Twitter Thread by Aneesh Philomina Antony (ProdigalTrader)

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How to recognise the strong sector?

Widely practised method is that to check the relative strength against the market. Here is the performance of each sector since nifty started falling. We can fairly accurately conclude that, we must look at PSUBANKS, METALS, AUTO

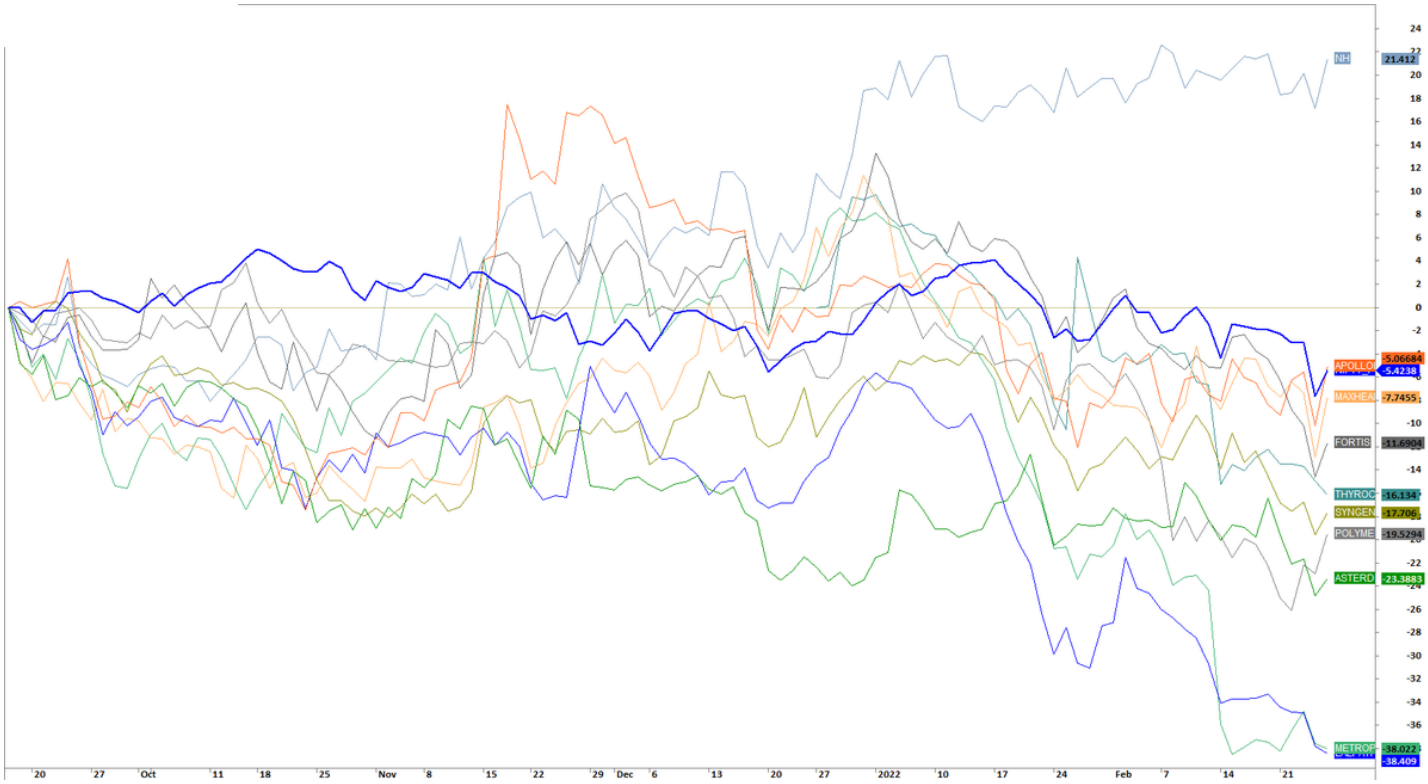
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	A	B	C	D	E	F	G	H	I
1	Symbol	Date	Close	change %	hi-close	max gain-%	max loss-%	52 Week High	pct_52H
2	NIFTYPSUBANK	25-02-22 0:14	2664.1	-1.9	3066.1	12.9	-9.3	3133.5	17.6
3	CNXENERY	25-02-22 0:14	23590.6	-4.7	25293.9	2.1	-10.9	25418.9	7.8
4	NIFTYCPSE	25-02-22 0:14	2347.9	-5.6	2521.4	1.4	-11.8	2547.1	8.5
5	CNX-IT	25-02-22 0:14	33476.9	-6.3	39370.7	10.1	-8.9	39446.7	17.8
6	NIFTYMETAL	25-02-22 0:14	5618.7	-6.7	6253.1	3.9	-13.6	6312.2	12.3
7	BANKNIFTY_F1	25-02-22 0:14	36421.8	-7.6	41360.4	5	-12.3	41820.8	14.8
