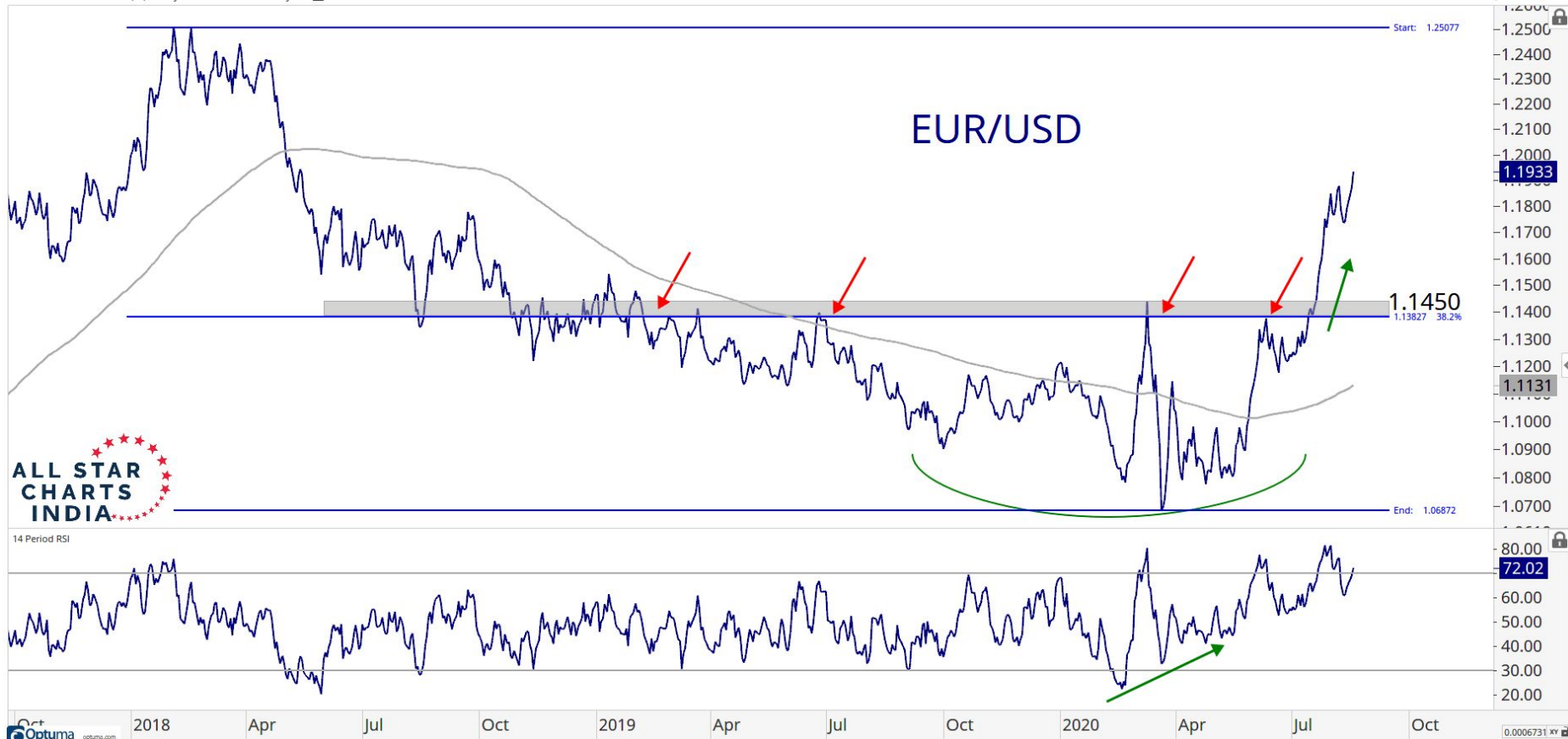
<https://allstarcharts.com/education-india/>

**Commodities / Currencies /
Fixed Income**

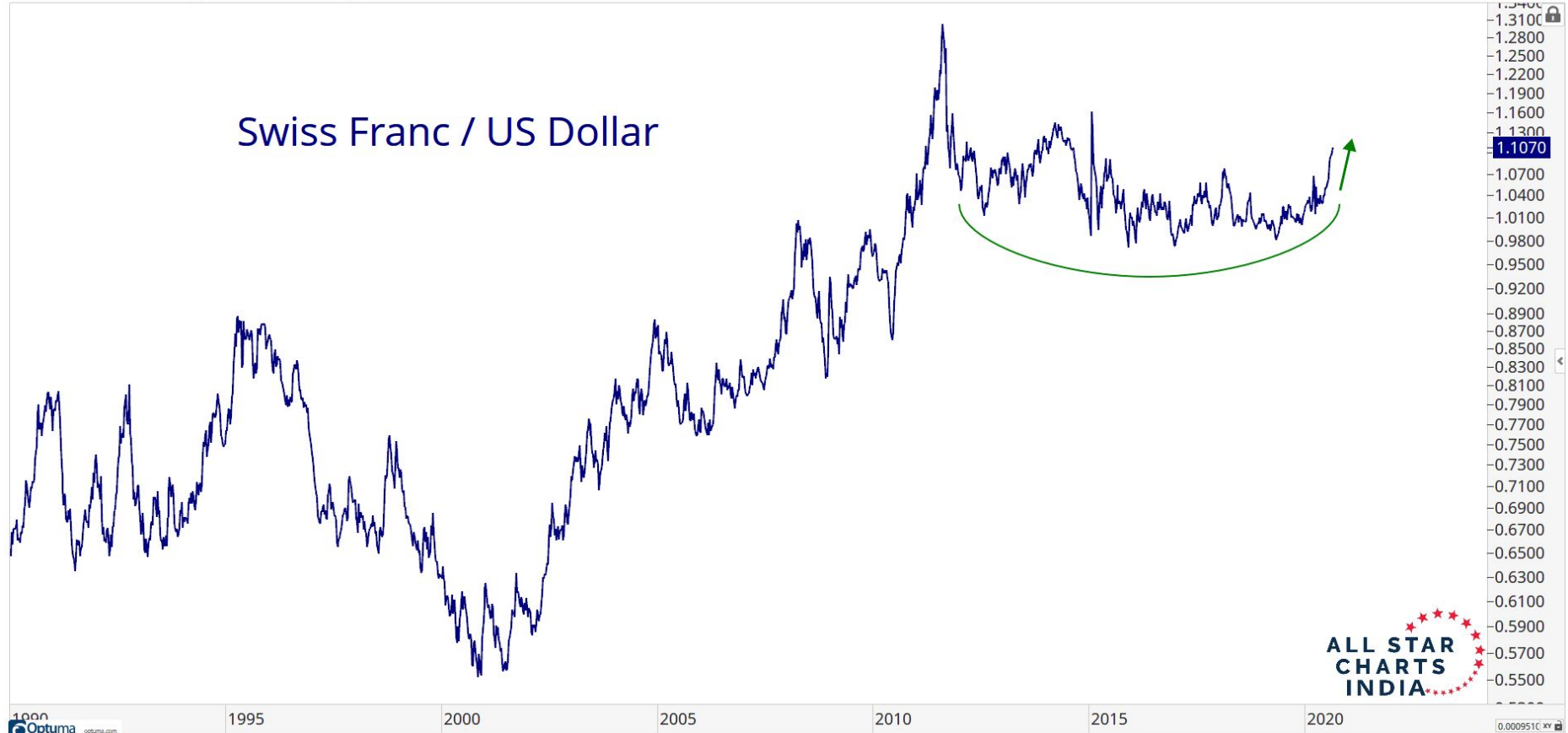
Theme 1: US Dollar Weakness







Swiss Franc / US Dollar

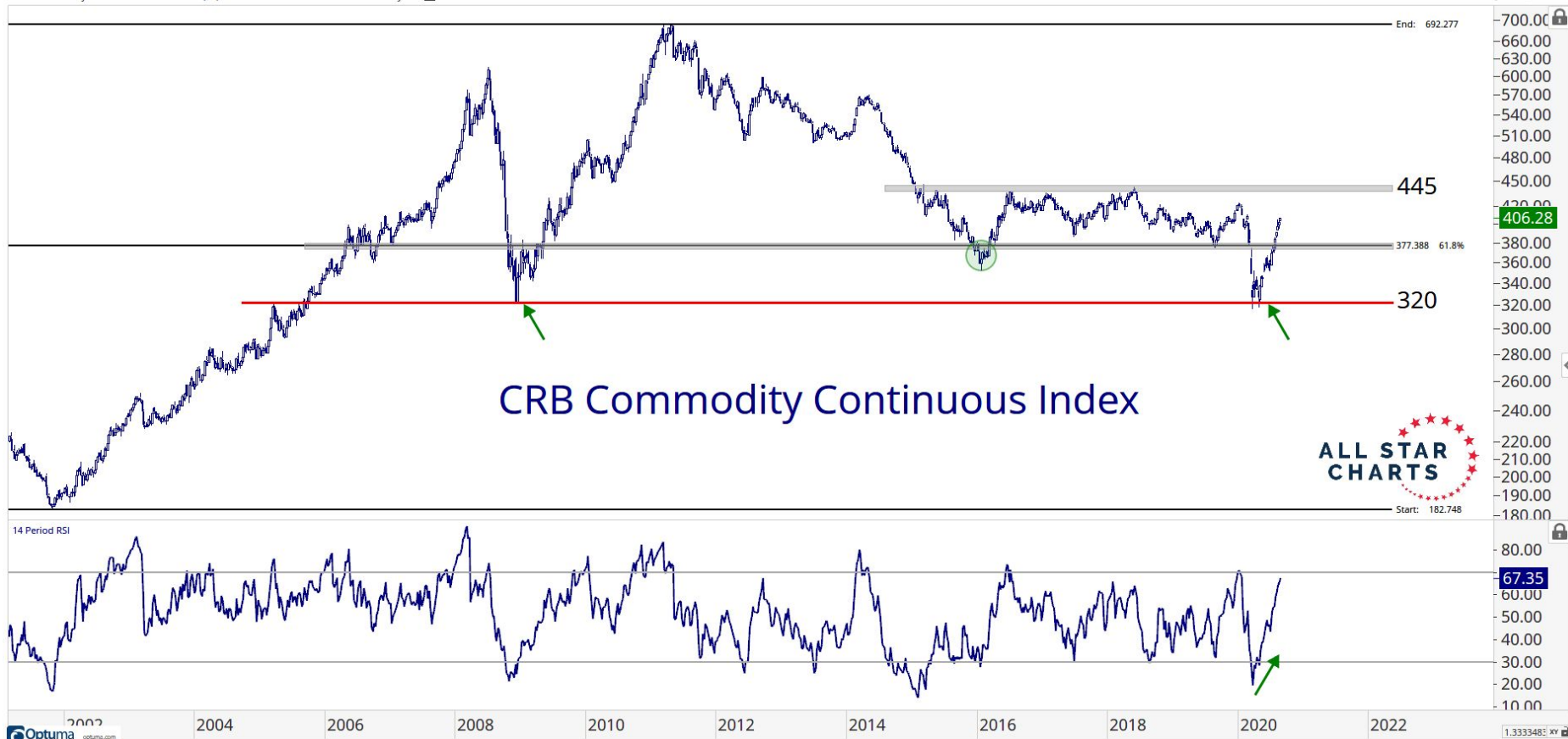


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Theme 2: Commodity Reflation

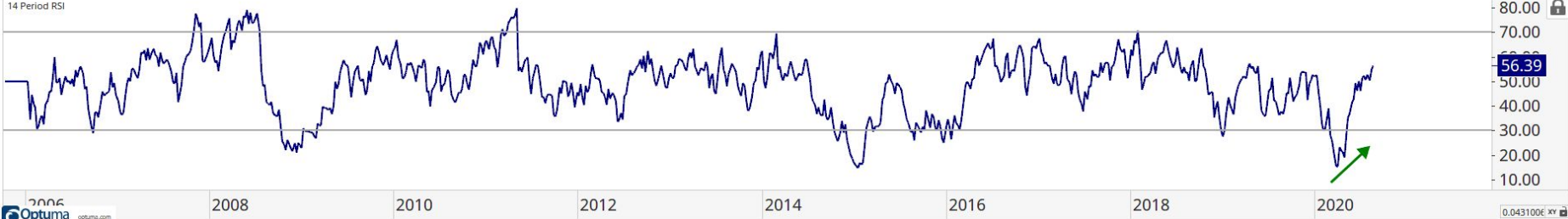




Equally-Weighted Energy Commodities (In US Dollars)

Equally-Weighted:
Natural Gas
Crude Oil
Heating Oil
Gasoline

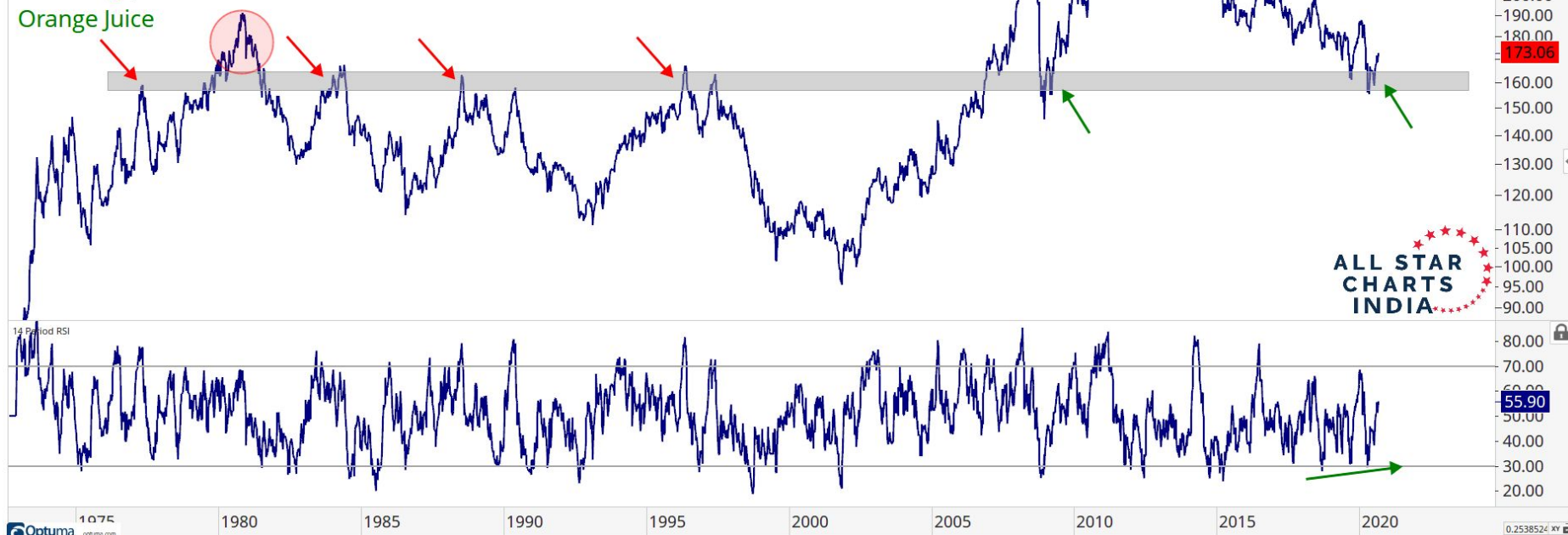
14 Period RSI



Equally-Weighted:

Corn, Soybeans,
Live Cattle, Sugar,
Cotton, Cocoa,
Coffee, Wheat,
Lean Hogs,
Orange Juice

Equally-Weighted Agricultural Commodities (In US Dollars)



Equally-Weighted:

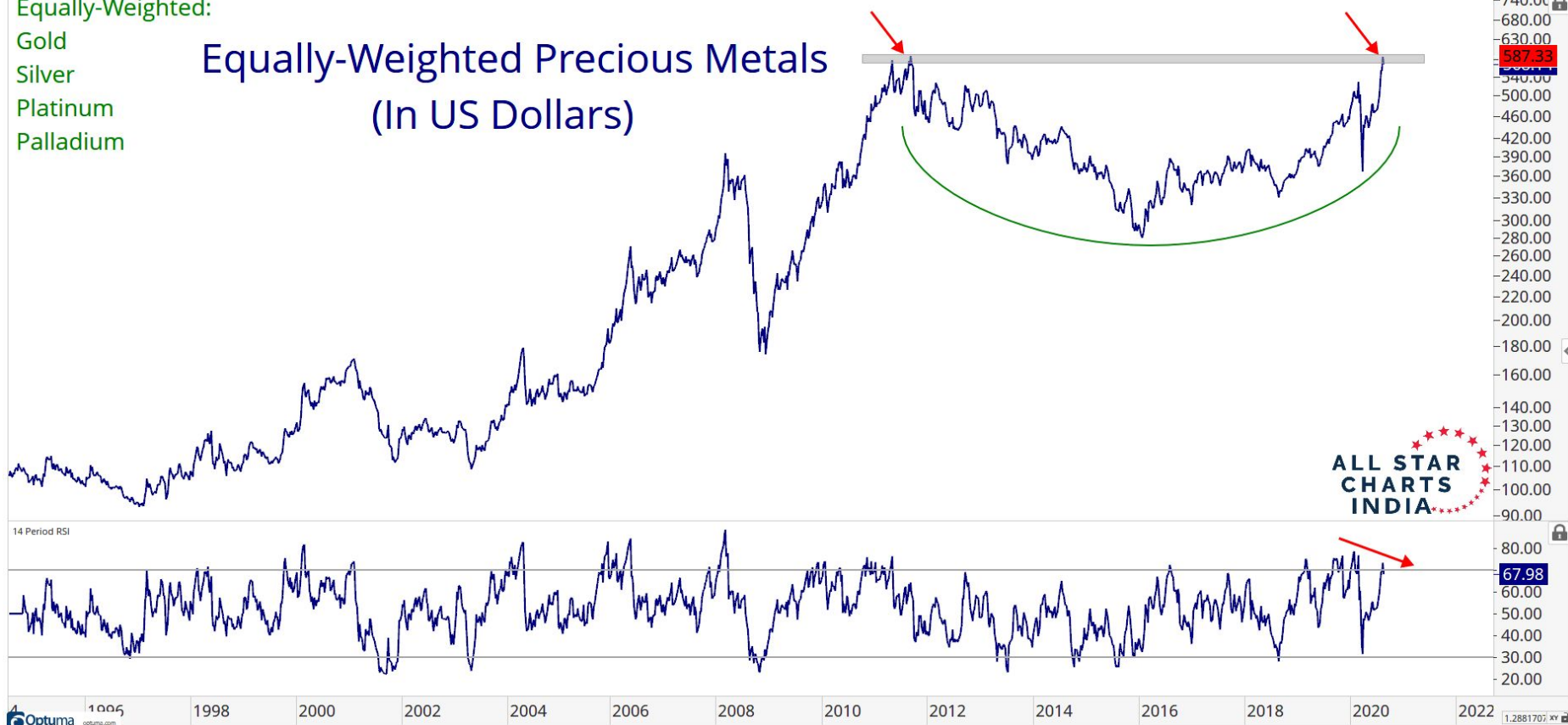
Gold

Silver

Platinum

Palladium

Equally-Weighted Precious Metals (In US Dollars)



Equally-Weighted:

