Edelweiss

MODEL TRADING PORTFOLIO

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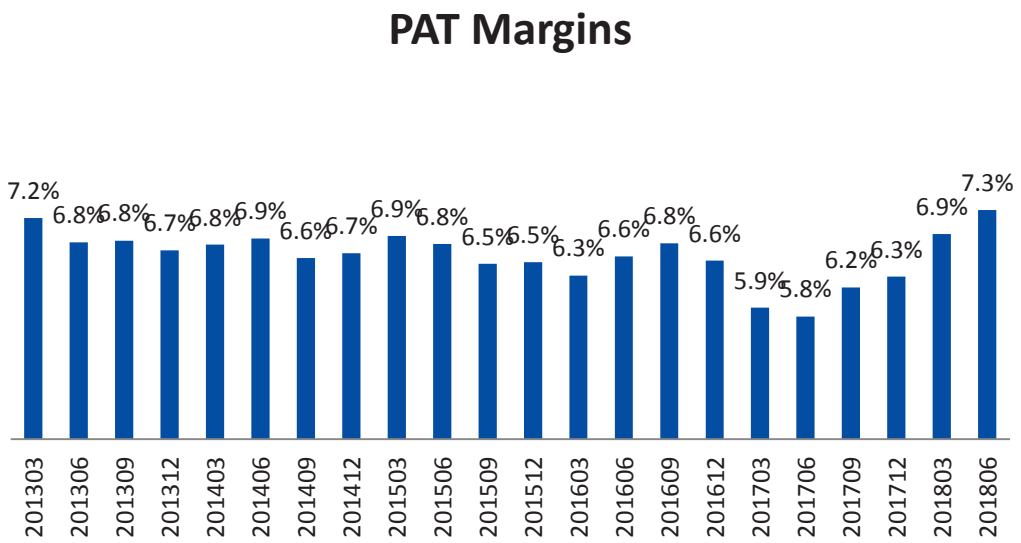
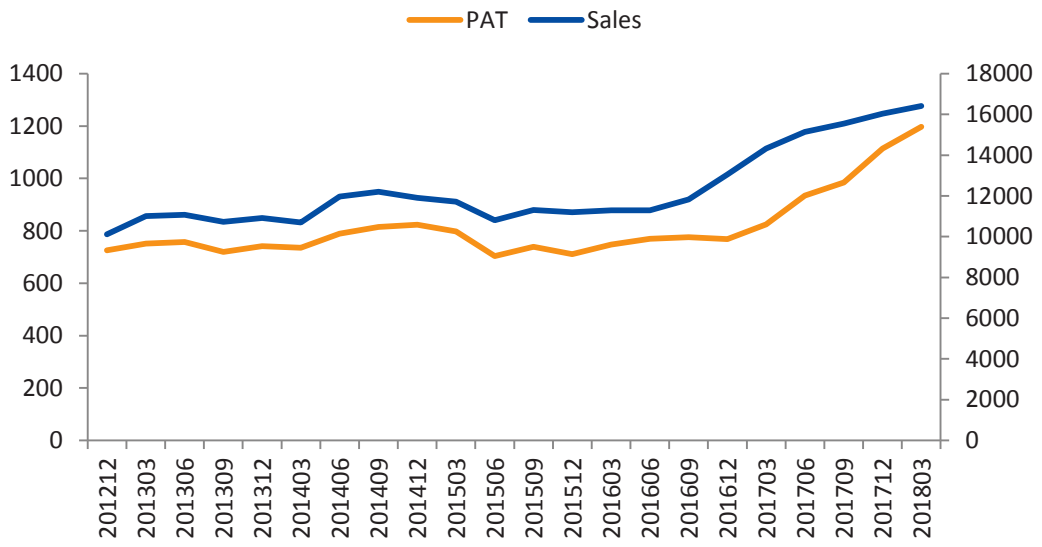
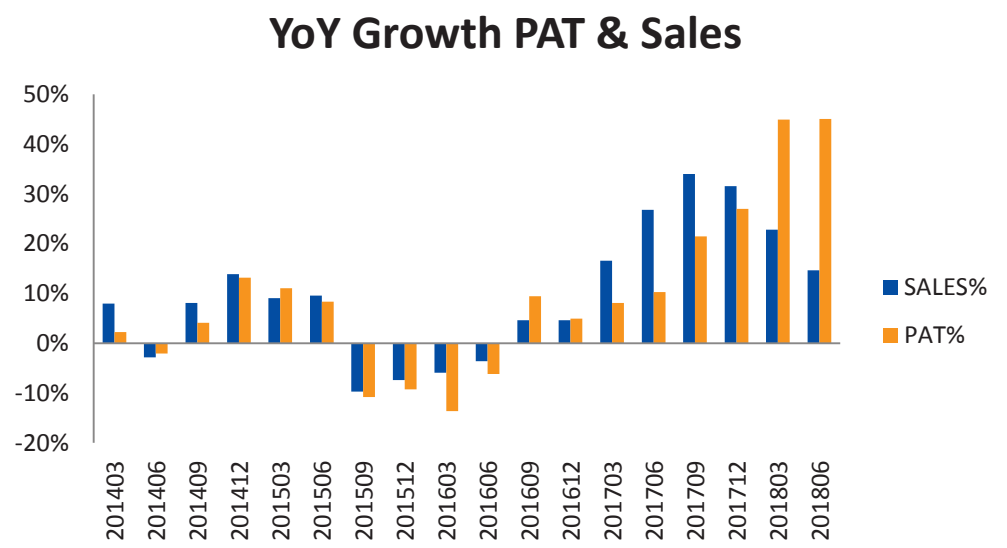
Buy Titan at 932 (15% Allocation)