8	NIFTYMNC	25-02-22 0:14	18259.8	-7.6	19969.6	1.1	-9.5	20129.8	10.2
9	NIFTYAUTO	25-02-22 0:14	10895.3	-7.7	12061.8	2.2	-11.8	12139.8	11.4
10	NIFTYSERVSECTOR	25-02-22 0:14	23365.1	-8	25702.7	1.2	-10.6	25822.8	10.5
11	NIFTYCOMMODITIES	25-02-22 0:14	5533.1	-8.8	6187.1	2	-12.1	6236.5	12.7
12	NIFTY_F1	25-02-22 0:14	16656.1	-9.3	18495.4	0.8	-11.4	18594	11.6
13	NIFTYPVTBANK	25-02-22 0:14	18497.5	-9.6	21404.3	4.6	-14.3	21719.3	17.4
14	NIFTYFINSERVICE	25-02-22 0:14	17028.9	-10.1	19651.1	3.7	-12.8	19778.9	16.1
15	NIFTYINFRA	25-02-22 0:14	4699.8	-10.8	5334	1.2	-13.1	5362.8	14.1
16	NIFTYCONSUMPTION	25-02-22 0:14	6729.3	-10.9	7520.6	-0.5	-12.8	7653.5	13.7
17	NIFTYPHARMA	25-02-22 0:14	12899.8	-12.4	14598.2	-0.9	-15.1	14938.3	15.8
18	NIFTYPSE	25-02-22 0:14	3829.3	-12.7	4462.5	1.7	-15.8	4504.4	17.6
19	CNXFMCG	25-02-22 0:14	35292.6	-14.7	41564.1	0.5	-16.1	42021.4	19.1
20	NIFTYMEDIA	25-02-22 0:14	1997.1	-15	2473.1	5.2	-18.9	2494.6	24.9
21	NIFTYREALTY	25-02-22 0:14	433.8	-19.6	556.2	3.1	-23.6	560.9	29.3