Copper

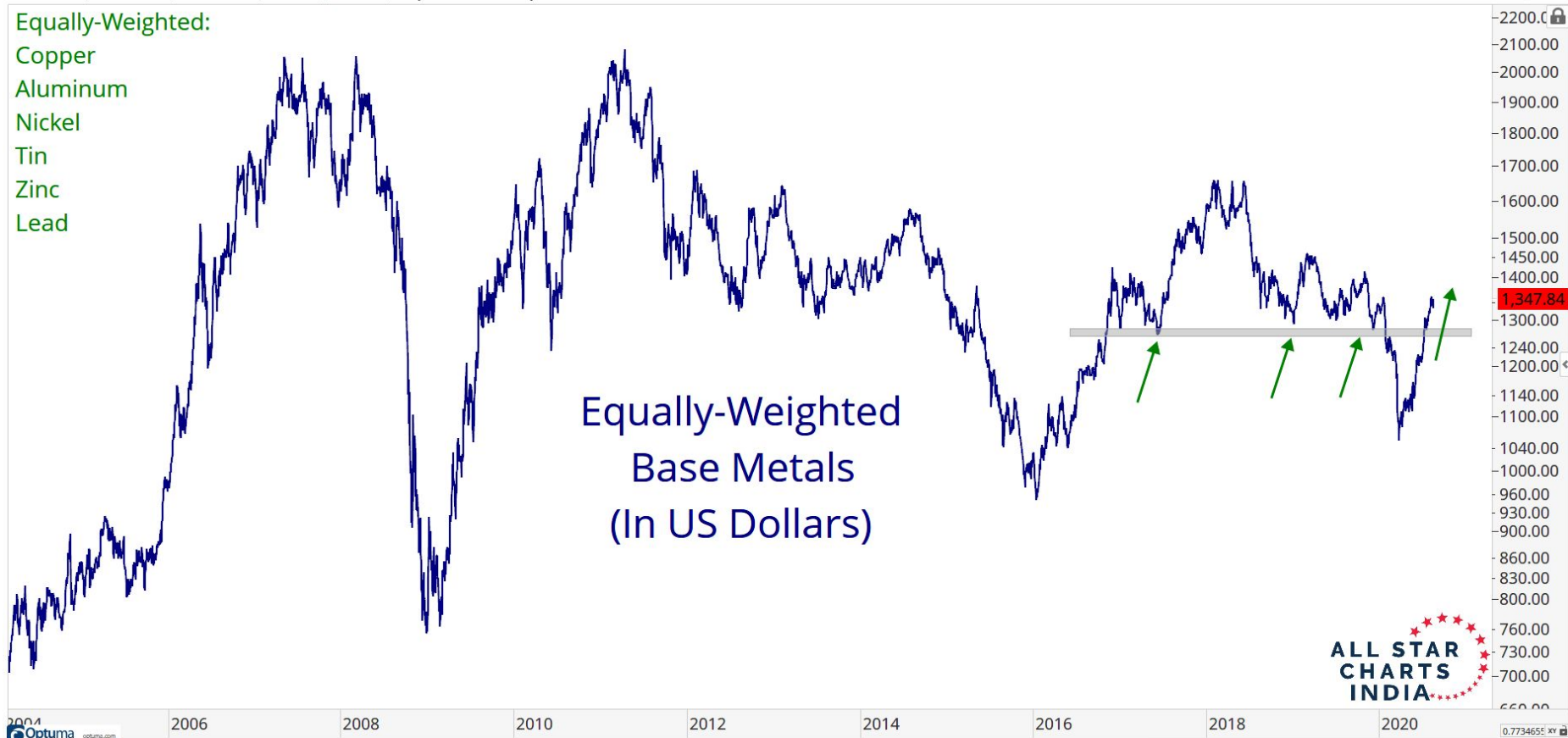
Aluminum

Nickel

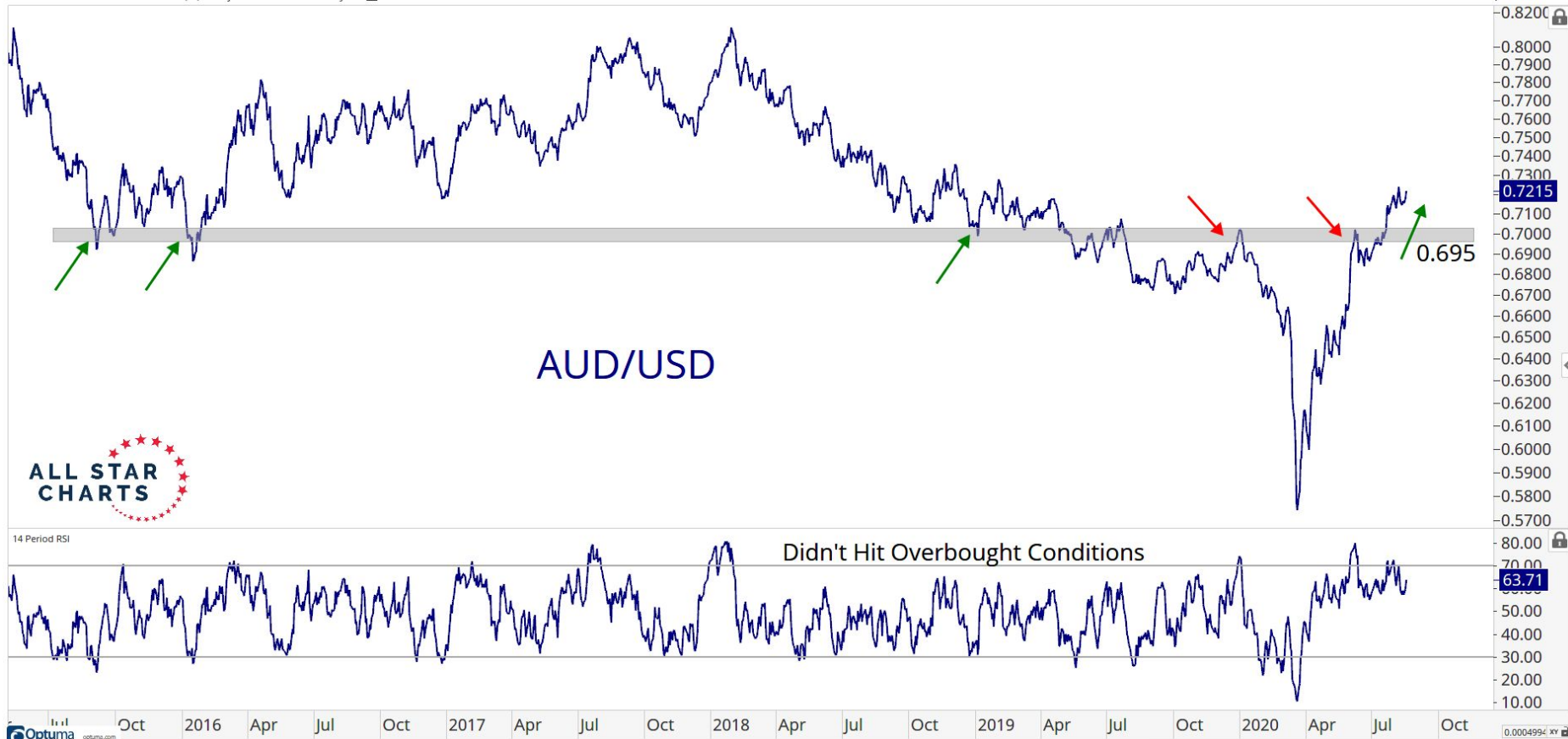
Tin

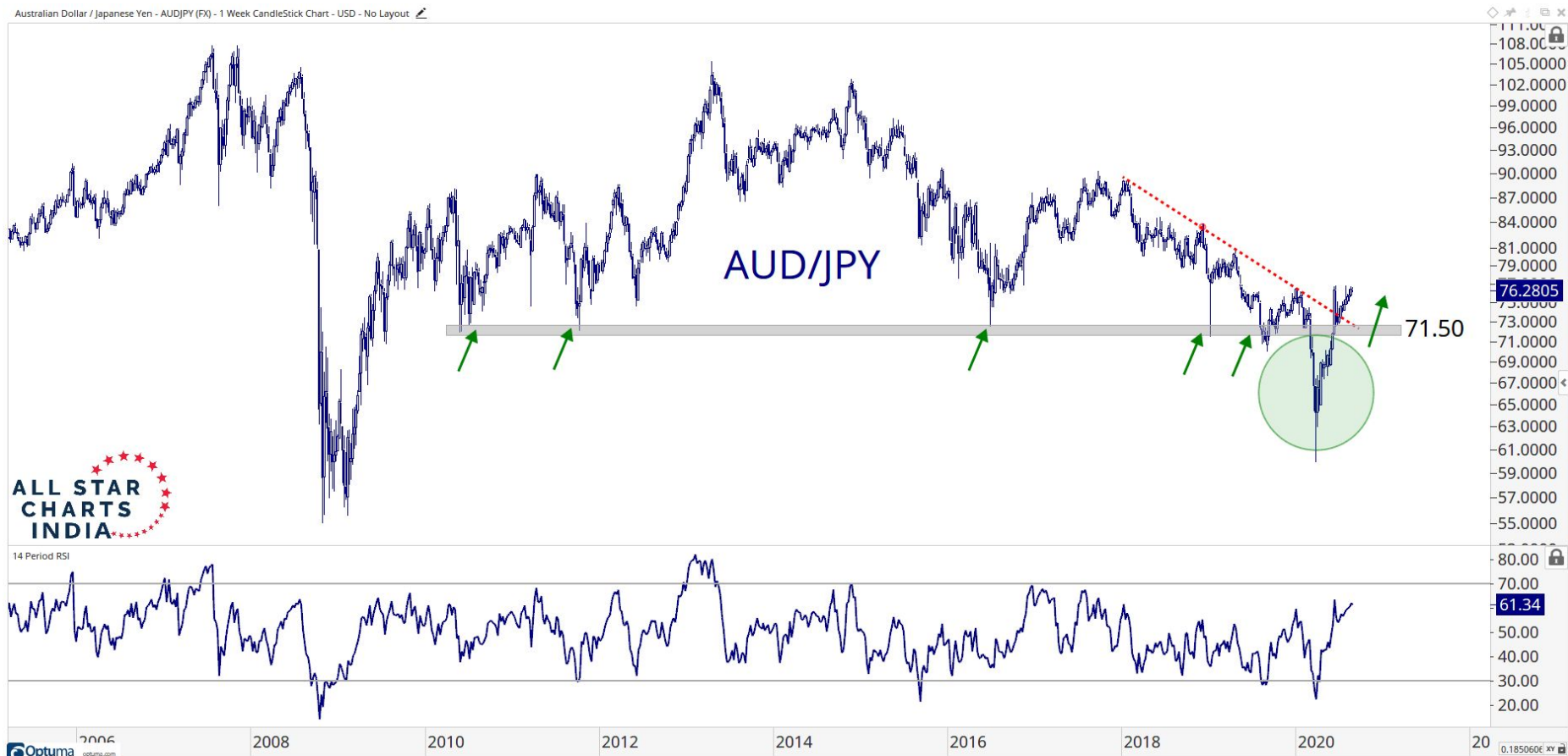
Zinc

Lead

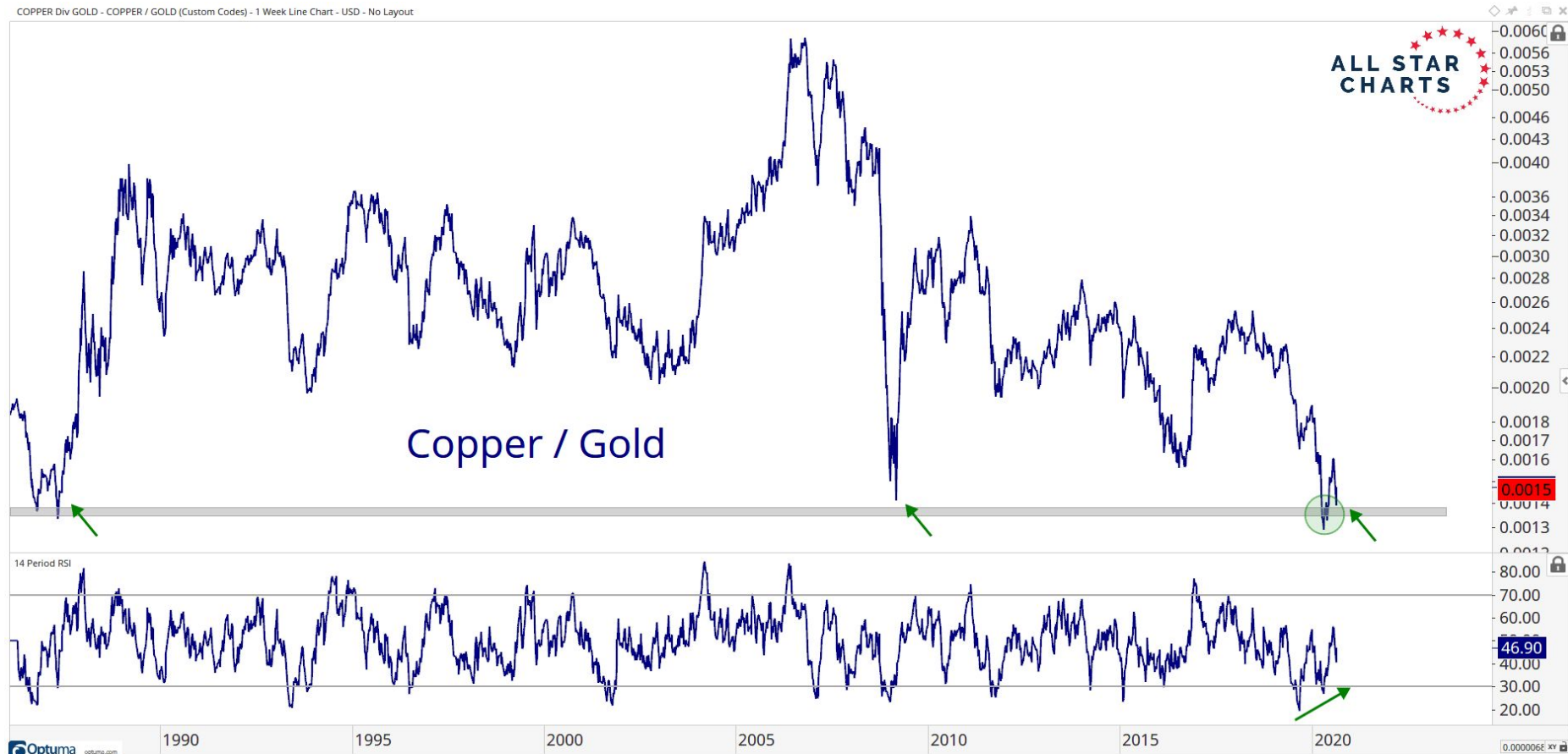






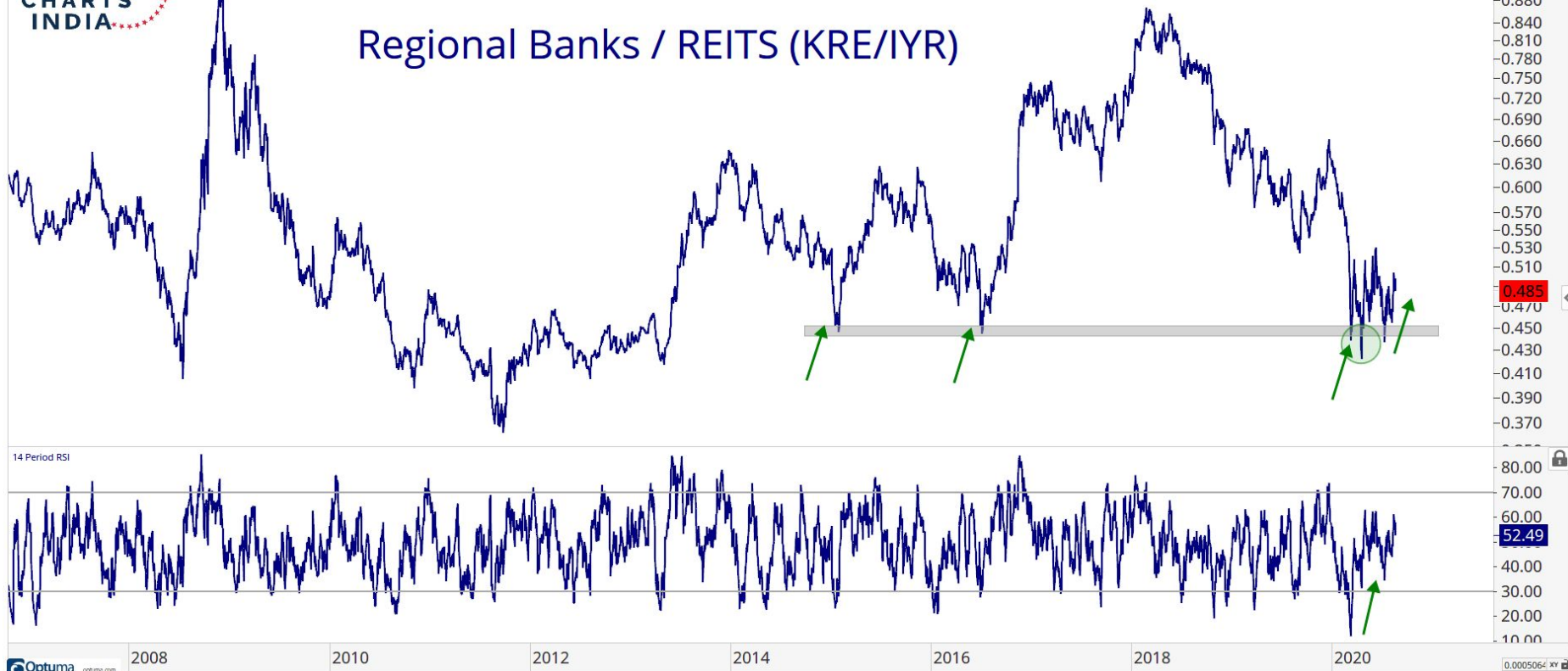


Theme 3: Potential Inflection Point In Interest Rates

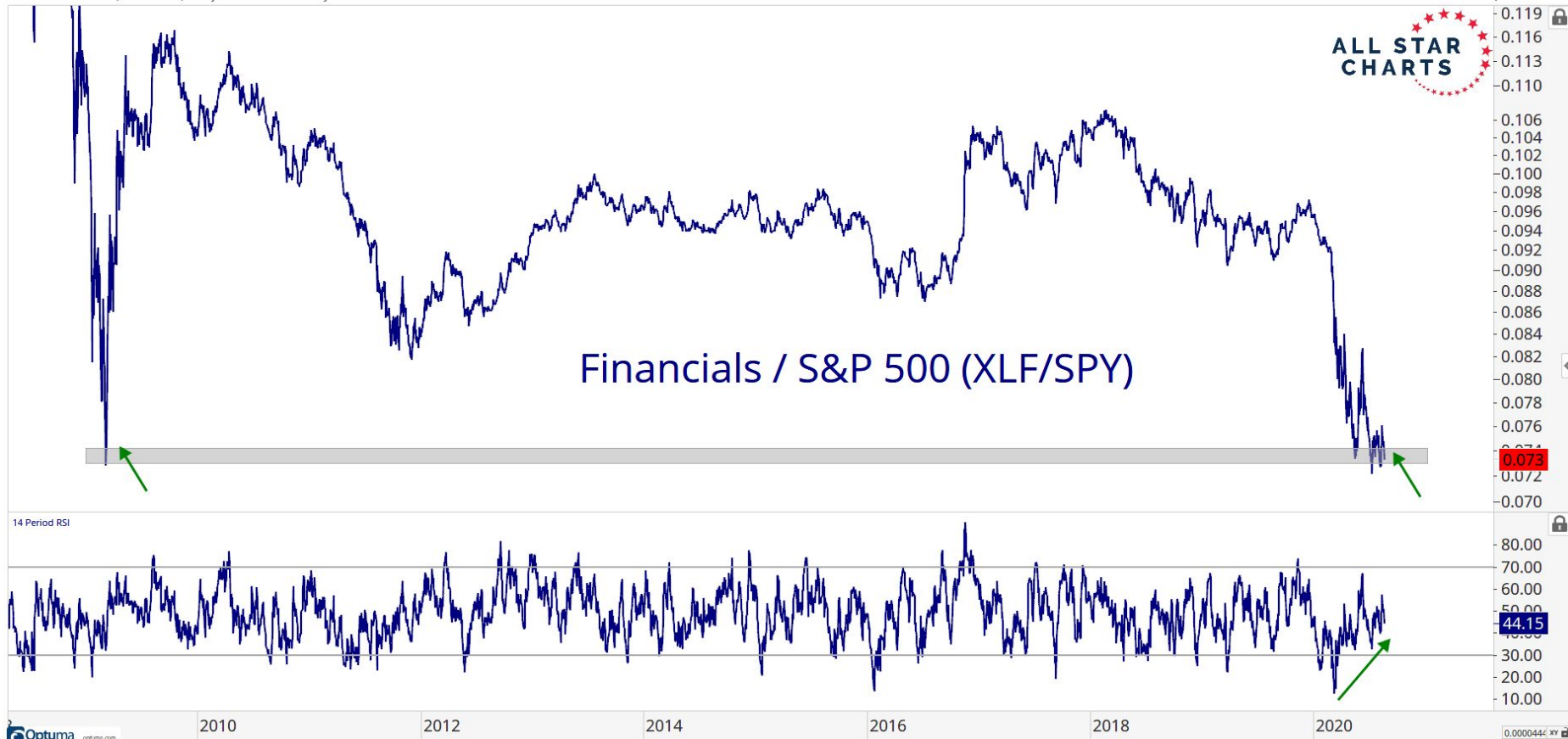




Regional Banks / REITS (KRE/IYR)



