

## Fantastic Four

In the current market scenario where, Nifty index has been battered 13 pct from all-time highs, but few sectoral indices are still showing decent scope of pullback which can be part of bear market rally within various sectors. Other sectors excluding those mentioned below can act as market or below market performer in near term.

### 1. NIFTY INFRA Index

NIFTY Infra index has landed at support of *falling channel* in Five-wave decline confirming a start of a bear market. In the near term, it should be followed with corrective pullback in the form of A-B-C which should retrace atleast 50% of the entire fall. Minimum Upside expected from current levels is 18% and on an optimistic scenario, it could extend to 24%.



### Top Constituents by weightage

Company Name	Weight (%)
Larsen & Toubro	34.73
NTPC	11.57
Bharti Airtel	9.88
Power Grid	9.60
Adani Ports	5.73
Bharti Airtel	4.95
Container Corp	3.05
Voltas	2.73
Tata Power	2.64
BHEL	2.06

### Index Genius Investment Advisors

Tel.: (022) 6236 9532 | Mob.: +91 90829 91671 | Email: [research@indexgenius.com](mailto:research@indexgenius.com) | Website: [www.indexgenius.com](http://www.indexgenius.com)

## 2. S&P BSE Oil & Gas Index

S&P BSE Oil & Gas index has completed Five-wave decline which is like Nifty Infra index, confirming start of the Bear market. Here too, we are expecting pullback to end above area of Wave (4) which should provide minimum upside of 22% and can extend to 26%.



### Top Constituents by weightage

Company Name	Weight (%)
Reliance	64.9
ONGC	10.8
GAIL	6.2
BPCL	4.6
IOC	4.4
Petronet LNG	2.8
HPCL	2.3
Indraprastha Gas	1.5
Oil India	1.3
Castrol India	1.2

### 3. NIFTY PSE Index

NIFTY PSE index remains the weakest amongst the pack as it still has room to test lower end of the *falling channel*. However, if this index forms a truncated down move, we expect this pullback has minimum potential to test the area near Wave (4). We can expect Minimum Upside of 16% which has the possibility to extend till 18%.

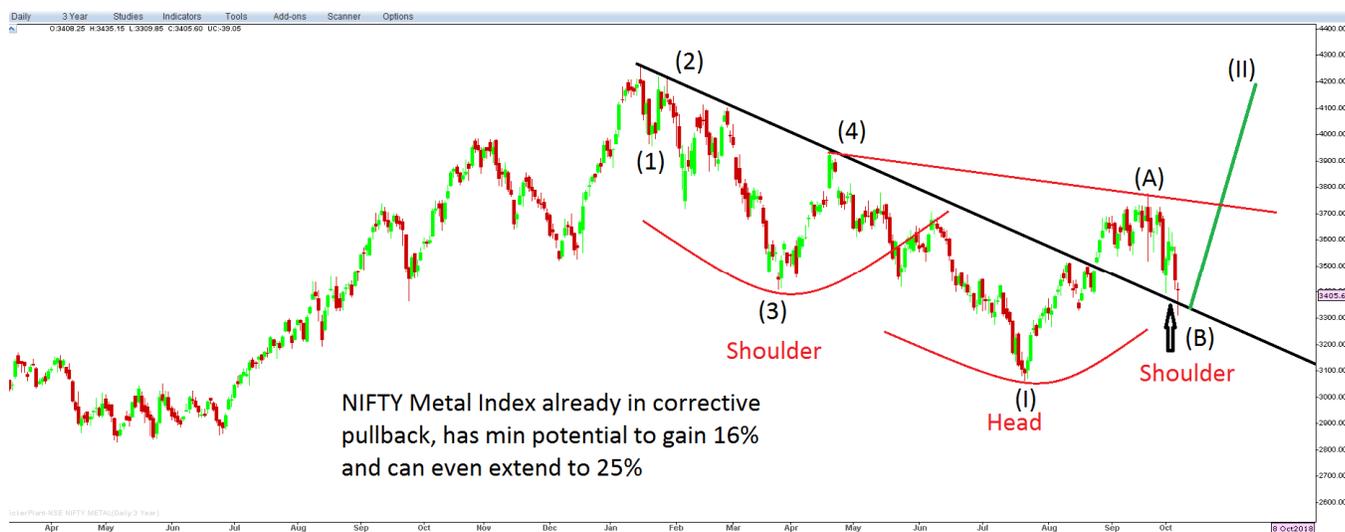


#### Top Constituents by weightage

Company Name	Weight (%)
NTPC	13.45
ONGC	12.87
Power Grid	11.16
Coal India	9.36
GAIL	8.80
IOC	8.43
BPCL	7.52
HPCL	4.83
Container Corp	3.54
NMDC	2.58

#### 4. NIFTY Metal Index

NIFTY Metal Index remains the strongest amongst the pack as this index is already into corrective pullback since July end. In fact, this index is now taking support near earlier breakout point and should rally minimum 16% which has the capacity to extend to 25% which is almost 90% retracement.



#### Top Constituents by weightage

Company Name	Weight (%)
Tata Steel	18.27
Vedanta	17.98
JSW Steel	16.52
Coal India	15.14
Hindalco	13.95
NMDC	4.18
Jindal Steel & Power	3.24
Hindustan Zinc	3.05
SAIL	2.93
National Aluminum	2.15

## Conclusion

The above mentioned four indices have either entered their long-term support zone or have completed impulse decline within a bear market. Thus, they have a very strong potential to retrace 50-78% of its entire decline. This may provide boost to Nifty index in triggering a rally – the extent of which would be decided by other indices like Financials, automobile, FMCG and Pharma. Sectors other than the those mentioned above will see major underperformance going forward and may see pullback to mere 38% of entire decline.

We suggest investors to focus on the following stocks picked up from the mentioned indices namely Nifty Infra, Oil & Gas, PSE and Metal index-

## Portfolio weightage

Company Name	Weight (%)
Reliance Industries	30
ONGC	5
Tata Steel	12
Vedanta	8
L&T	15
NTPC	10
Power Grid	10
Voltas	3
Gail	4
Container Corp	3

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Address: A-212, Gokul Arcade, Opp Garware Chowk, Andheri-Sahar Road, Vile Parle (East), Mumbai- 400 057.

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