But how about the sectors such as healthcare, sugar, chemicals etc. These have no respective sector charts. How do u assess the strength in these.

Answer is to check the relative performance. Here is an example chart of health care stocks in NSE500 universe.

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How do u see this?

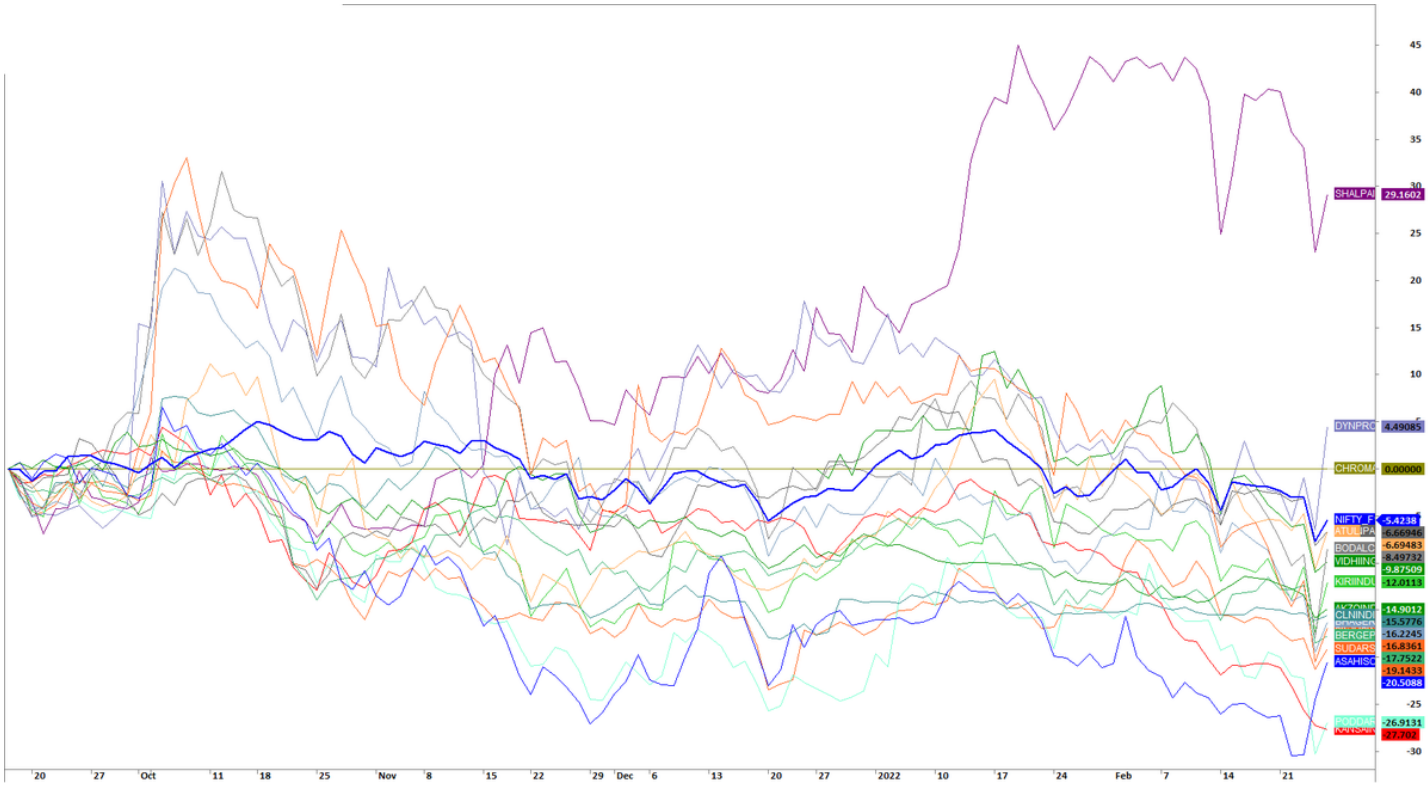
Majority of the health care stocks are falling below the market. Its just one stock; NArayana Hridayalaya which outperforms the market. Surely its a "DO NOT TOUCH" sector