Financials / S&P 500 (XLF/SPY)



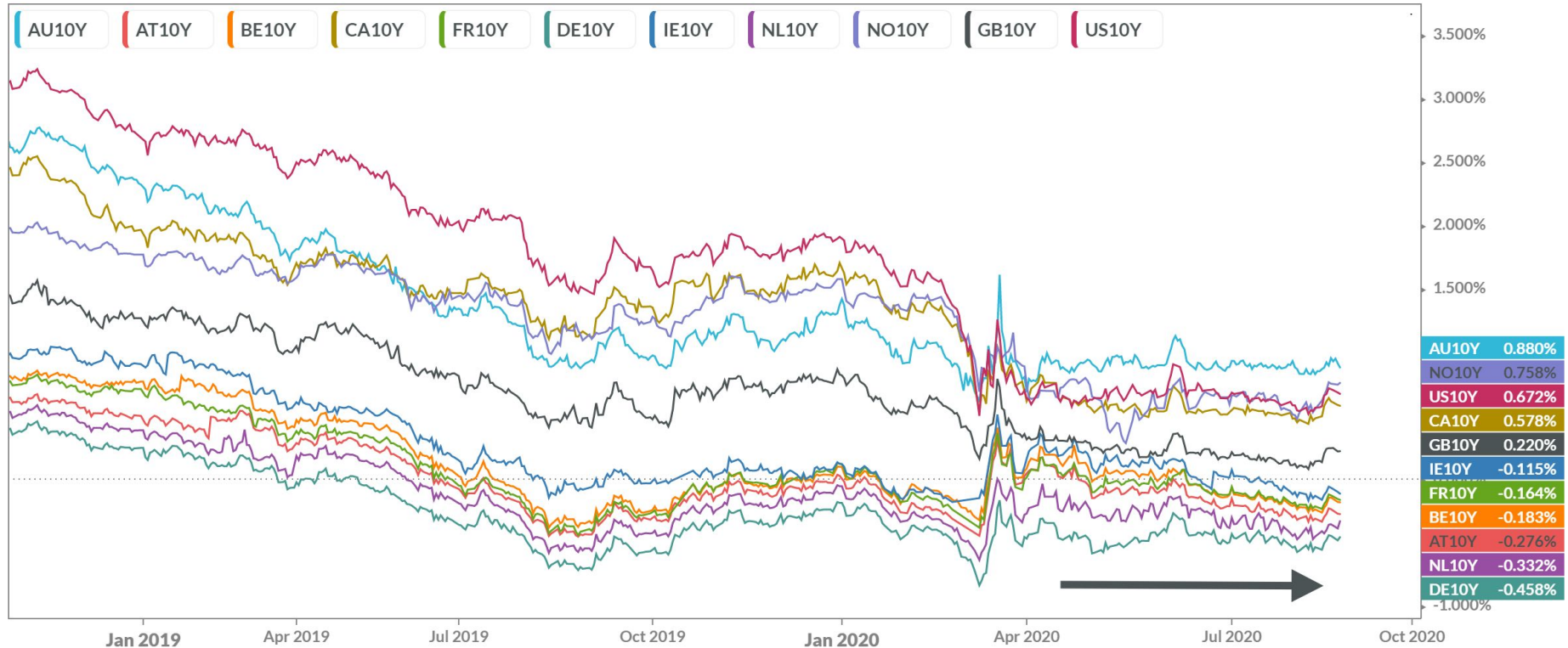
Treasury Inflation-Protected Securities (TIP)





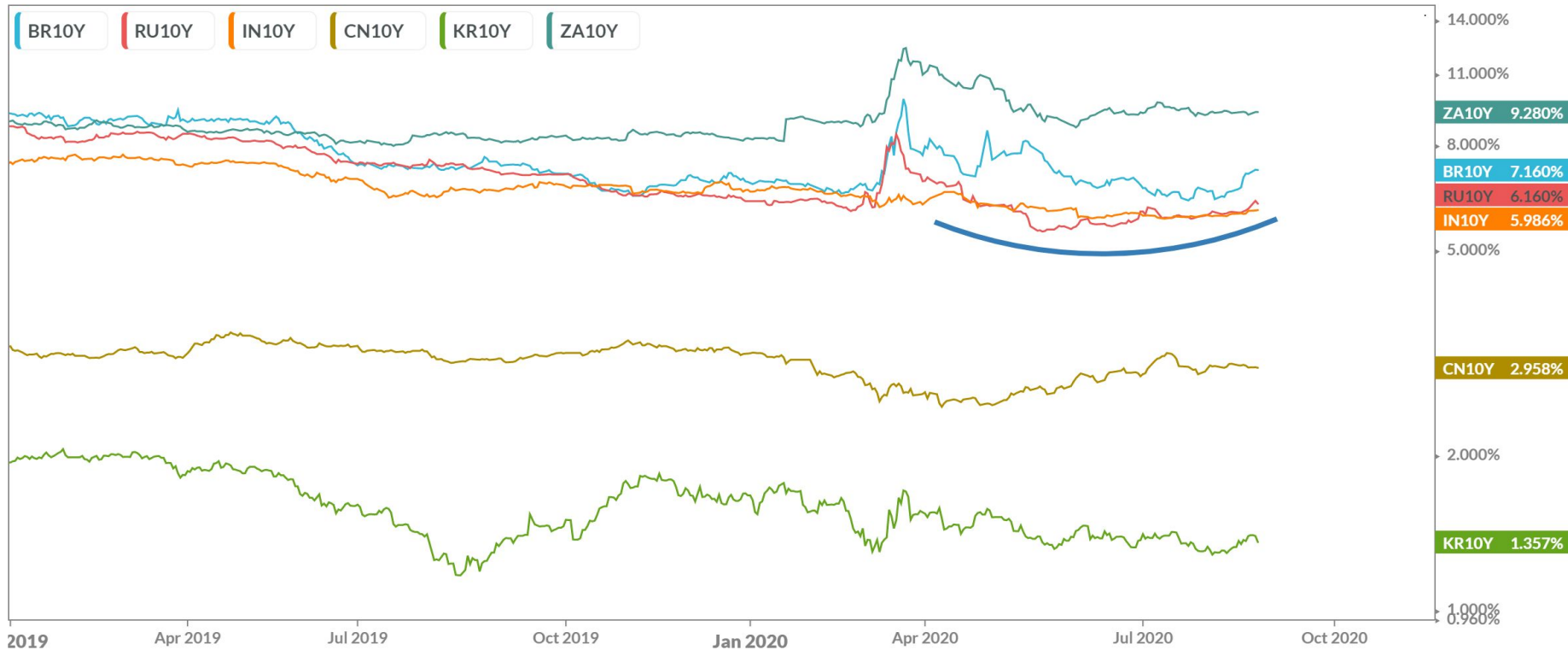


Developed Market 10-Year Yields



KOYFIN

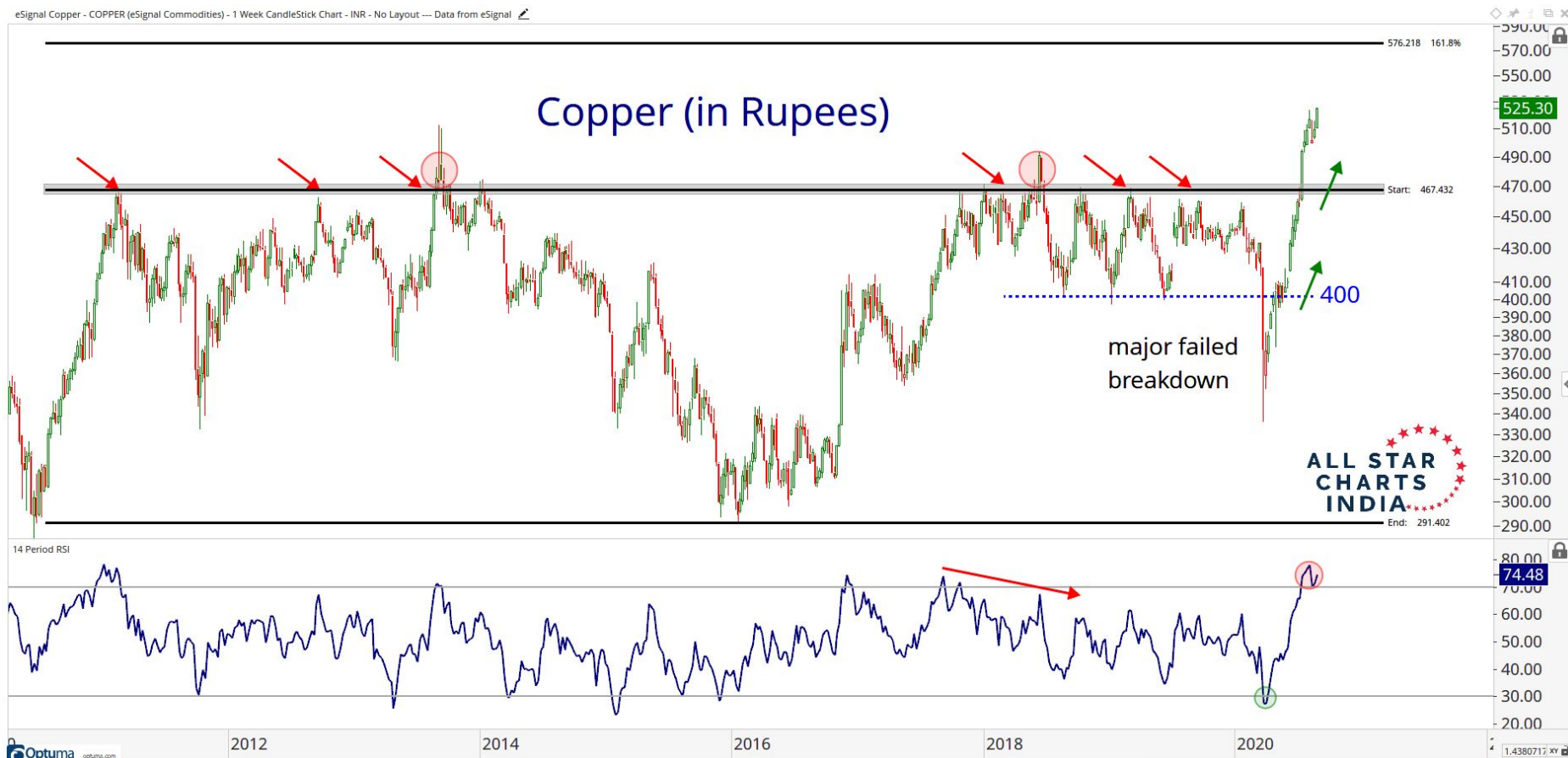
BRICKS 10-Year Yields



Indian Interest Rates



Current Trade Ideas In The FX/Commodity/Fixed Income Space





Zinc (In Rupees)



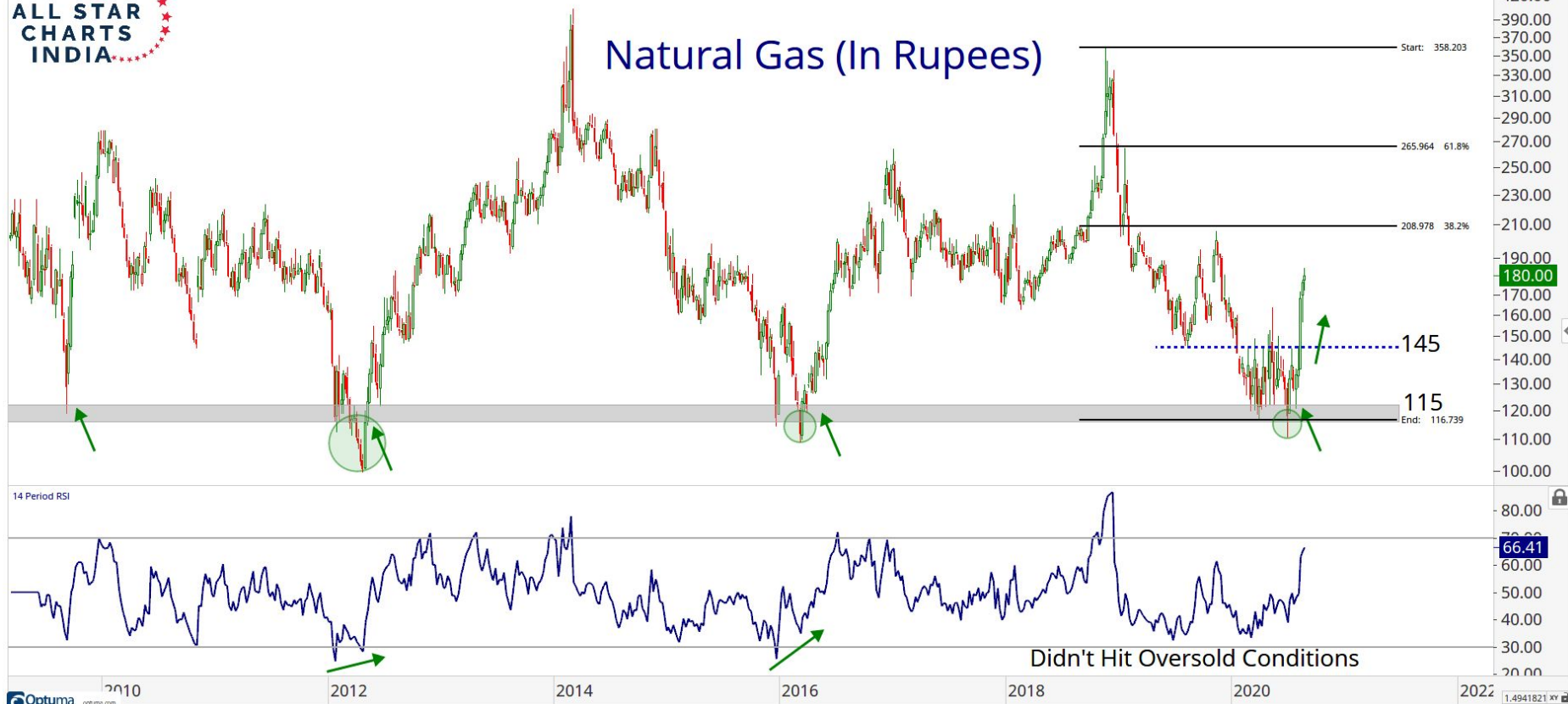
Gold (in Rupees)







Natural Gas (In Rupees)

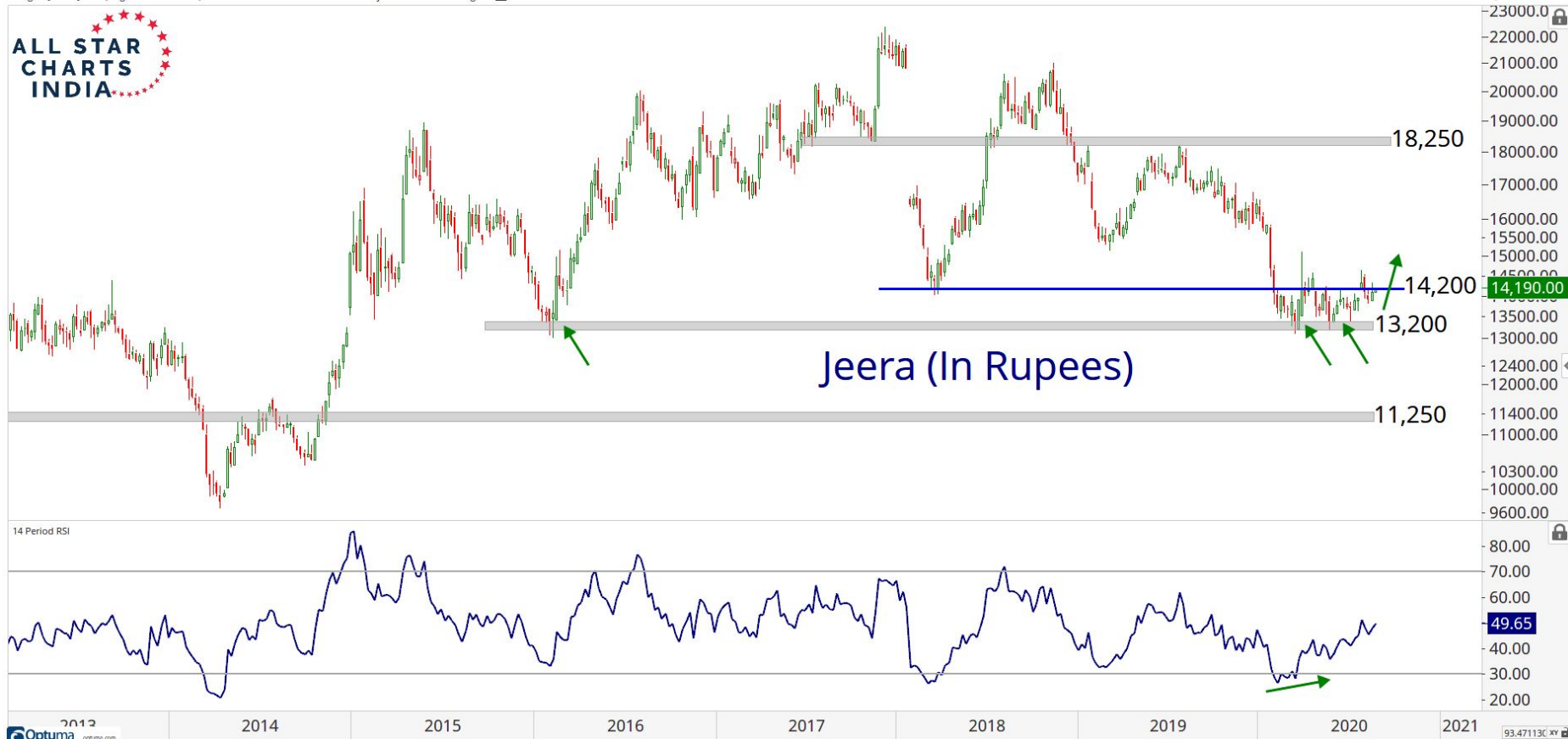


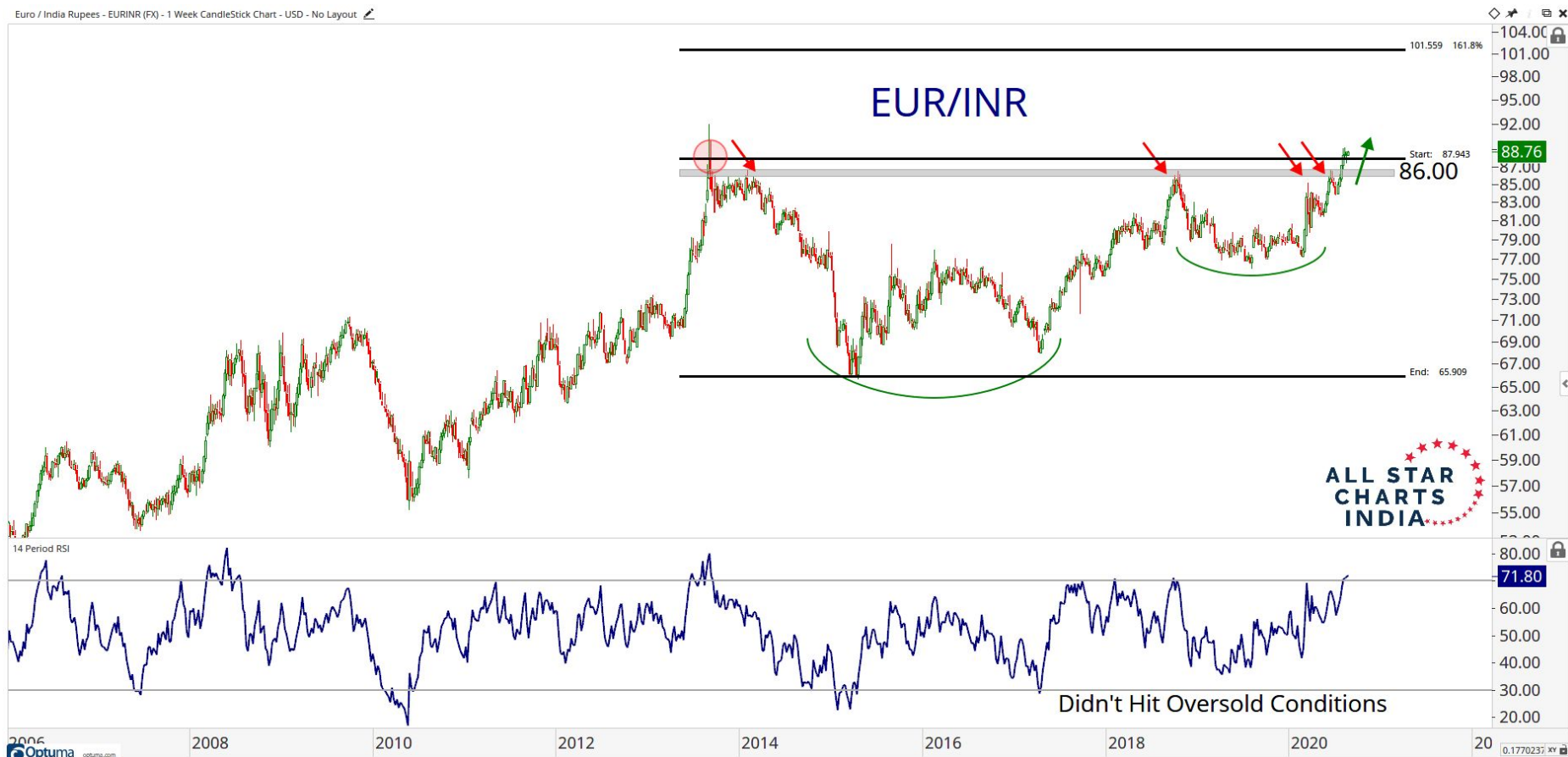
Rapeseed Mustard (In Rupees)