Titan Company Ltd is in the Consumer Durables sector, having a market capitalization of Rs. 81,609.74 crores. It has reported a consolidated sales of Rs. 4,451.03 crores and a net profit of Rs. 328.15 crores for the quarter ended June 2018. Stock has seen Margins improving since the last 4 quarters. PAT growth is incrementally growing in the last few quarters.





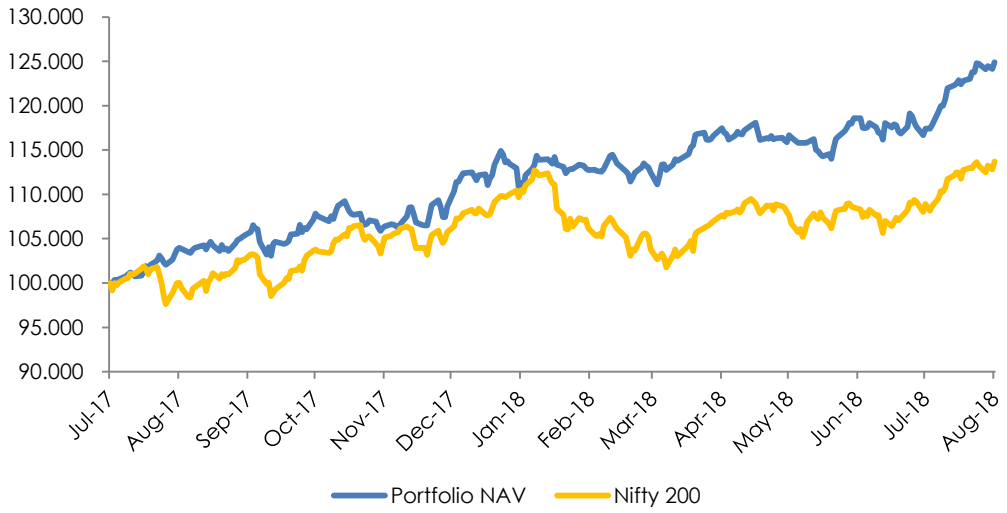


Buy Titan at 932 (15% Allocation)

The stock has given a break out of its consolidation range. RSI is showing strength and MACD also hints a positive strength. We can expect the stock to move towards 1071.

Portfolio Holding & Returns Since Inception

Summary	Return Since Inception (July '17)	6 Month Chg	1 Month Chg
Portfolio	*26.1%*	*10.8%*	*6.4%*
Nifty NSE200 Index	*13.7%*	*7.0%*	*5.1%*
Diff	*12.4%*	*3.8%*	*1.3%*



Open Calls

STOCK	Entry	TGT	SL	CMP	Return
GODREJIND	607	698.05	547	610.3	0.5%
OBEROIRLTY	525	600	470	474.85	-9.6%
L&TFH	179	206	160.5	181.75	1.5%
M&M	943	1040	880	961.5	2.0%
TITAN	932	1071.8	838.8	941.55	1.0%

Closed Calls

STOCK	Entry	TGT	Exit	Returns
CADILAHC	393	460	354	-9.9%
UBL	1190	1368.5	1281	7.6%
JUBLFOOD	2610	3050	2769	6.1%
PAGEIND	25400	29200	27300	7.5%
HAVELLS	555	640	600	8.1%
PIDILITIND	1055	1220	1143	8.3%
GAIL	359	415	390.5	8.8%
CROMPTON	249	287	269	8.0%
STRTECH	345	396	372.45	8.0%
PAGEIND	29020	34000	31400	8.2%
			Average Returns	**6.1%**

Product Description & Investment Objective

- **Product description:**
  - The portfolio seeks to achieve capital appreciation by predominantly trading in the Large Cap universe.
  - The portfolio consists of Long/Short Trading ideas.
  - Trades are generated based on our Quantitative Trading model.
  - Stick to a disciplined philosophy for stock trading.