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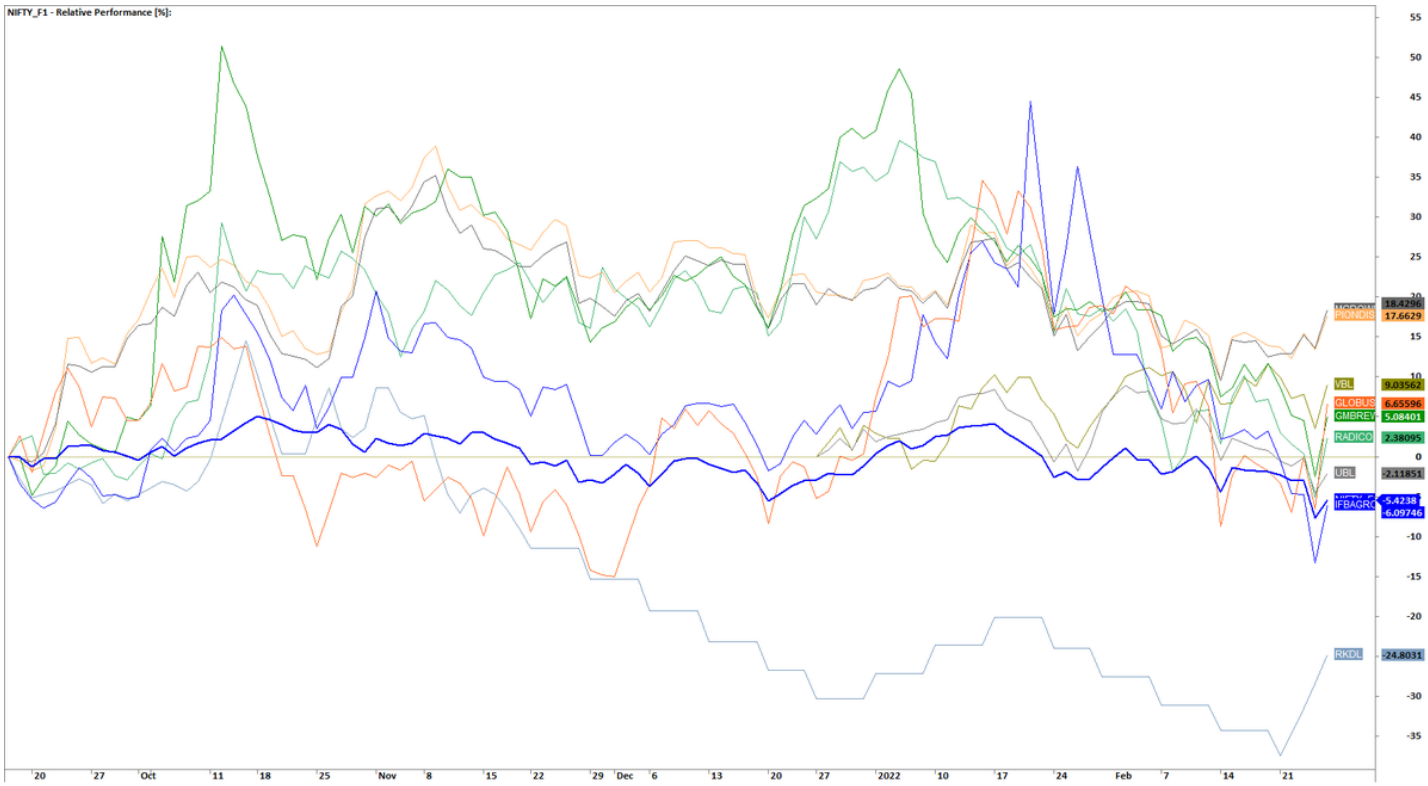
Here is how paint industry is faring at present. How do u see this?

Obvious to see majority of the stocks are underperforming the thick blue line (which is Nifty). With such as overal trend, its better to avoid such stocks.