Crude Palm Oil (In Rupees)







GBP/INR





JPY/INR

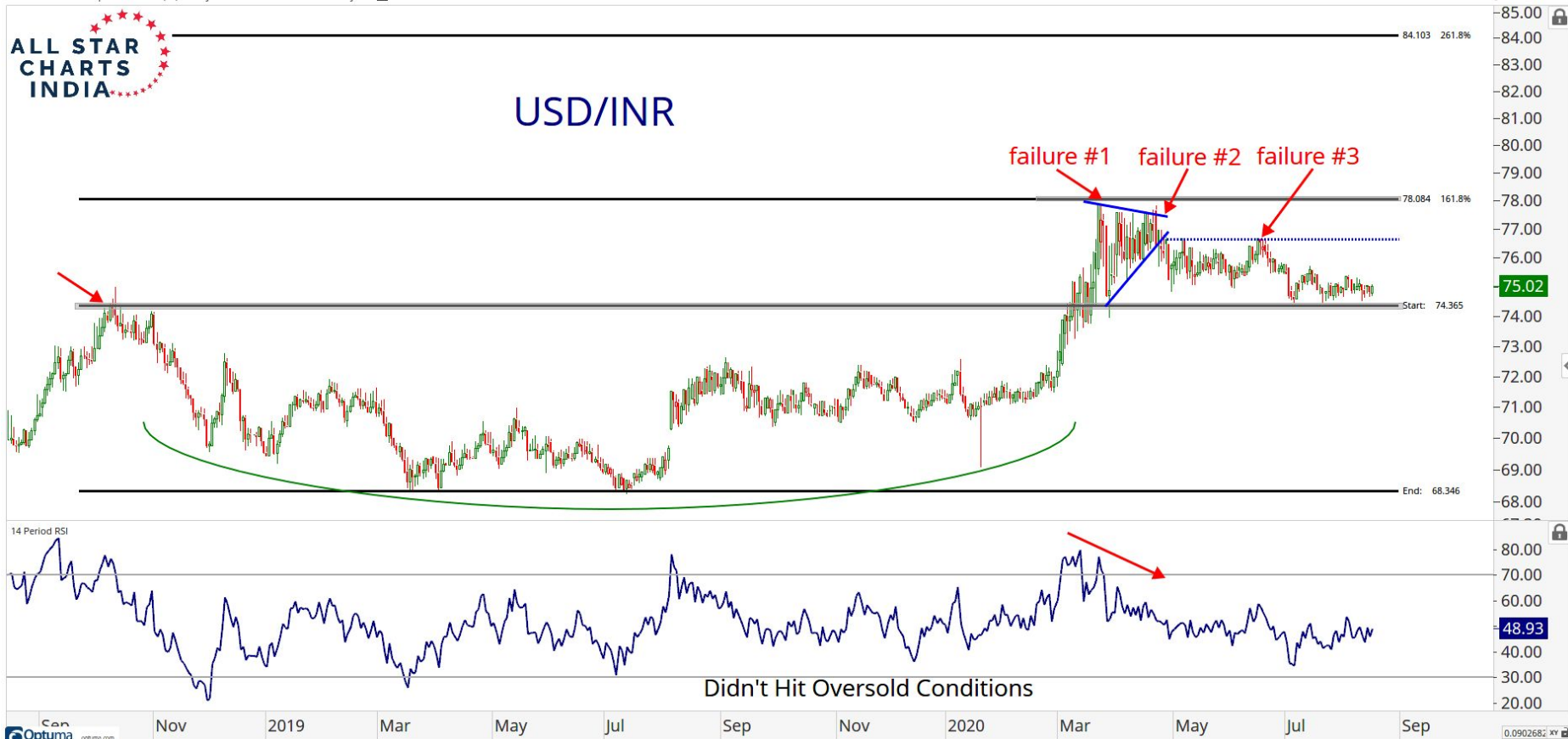


USD/INR





USD/INR

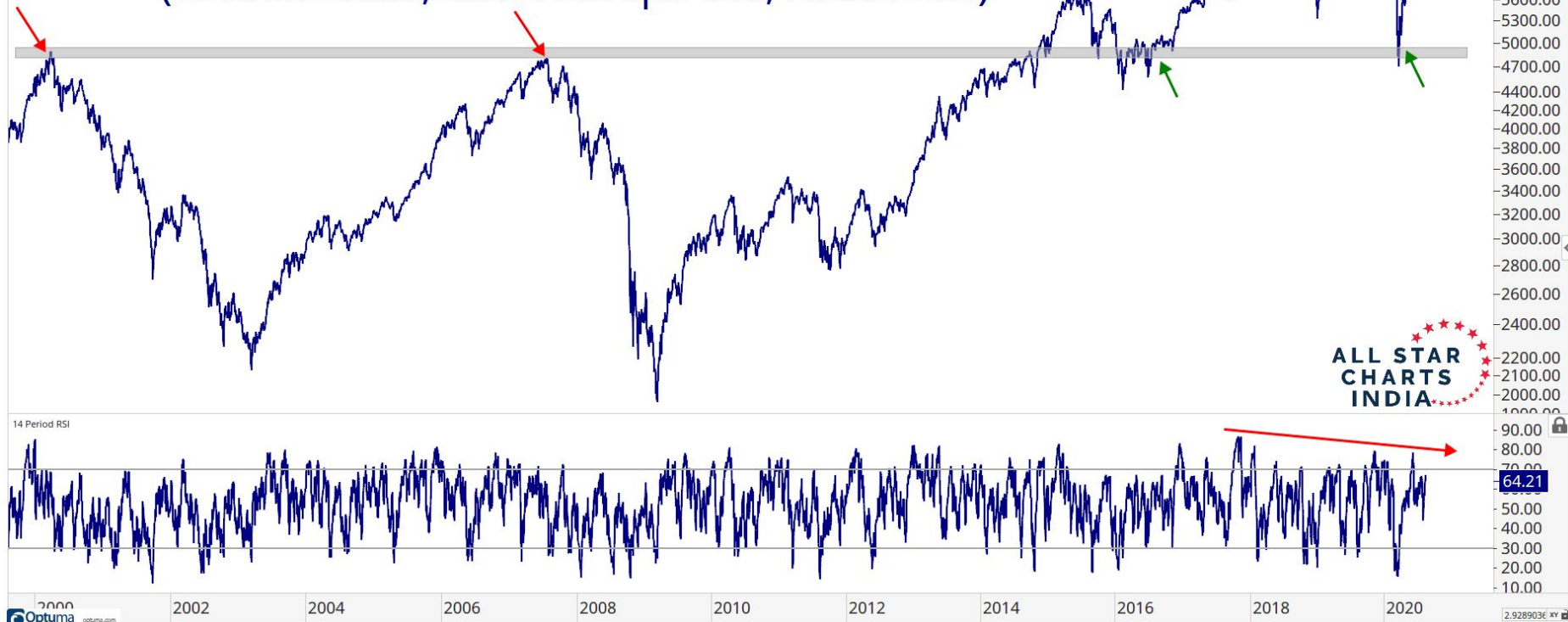


Global Equities

Theme 1: Trend In Global Equities Is Higher



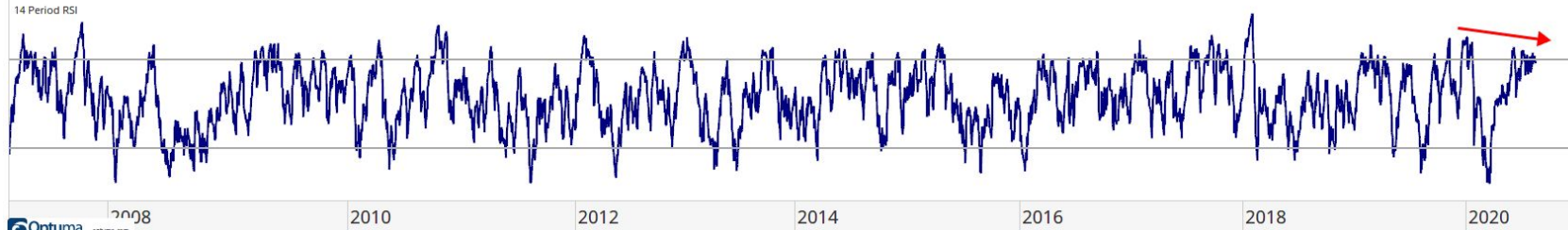
Equally-Weighted Developed Markets (Wilshire 5000, Stoxx Europe 600, Nikkei 225)



Equally-Weighted BRICKS (Local Currencies)

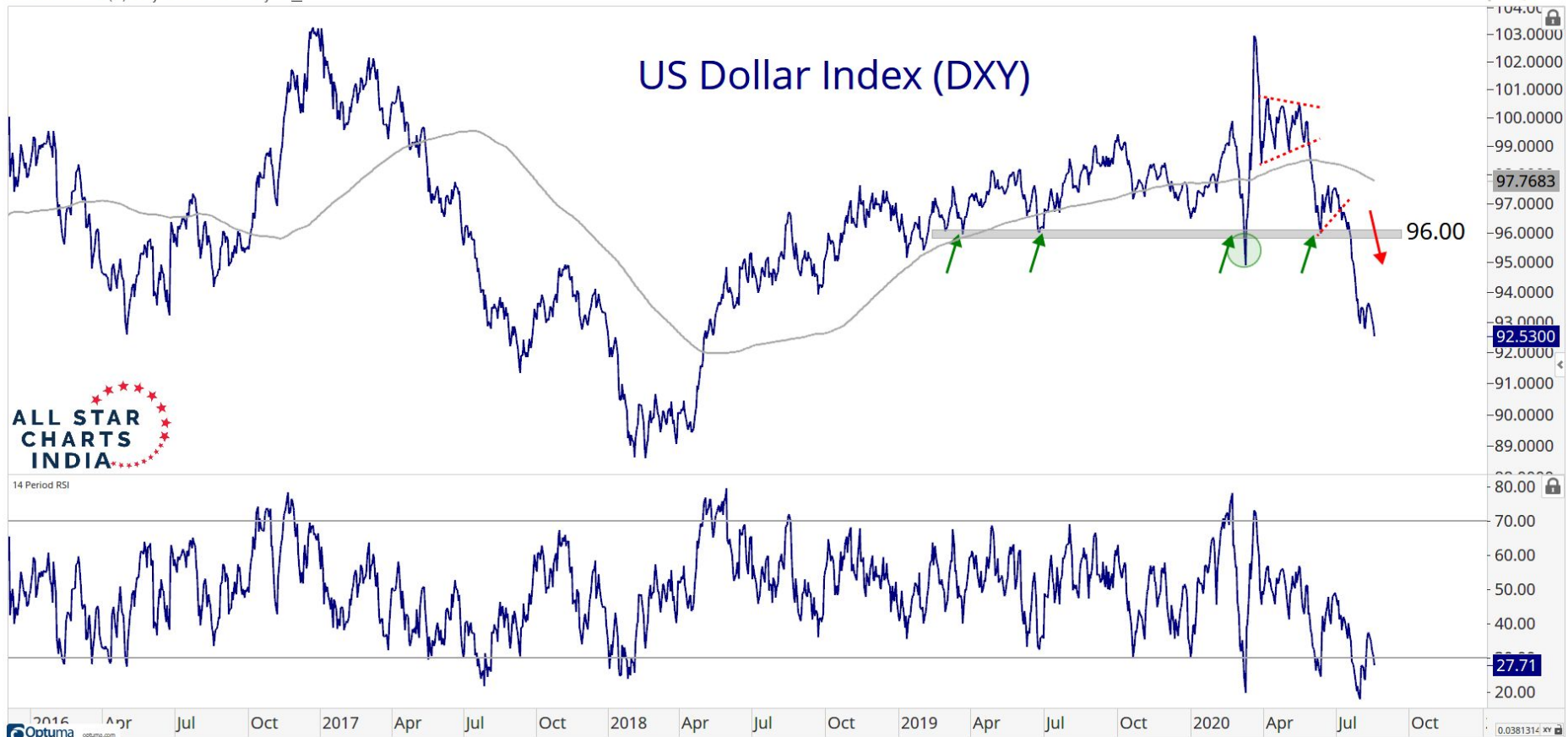


8500.00
8100.00
7700.00
7300.00
6900.00
6500.00
6200.00
5900.00
5600.00
5300.00
5000.00
4700.00
4400.00
4200.00
4000.00
3800.00
3600.00
3400.00
3200.00
3000.00
2800.00
2600.00
2400.00
2200.00
2000.00
1800.00
1600.00
1400.00
1200.00
1000.00
800.00
600.00
400.00
200.00
0.00



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Theme 2: Several Tailwinds For EM Stocks



Equally-Weighted:

Copper

Aluminum

Nickel

Tin

Zinc

Lead



63 Period Correlation Coefficient





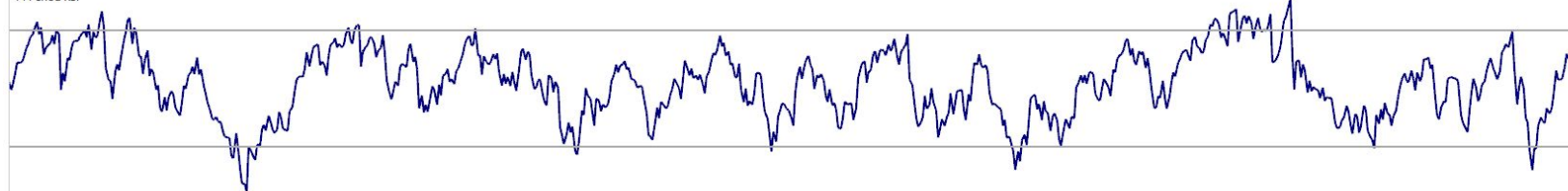
Emerging Markets ETF (EEM)

50.00

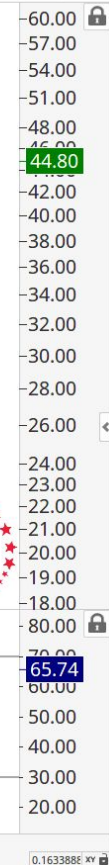
Top 5 Markets = 73.19% of weighting
China (Shanghai & HK) 40.59%
Taiwan 12.74%
South Korea 11.86%
India 8.00%

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14 Period RSI



Optuma optuma.com 2008 2010 2012 2014 2016 2018 2020





Shanghai Composite (SSEC)



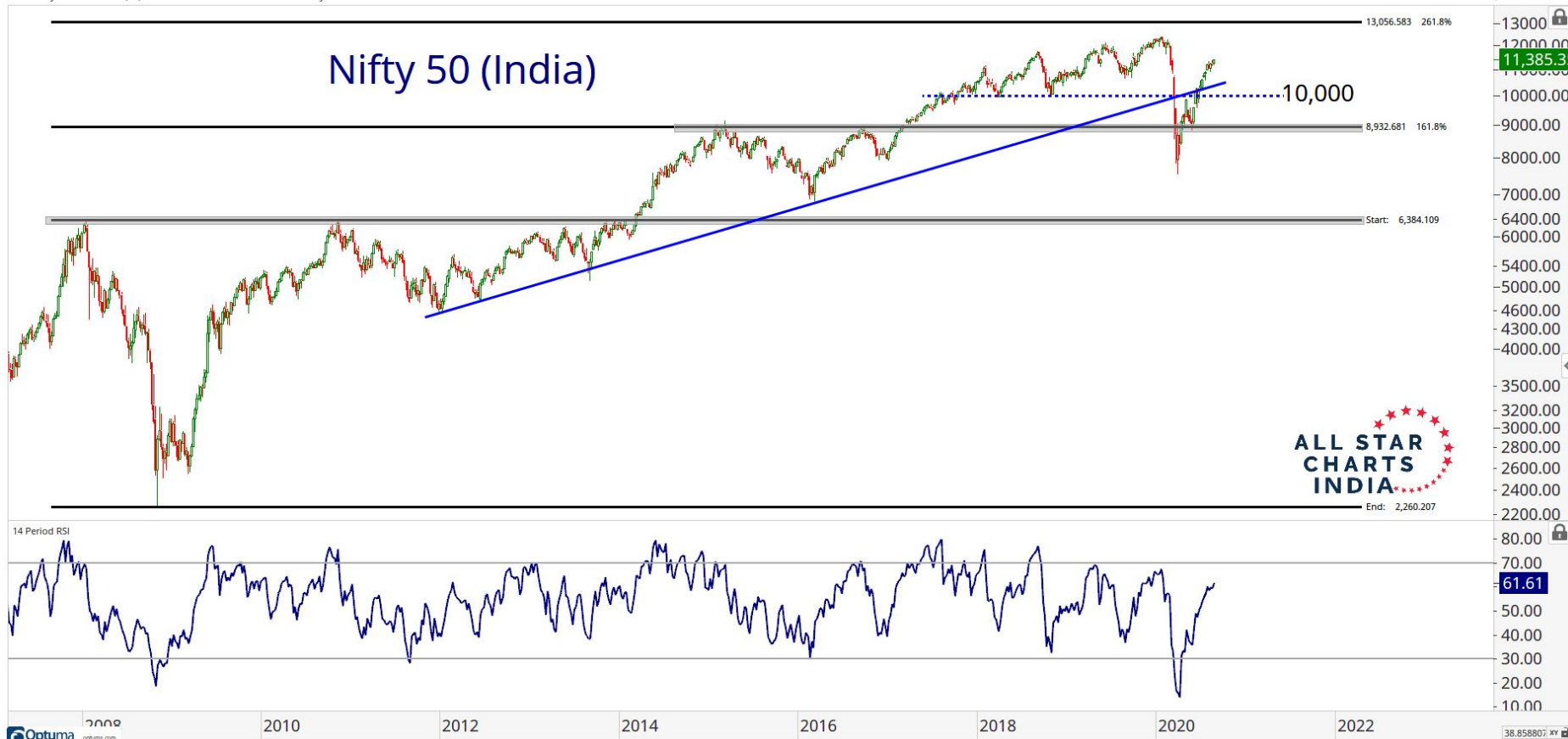


Taiwan Stock Exchange Weighted Index (Y9999)





Nifty 50 (India)



Theme 3: Will Rotation Fuel The Next Leg Higher In Stocks?