- **Investment objective:**
  - Generating outperformance over benchmark and comparable Funds.
  - Take calculated risk
  - Focus on identifying long/short trades in the NSE200 segment
  - Constantly look for ideas to generate better risk adjusted returns.

Core Trading Rationale

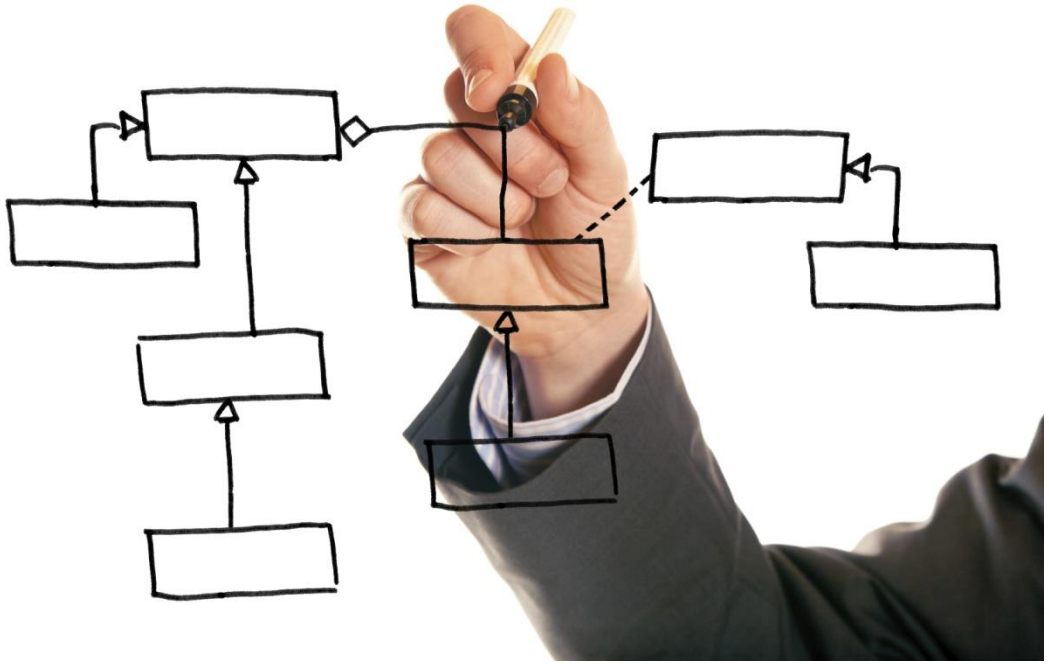
- **Stock Selection Rationale:**
  - NSE 200 is the current stock universe
  - A set of stocks are selected out of NSE200 universe which qualify our fundamental and earnings criteria for long trades. Similarly relative strength comparison model is used to initiate short trades.
  - The shortlisted stocks are timed on technical parameters.

- **Entry/Exit Rationale:**
  - Entry criteria is based on technical parameters.
  - The system trades on break-out/breakdown post entering our stock trading universe.
  - Exits are trailed to a max of 10% drawdown from a stocks peak high post entry.
  - An upside of 15-20% is targeted.

Methodology Hindsight test

- For long trades we reverse engineered and analysed stocks which had gained significantly in two quarters and looked at its fundamental characteristics. We have bottled down on to quantitative parameters which were frequently occurring before the stock could trend. Quantitative parameters include quarterly Top-line, bottom-line, and margins. Loss making companies were ignored from the universe.

- Similarly for Short trades an RSC (relative strength comparison) model is used to select stocks and entries are timed using technical charts and indicators.



Portfolio Specifics & Risk Matrix

Risk Profile

High			
Medium			
Low			
Risk/Return	**Low**	**Medium**	**High**

- **Product Strategy**
  - Maximum 7 stock portfolio
  - Equal weight age to each stock
  - Monthly portfolio review

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