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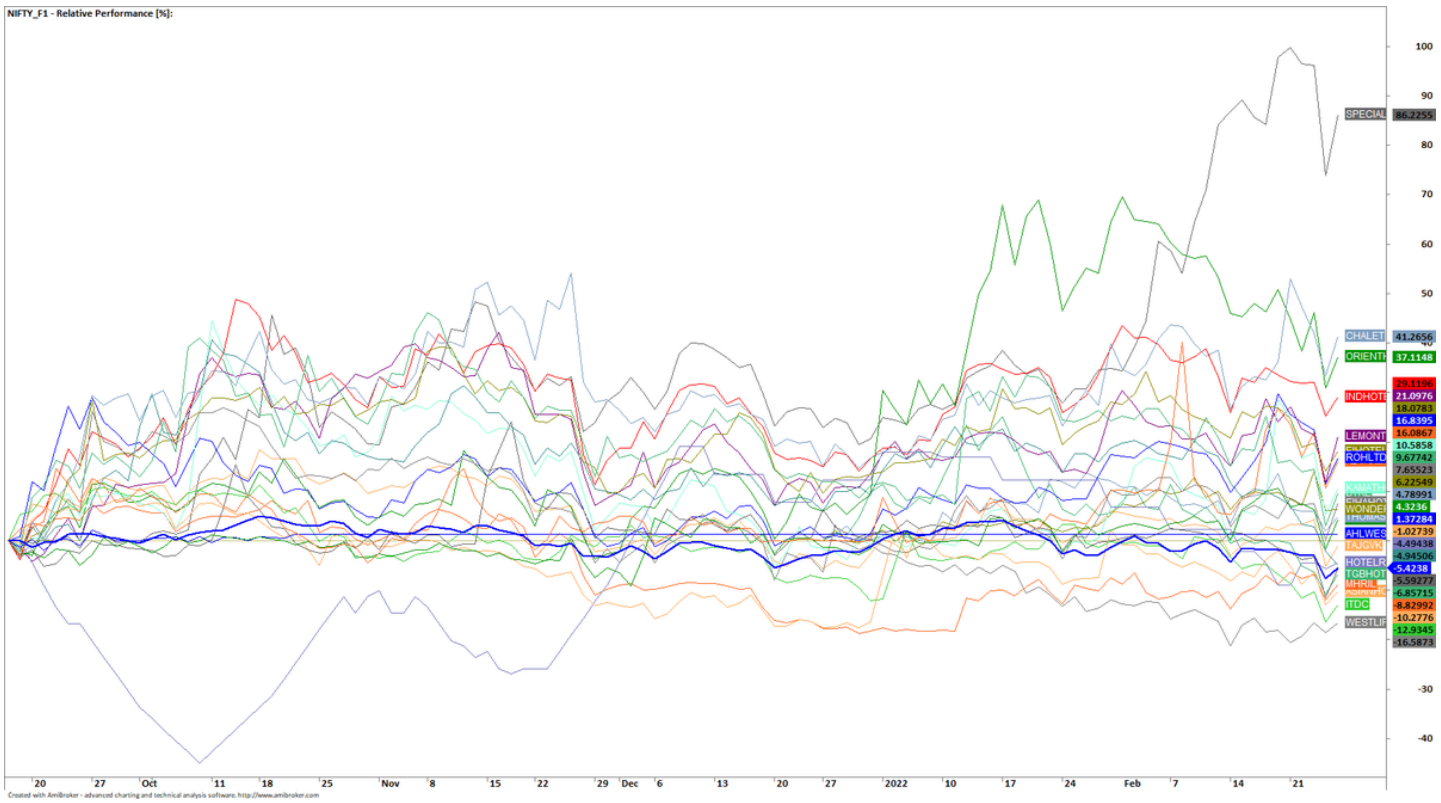


Here is Beverages stocks & their relative performance to each other & against nifty. Trend is so obvious. Most stocks are falling much lessser than nifty.
In such adverse conditions, hollow stocks with brittle demand are prone to make steep fall. If they do not, its demand



Its the Relative performance chart of Hospitality stocks. Once again, this is a setor to watch out. They are far stronger than majority of the sectors in the market and also against the market trend.

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Criteria:

1.
Just look at how the stocks are performing. If 2/3rd of the stocks are performing better than market, its a very good sector to bet upon.
2.
Another point is to check where the leaders in the sector lies. Few of them should be there abv market

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NSE500 stocks are the best to keep as ur scannning universe. They contain all the quality stocks out there. And also cover all the sector with fair number of stocks and also contain enough examples from small, mid and large caps. Nifty100 etc may not be enough

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Relative performance is the trick big twitter handles or TV analysts uses to predict the next winning sector. U must have heard them declaring chemicals or sugear sector as the potential watchout sectors 2020-21.

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Beverages and Hospitality are the examples i shared here. There other few ones too. I leave them to u. U may want to check out Power, Textiles and Sugar sectors for this purpose. On the contrary, u can see why should not bet on Tyre stcks too in thesame way.

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I intend to bring out lesser know concepts in trading regularly. But that wont sustain if the public demand isnt good in it. Like & Retweet the thread in that regard.

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