Why Bonds Are Piquing Our Interest

AUGUST 11, 2020 BY TOM BRUNI

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Last week for US subscribers [we discussed the potential breakout in US Treasury Bonds](#), but that move quickly failed. If we've learned anything over the years, it's that [failed moves often lead to fast moves in the opposite direction](#)...so this decline could just be getting started.

In this post, we want to analyze the near-term direction of Interest Rates and discuss why they're relevant to Equities as an asset class.

First, let's start with the US 30-Year Note. Since we're interested in the direction of Interest Rates across the entire curve, we want to be looking at the longest duration vehicle we have access to. The longer the maturity of the Bond, the more sensitive its price is to Interest Rate fluctuations.

Financials (XLF)

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30
28
26
24
22
20
18
16

23

SPDR Industrial Select Sector Fund ETF - XLI (US) - 1 Day - USD

Industrials (XLI)

86
80
74
68
62
56
50
44
38
32
26
20
14
8
2

64

SPDR Energy Select Sector Fund ETF - XLE (US) - 1 Day - USD

Energy (XLE)

60
50
40
30
20
10
0

?

36.50

Mar

Apr

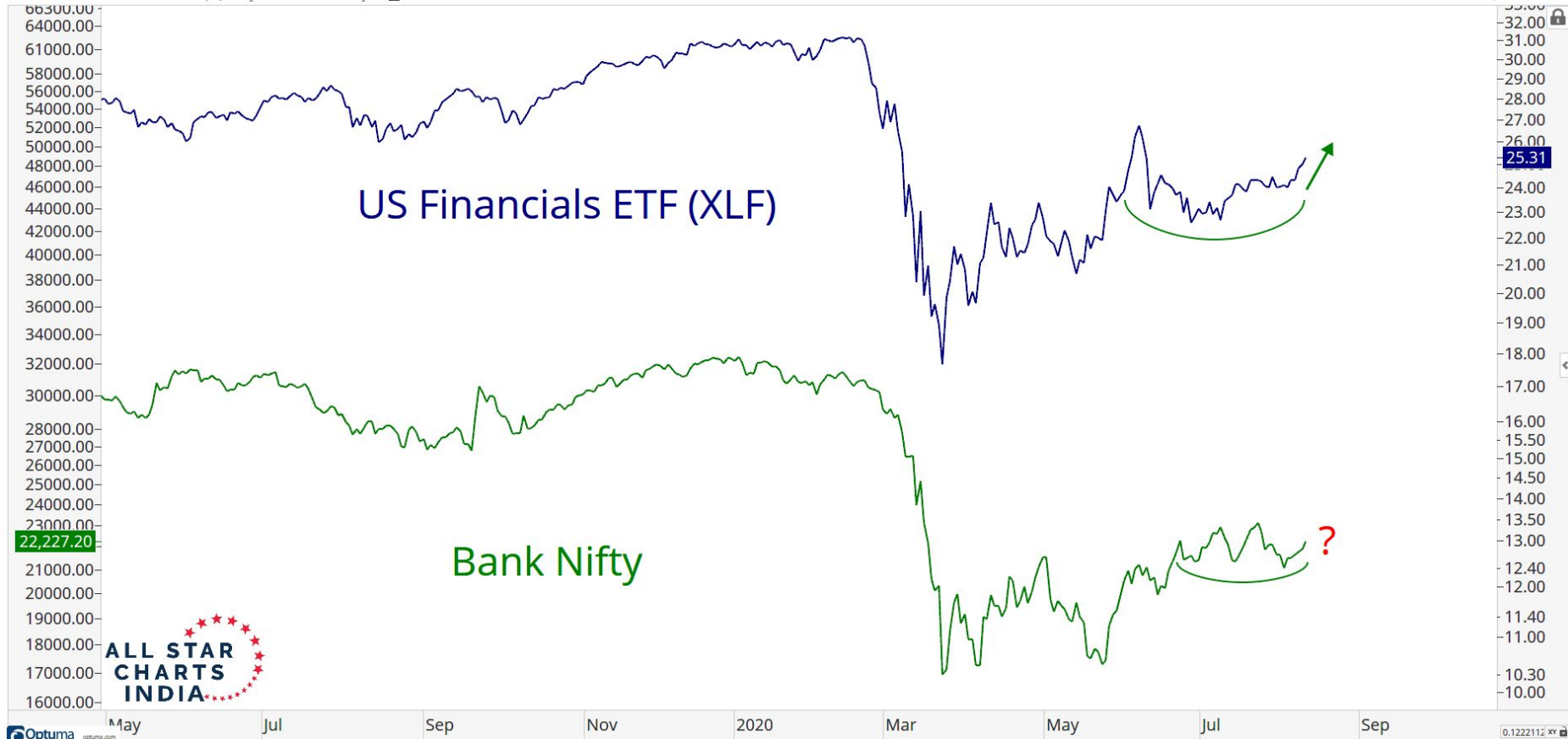
May

Jun

Jul

Aug

Se

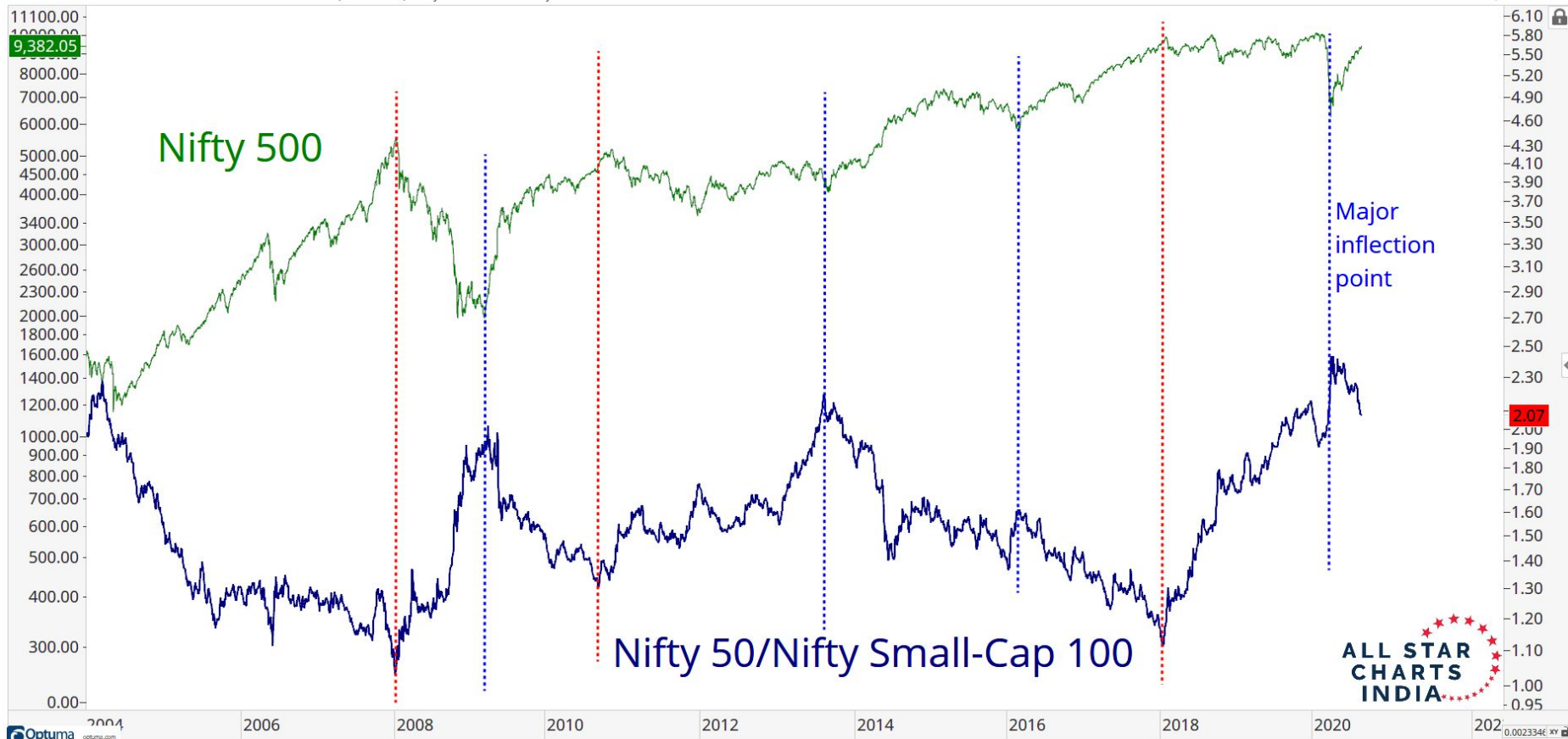


Indian Equities

Positive #1: Small-Cap Outperformance

Nifty 50 / Nifty Small-Cap 100





Nifty 50 Index	
Sector Weightings	
Financial Services	36.51%
IT	15.03%
Consumer Goods	14.46%
Oil & Gas	12.44%
Automobile	4.54%
Telecom	3.13%
Construction	2.79%
Pharma	2.72%
Metals	2.52%
Power	2.28%
Cement & Cement Products	2.22%
Services	0.54%
Fertilisers & Pesticides	0.50%
Media & Entertainment	0.32%
Top 10 Holdings & Index Weight	62.54%
HDFC Bank Ltd.	10.42%
Reliance Industries Ltd.	10.06%
Housing Development Finance Corporation	7.88%
Infosys Ltd.	6.56%
ICICI Bank Ltd.	5.85%
Tata Consultancy Services Ltd.	5.36%
Kotak Mahindra Bank Ltd.	4.85%
Hindustan Unilever	4.59%
ITC Ltd.	4.18%
Larsen & Toubro Ltd.	2.79%

Weightings pulled from NSE fact sheets as of 03/31/2020.

Nifty Small-Cap 100 Index	
Sector Weightings	
Financial Services	19.17%
Consumer Goods	13.46%
IT	10.89%
Construction	10.09%
Chemicals	5.95%
Pharma	5.65%
Industrial Manufacturing	5.45%
Cement & Cement Products	4.86%
Fertilisers & Pesticides	4.63%
Services	4.53%
Media & Entertainment	4.11%
Automobile	2.56%
Healthcare Services	2.22%
Textiles	2.04%
Oil & Gas	1.62%
Metals	1.56%
Power	0.96%
Telecom	0.25%
Top 10 Holdings & Index Weight	24.34%
Multi Commodity Exchange of India Ltd.	4.32%
PVR Ltd.	3.12%
Kajaria Ceramics Ltd.	2.34%
J.K. Cement Ltd.	2.29%
Procter & Gamble Health Ltd.	2.18%
Deepak Nitrite Ltd.	2.14%
Persistent Systems Ltd.	2.06%
Blue Star Ltd.	2.04%
Can Fin Homes Ltd.	1.96%
DCB Bank Ltd.	1.89%

Positive #2: Breadth Expansion

% Of Nifty 500 Stocks > 200-Day Moving Average



NSE Nifty 500 Index - NIFTY500 (NSE) - 1 Day Line Chart - INR - No Layout



Nifty 500



NIFTY 500 % RSI > 70 NIFTY 500 (Market Breadth) - 1 Day Line Chart - USD - No Layout

% Of Stocks Overbought (14-Day RSI > 70)



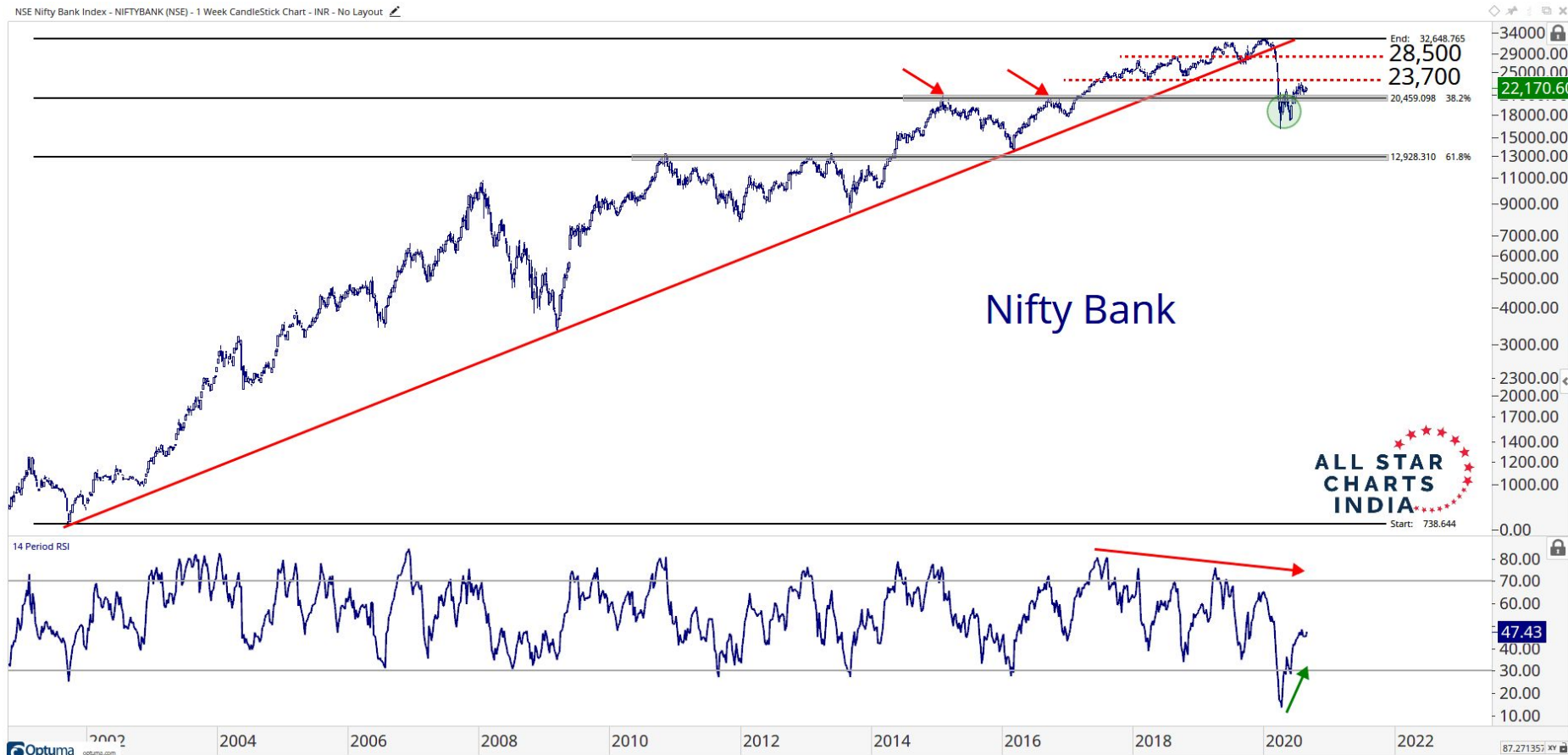
Nifty 500



% Of Stocks At 6-Month Highs



Most Significant Negative: Bank Weakness

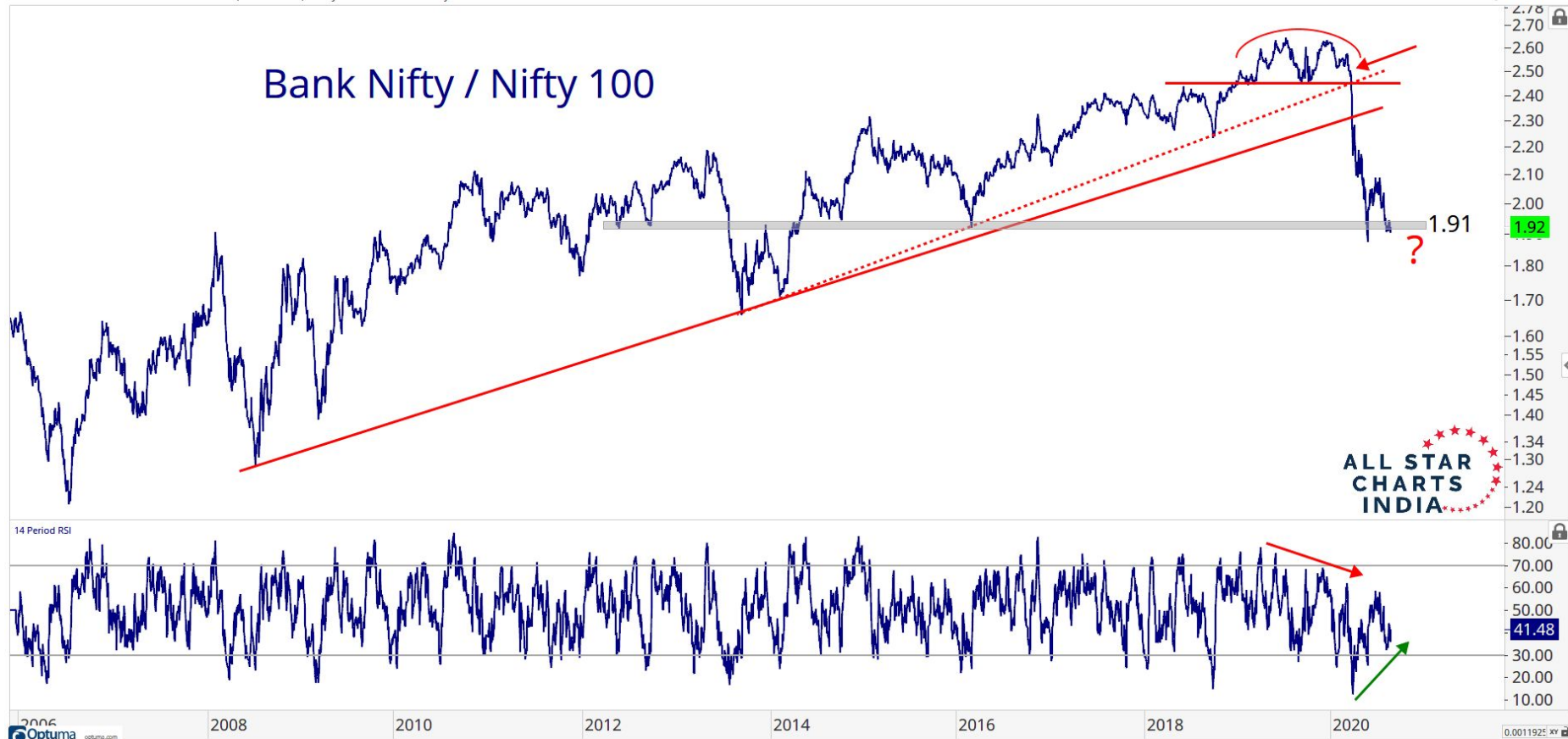




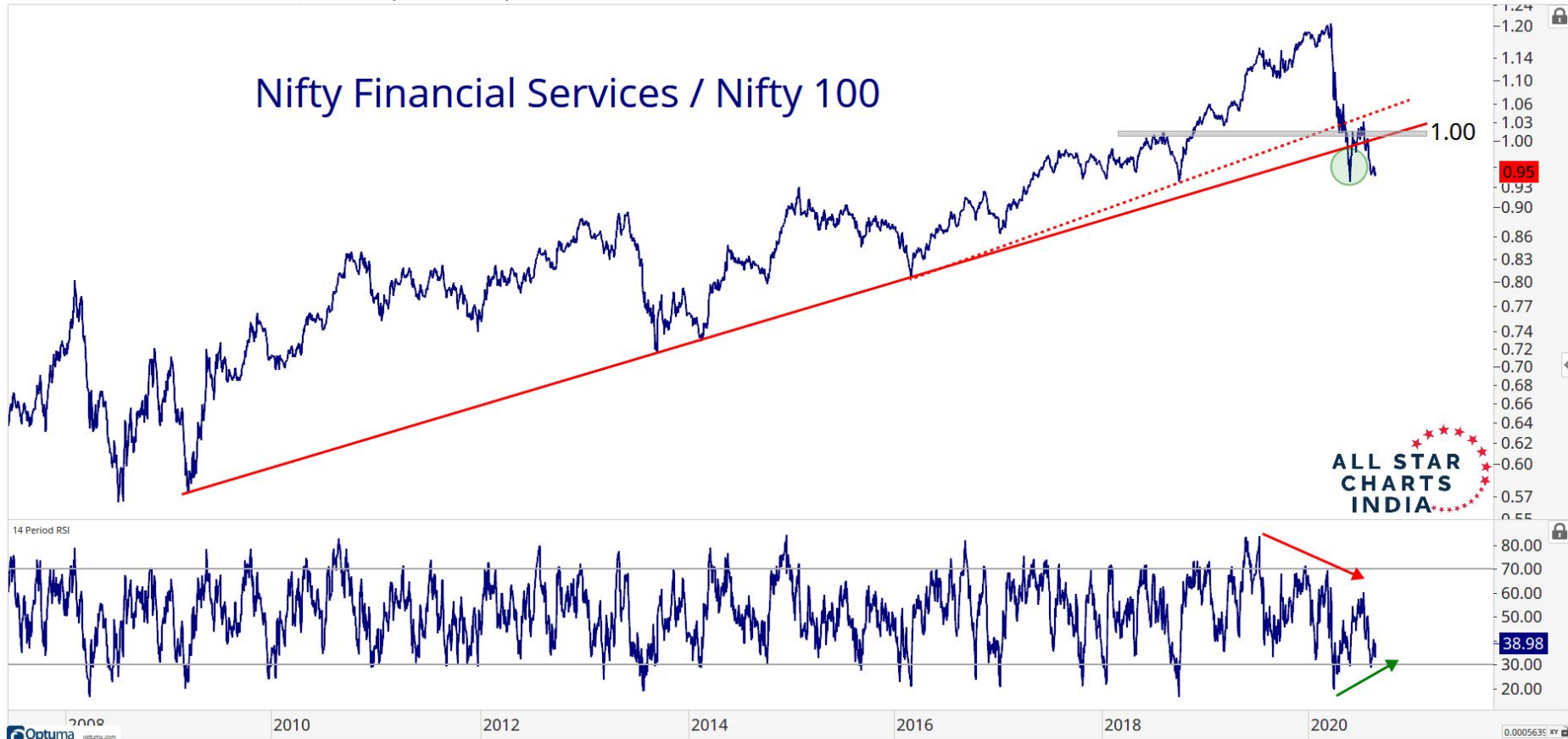
Bank Nifty



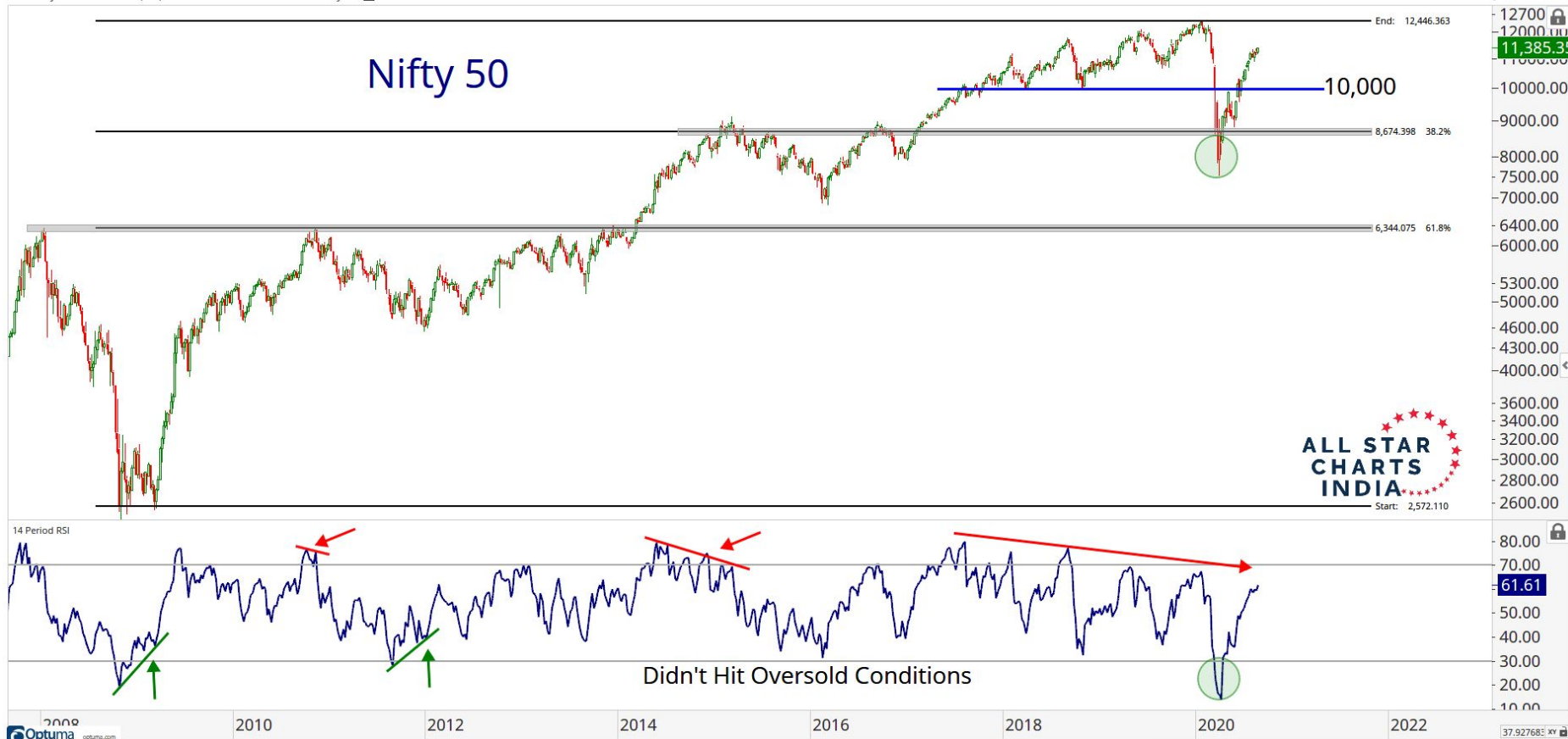
Bank Nifty / Nifty 100



Nifty Financial Services / Nifty 100



Major Nifty Indices





Nifty Mid-Cap 100



Nifty Small-Cap 100

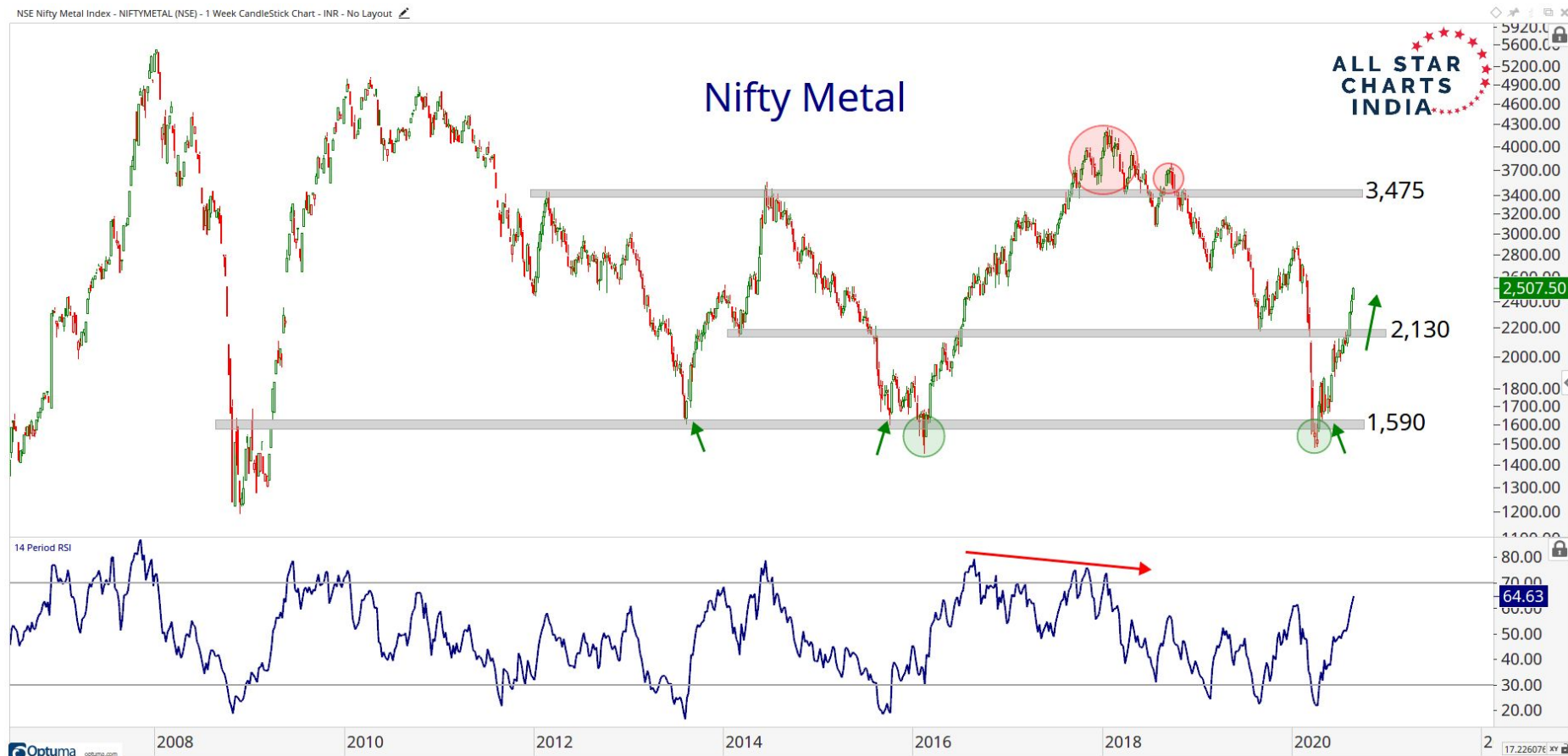


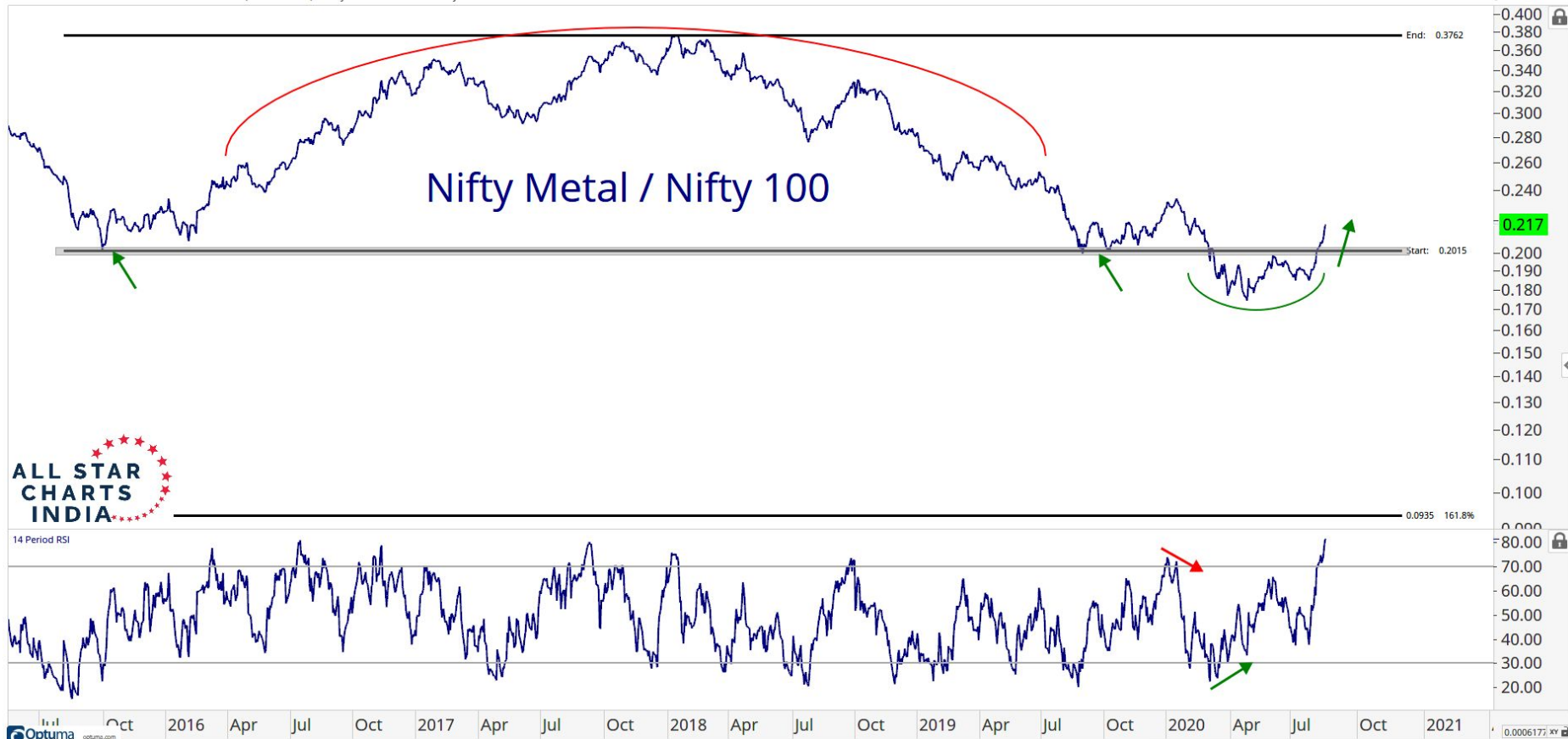
Sector/Thematic Indices



Nifty IT / Nifty 100









Nifty Pharma

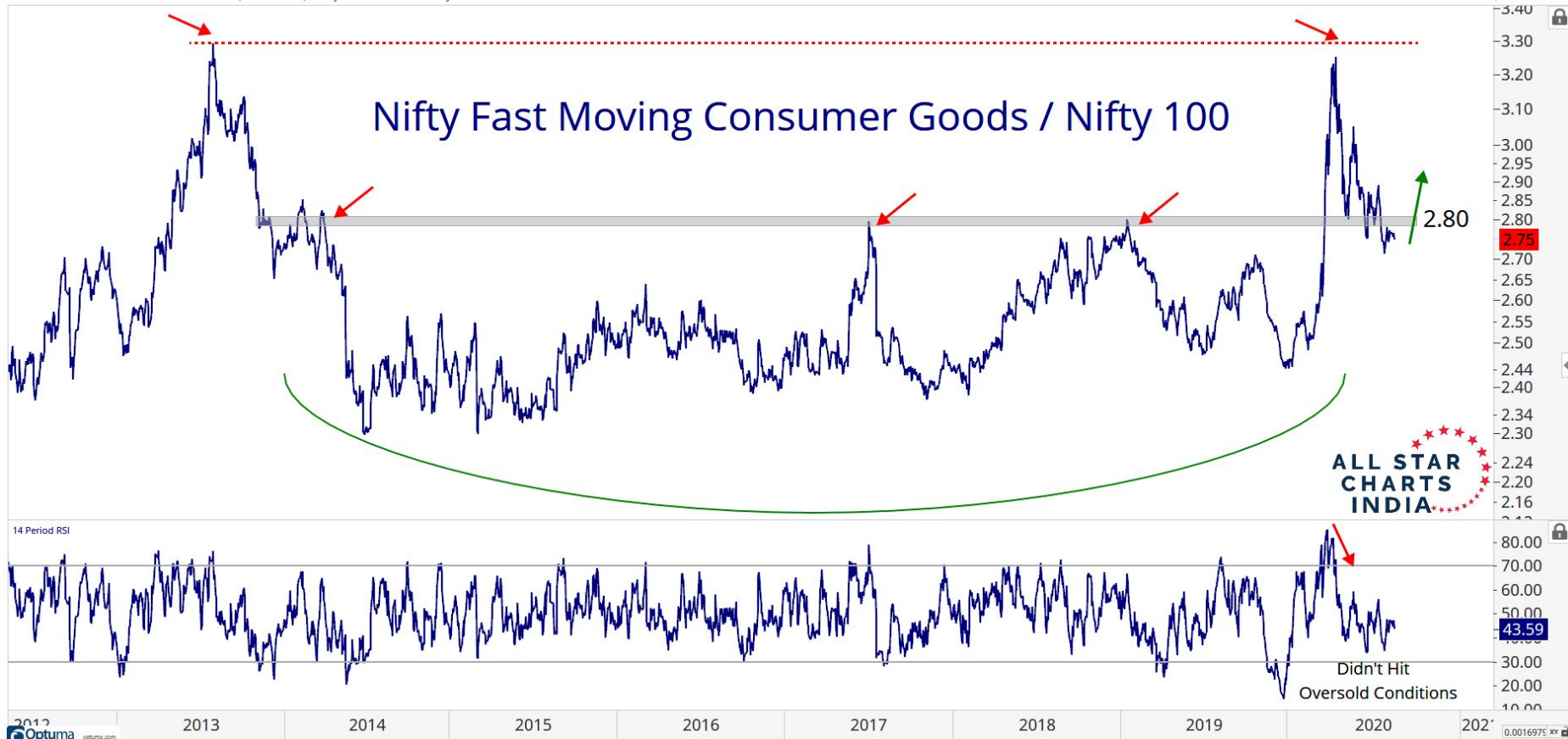






Nifty FMCG Index

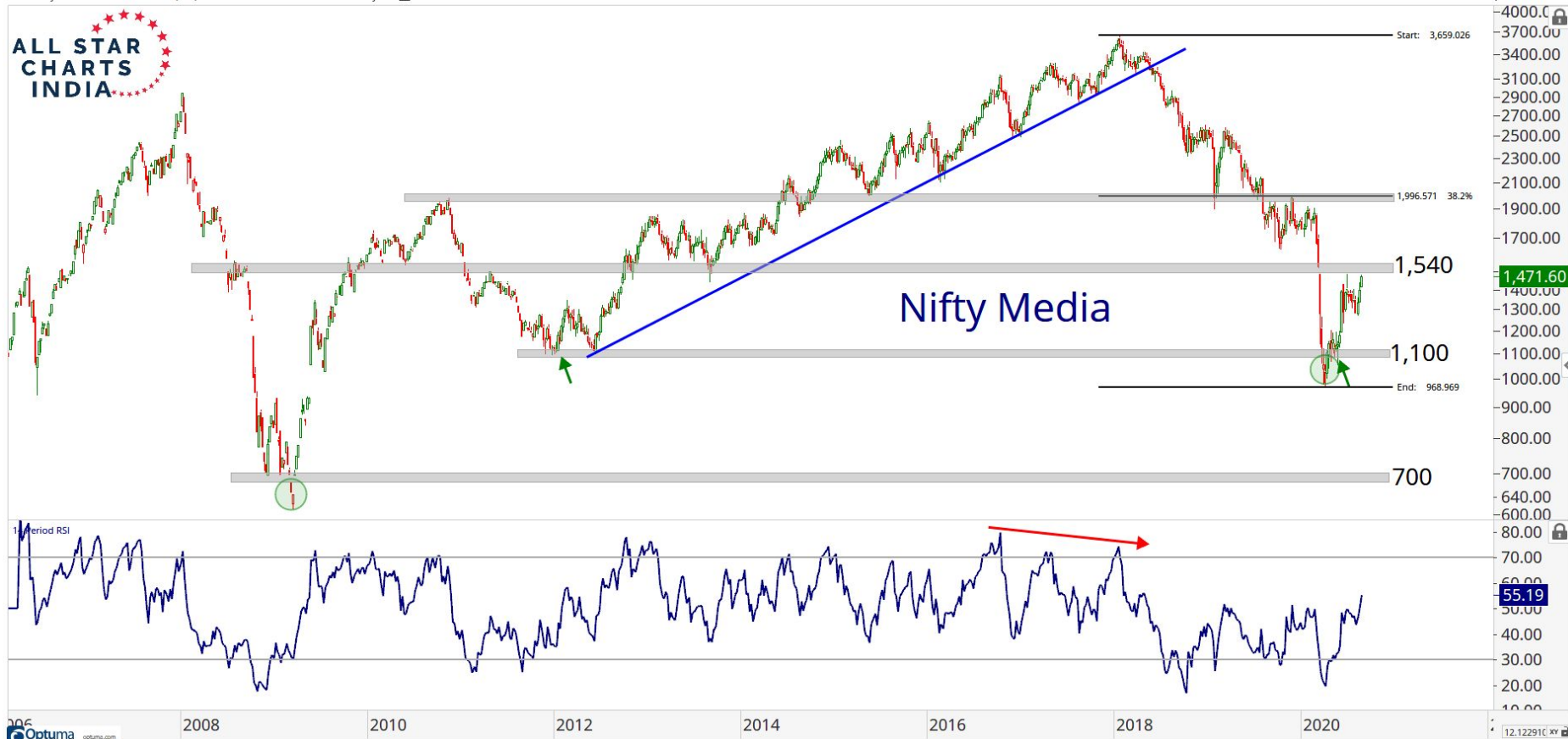


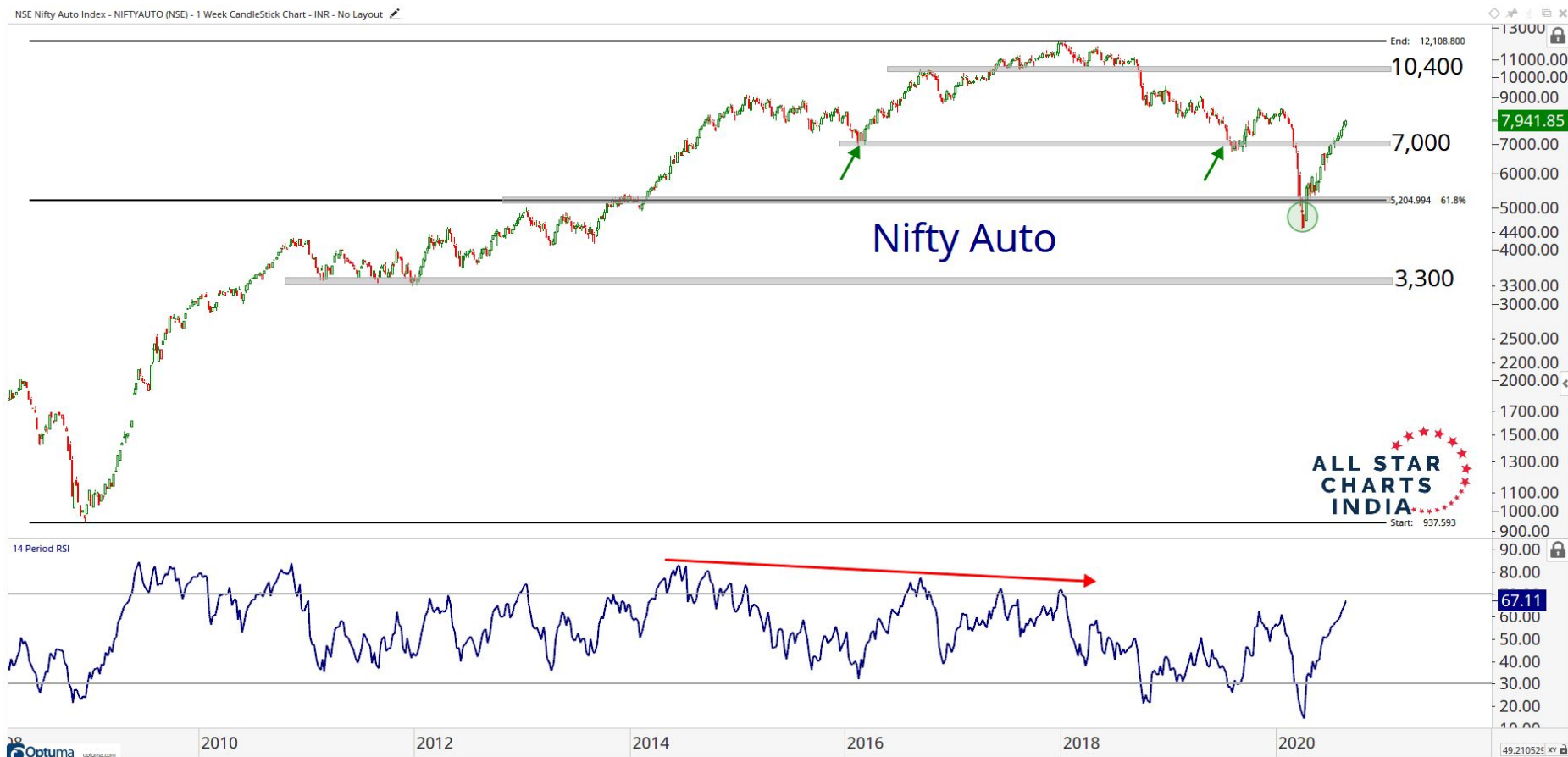






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Individual Stocks With Multiple Themes/Tailwinds

[Premium] The Best Opportunities In India's Pharma Sector

JUNE 10, 2020 BY [TOM BRUNI \(EDIT\)](#)

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 Share

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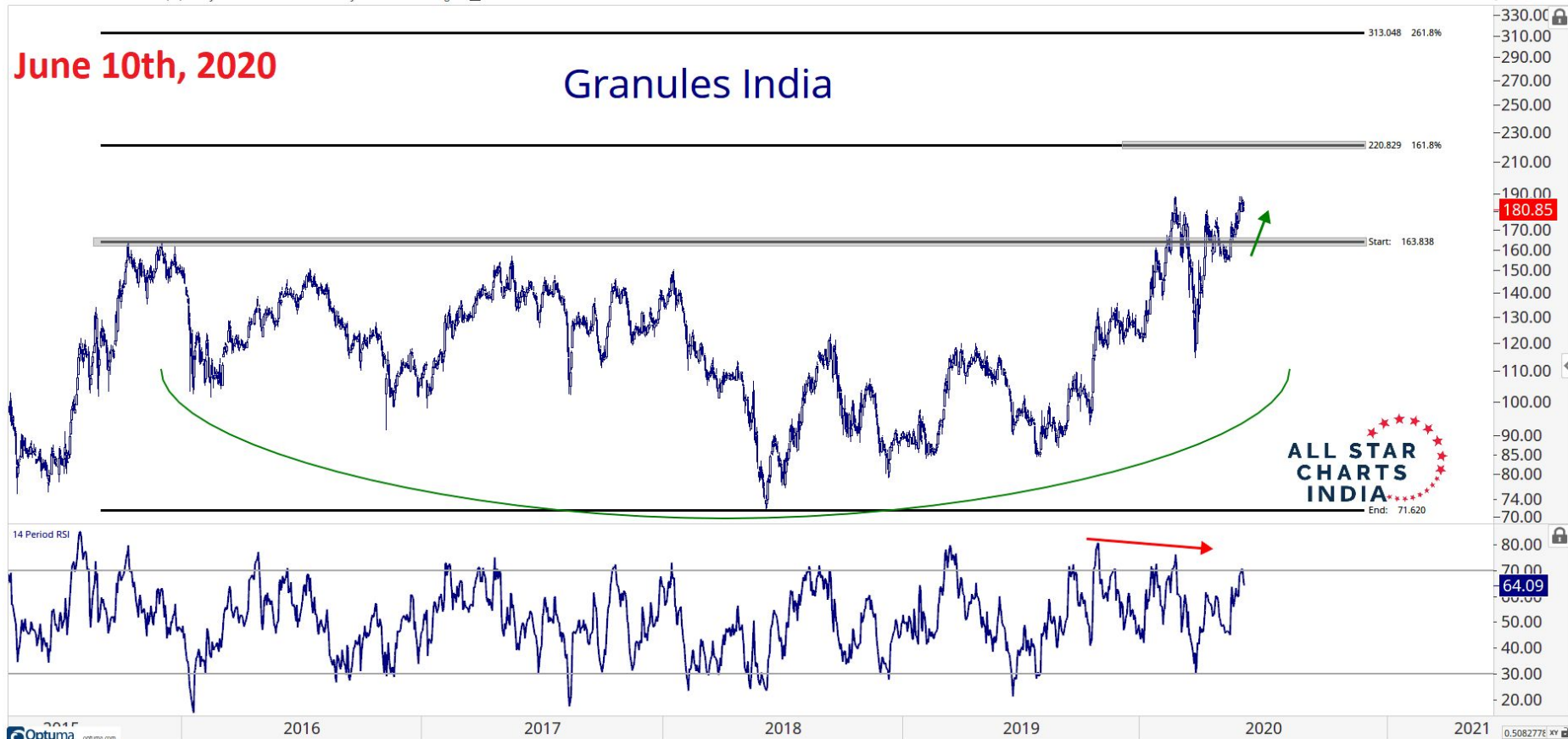
 Share

The Nifty Pharma sector has been a favorite of ours since last November, with many trade ideas popping up along the way.

Today, we're doing a deep dive into the sector to identify the strongest names that we'd want to be buying on any weakness that may be created by the [Nifty 50](#) and other major indices reaching overhead supply.

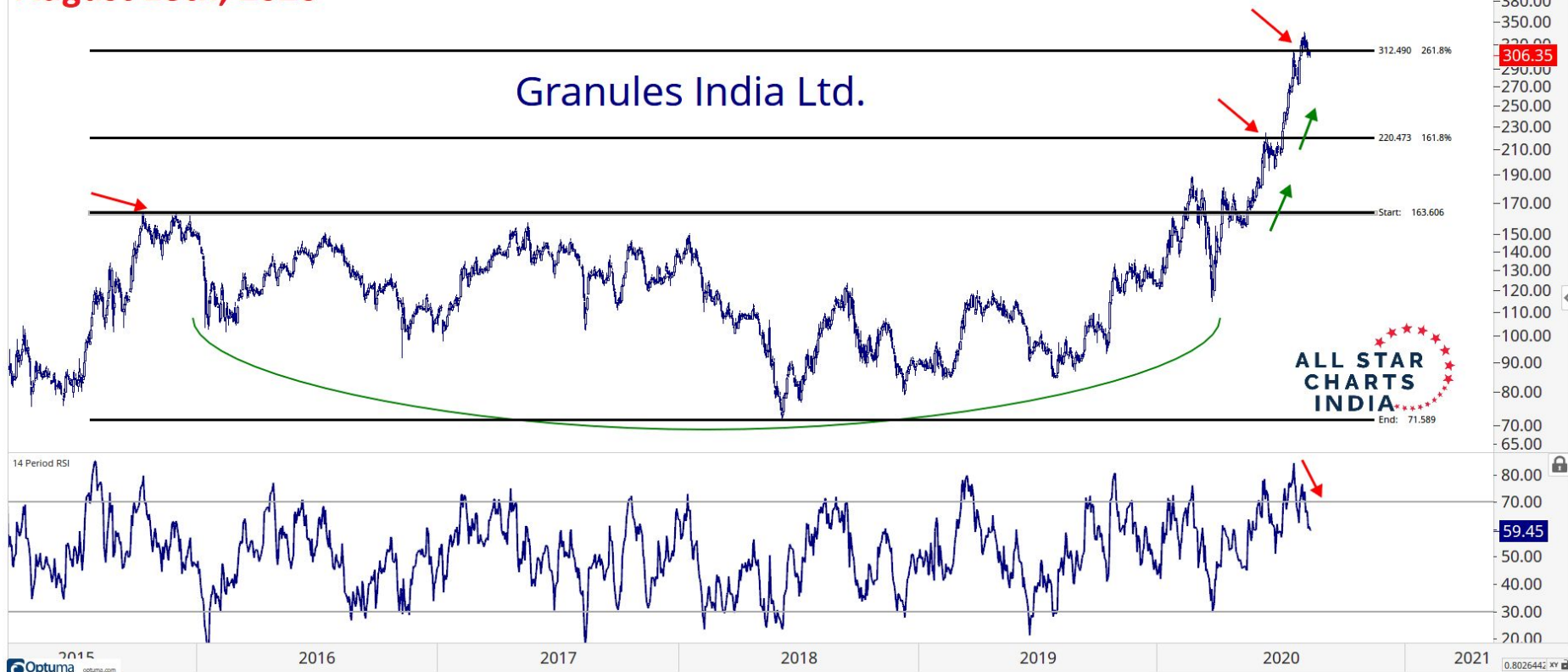
June 10th, 2020

Granules India



August 18th, 2020

Granules India Ltd.



Nifty Metal Index Breaks Out!

AUGUST 5, 2020 BY [TOM BRUNI](#) ([EDIT](#))

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 Share

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We've been selectively participating in a few Steel stocks over the last few months as we waited for a signal to get more aggressive in the space.

Yesterday we got that signal as the Nifty Metal Index broke out to new recovery highs and reclaimed support on a relative basis.

In this post, we're going to outline what we're seeing in the sector and what we're buying to take advantage of this theme.



August 5th, 2020





August 18th, 2020



Is Energy Sector Participation Broadening Out?

AUGUST 13, 2020 BY [TOM BRUNI \(EDIT\)](#)

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 Share

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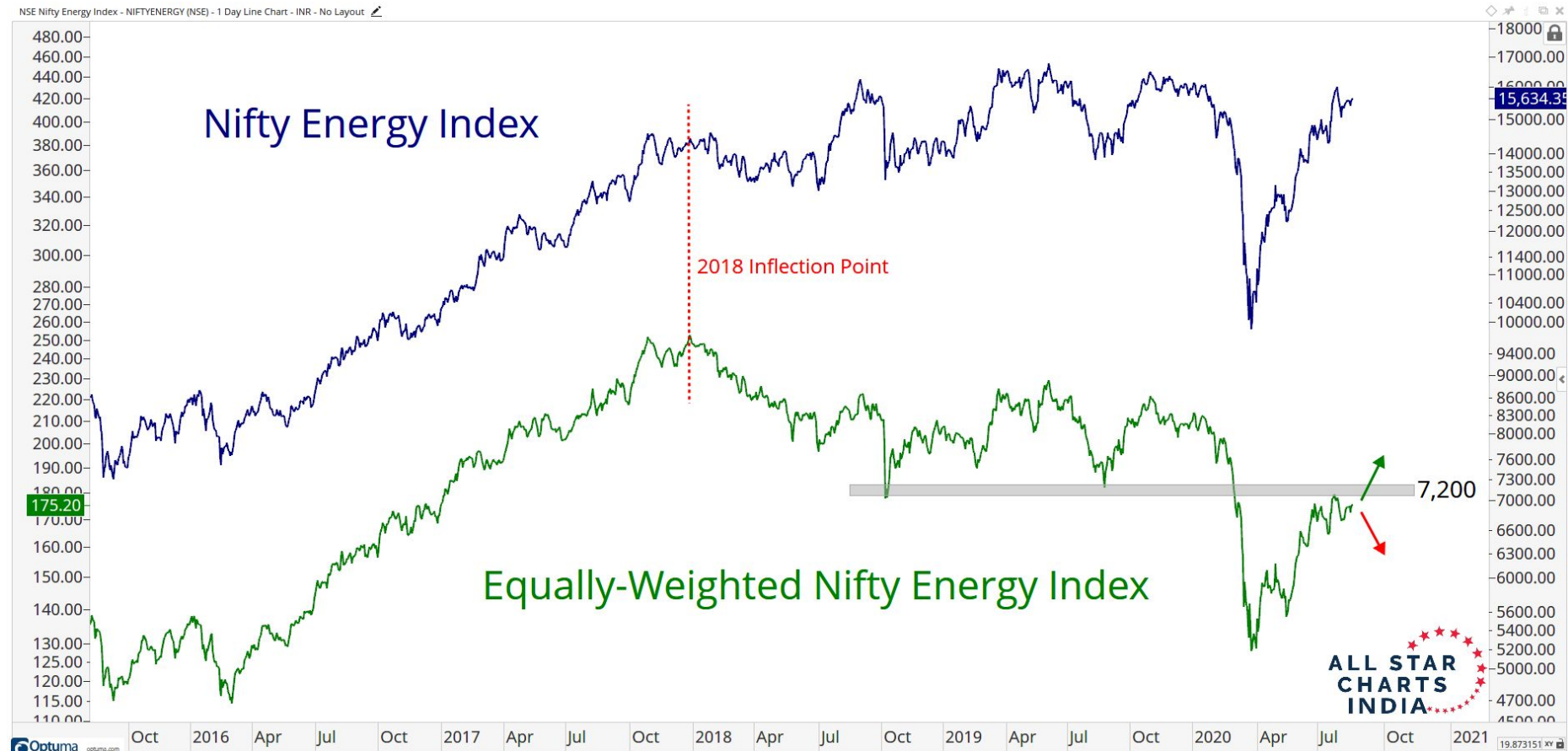
 Share

Given many of the Equity indices in India are heavily concentrated, it can be difficult to identify what's really happening in a specific sector or industry group just by looking at the Nifty sector/thematic indexes.

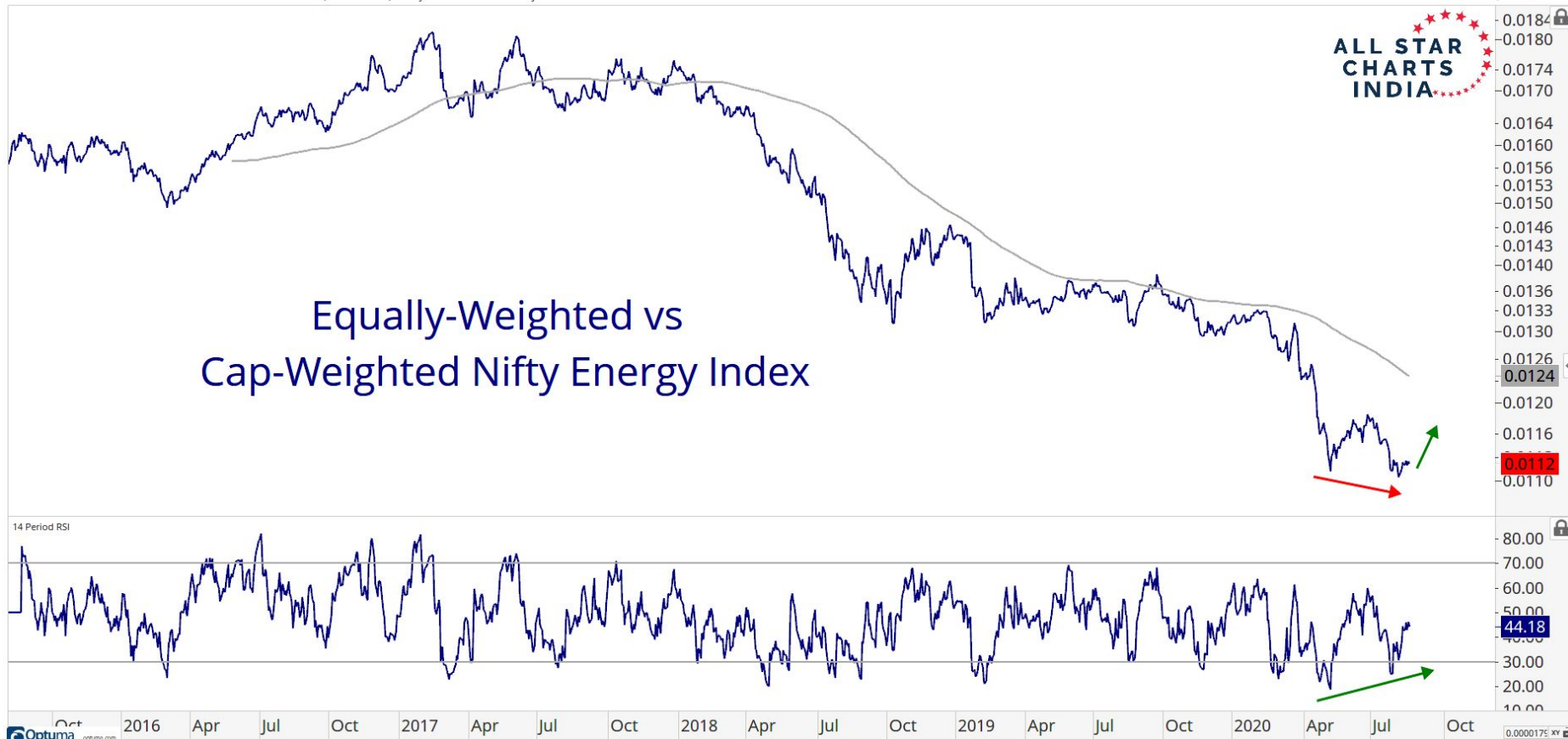
The best example of this is Nifty Energy, where Reliance makes up a massive 37% of the weighting.

One way our process has adapted to overcome this issue is by using custom Equally-Weighted Indexes to identify the real trends occurring in these areas of the market.

Today, we're going to look at an Equally-Weighted Index to identify what's happening in the Energy sector and how we're taking advantage of it.



Equally-Weighted vs Cap-Weighted Nifty Energy Index

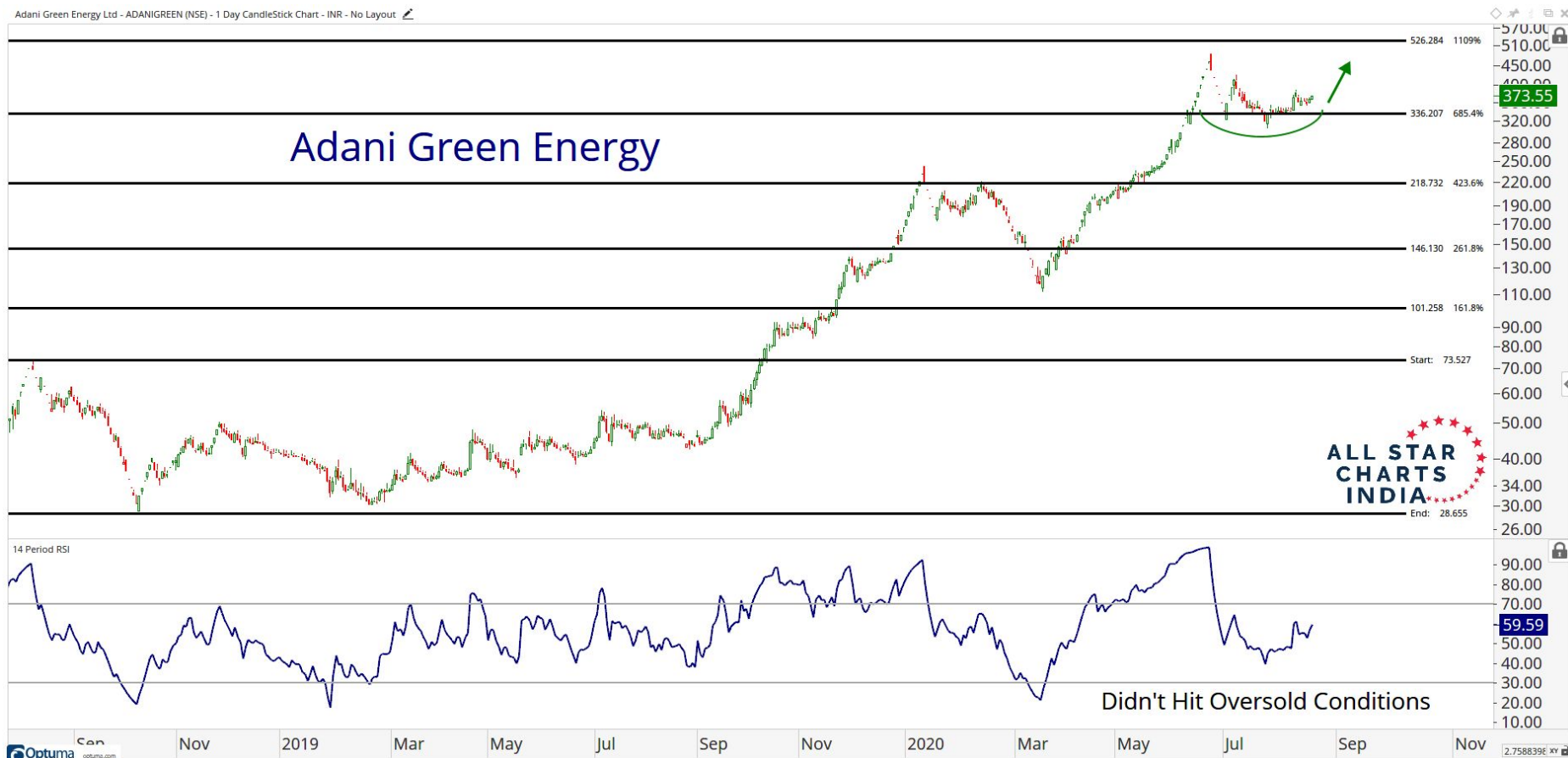




NLC India Ltd.



Adani Green Energy



Mindtree Ltd.





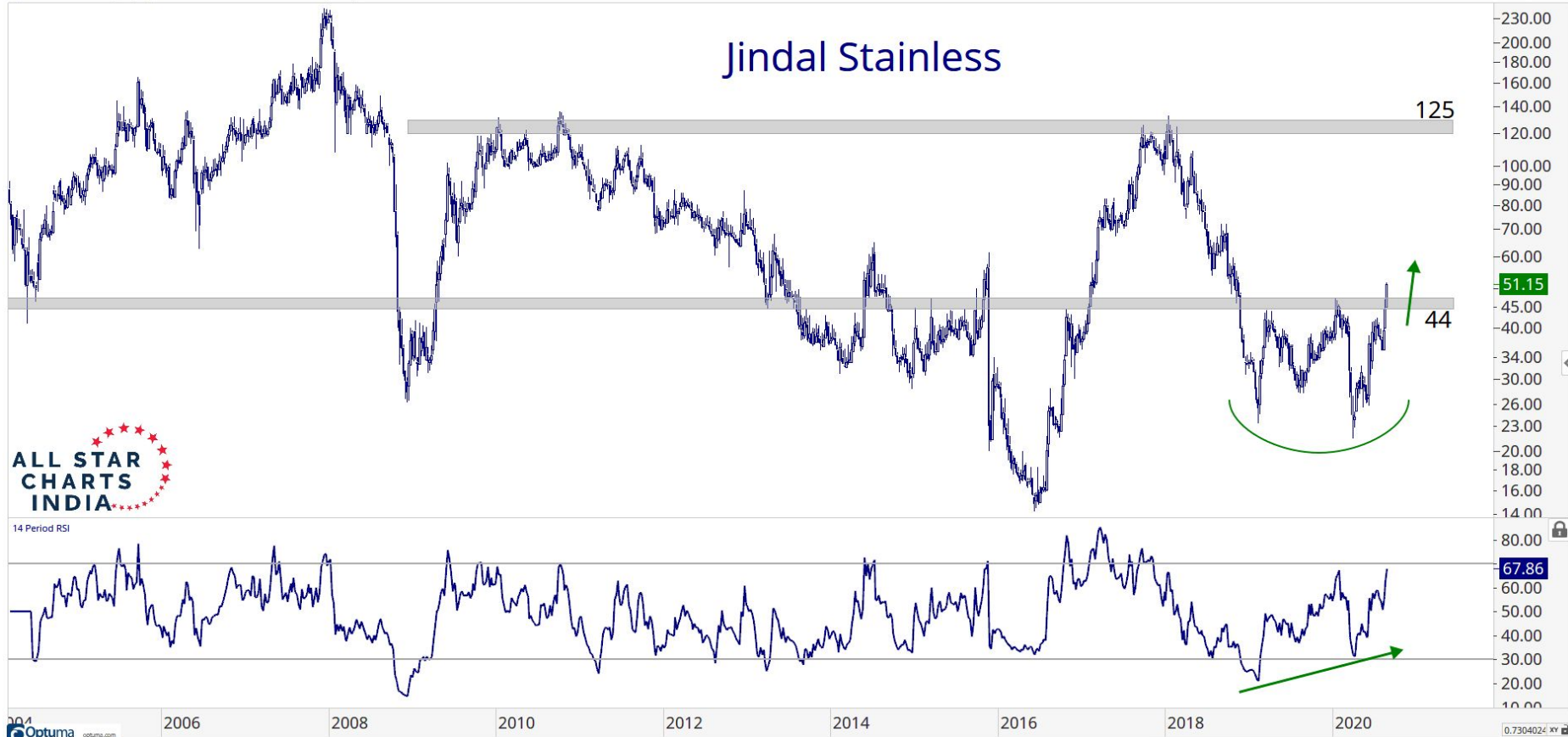


Galaxy Surfactants





Jindal Stainless



Tata Consultancy



Get Slides & More Individual Stock Setups

info@allstarcharts.com

Secret Code: Mango

Appendix:

Bonus Stock Setups

Chemicals

Pidilite Industries



Construction



Construction



Industrial Manufacturing

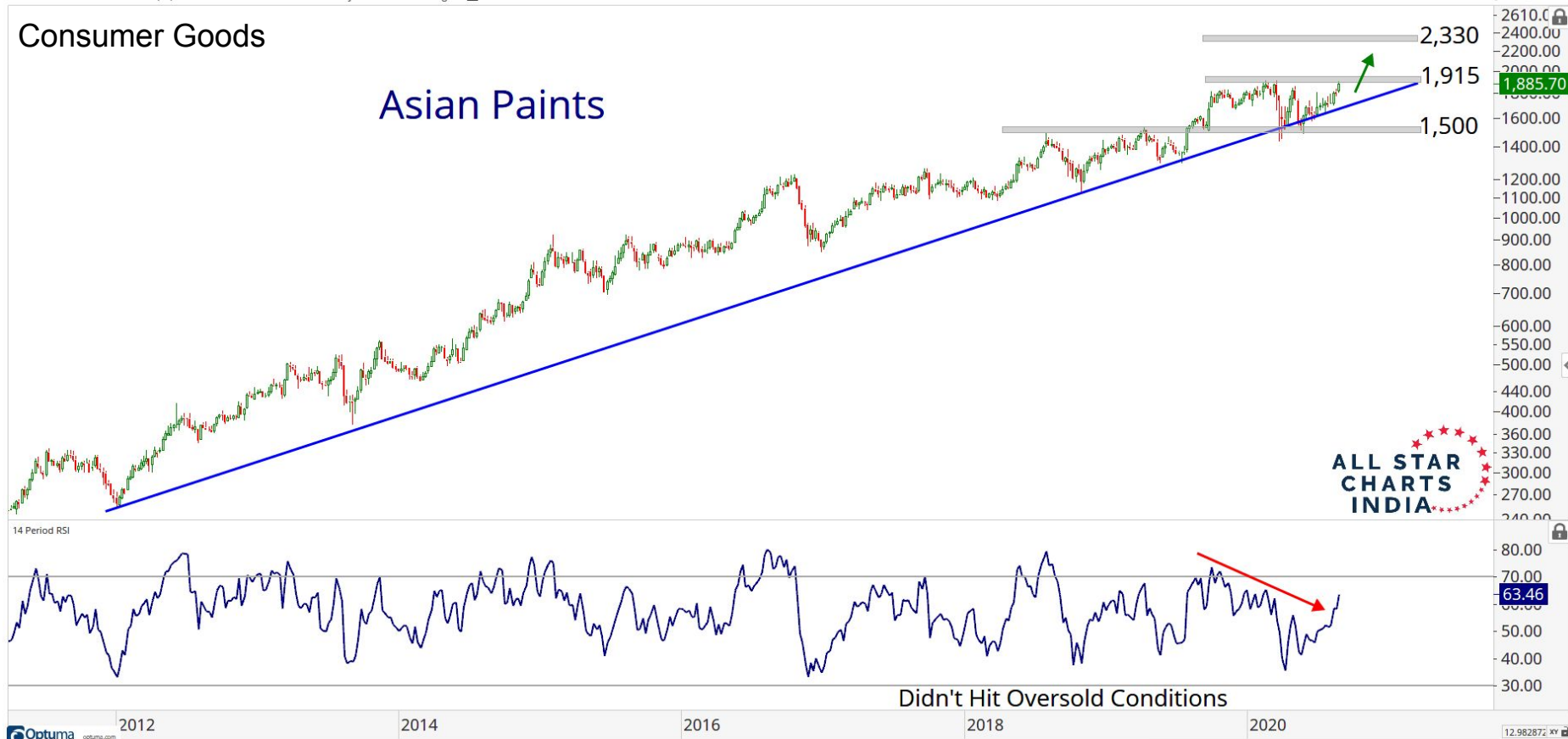


Thermax

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Consumer Goods

Asian Paints

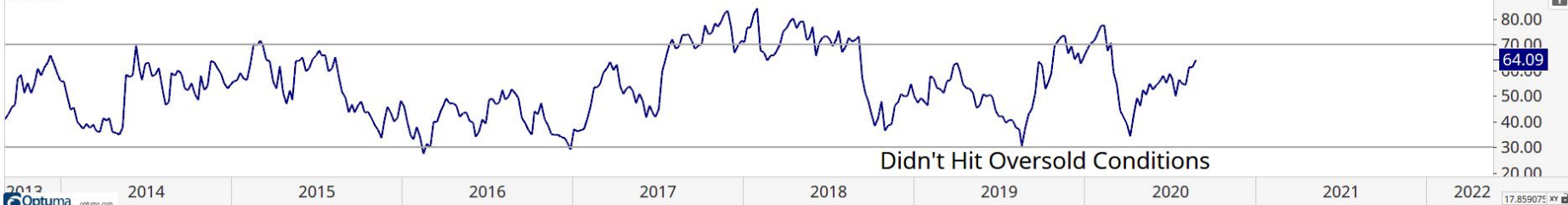


Consumer Goods

Jubilant Foodworks



14 Period RSI



2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 17.859075 XY



Consumer Goods



CCL Products

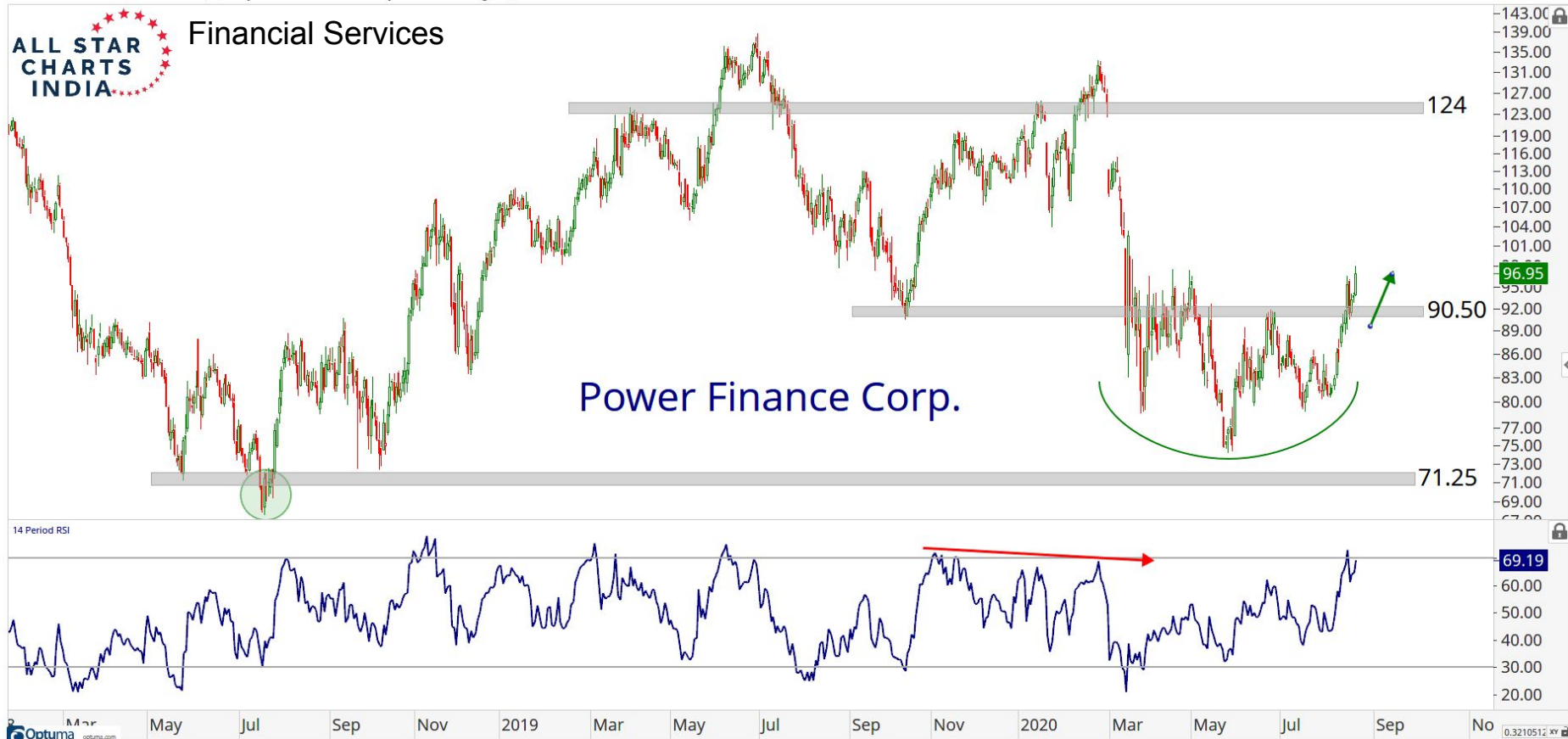
14 Period RSI



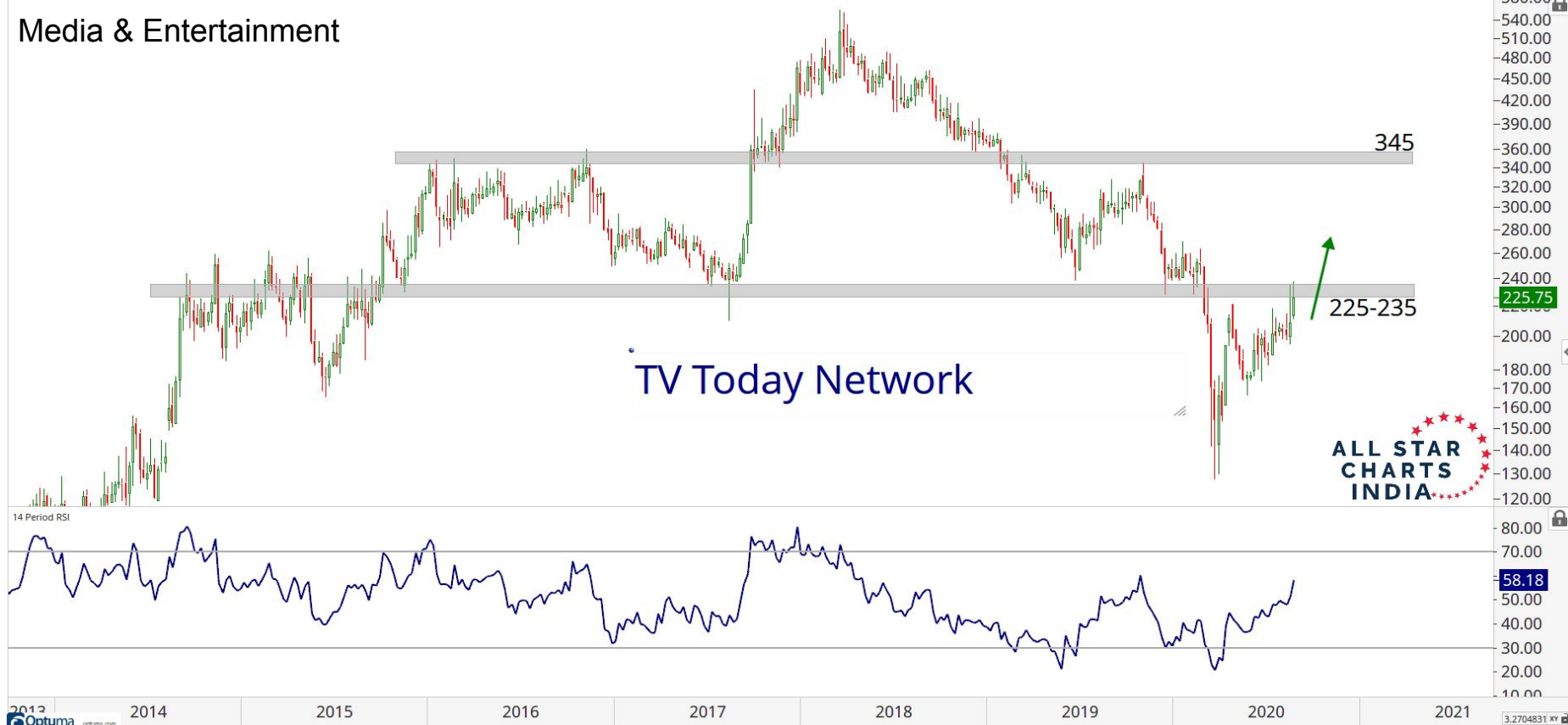
2013 2014 2015 2016 2017 2018 2019 2020 2021 1.8245426 XY



Financial Services



Media & Entertainment



Media & Entertainment

Inox Leisure

