



## Nifty Outlook

Nifty Fut.	Reco.	MBP	SL	TGT
7745	BUY	7745	7720	7830

'A breach only below 7680 (Nifty Spot) would distort the ongoing bullish trend. With the expiry week ahead we expect the gyration to continue within the range of 7700-7950 & only a breach outside the said range would unfold directional momentum. Proximity towards the lower end of the range provides a good opportunity for fresh longs.

## Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.55	67.45	67.30	67.68	67.80

The pair is likely to trade positively as long as 67.30 is held. Buying is advised targeting 67.80 level.

## Sectoral Outlook

Sector	Outlook
FMCG	Positive
PHARMA	Negative

## Outlook

- ✓ US markets closed flattish. Concerns over Fed hiking rate earlier is affecting markets. Nervousness is being seen across the globe on account of the same. Indian market was marginally down led by likes of Lupin, Tata Steel, ONGC, ITC, powergrid were among the gainers. Nifty continues to be in a range with 7700 being supports and 7900 being the resistance zone. On results reaction, Britannia was a big loser. Lupin continued to lose ground. ITC did well post numbers. Crude price is relatively stable. FIIs and DIIs both were marginal net sellers. Overall the markets could continue to remain muted and reactions will continue to be more results driven. Tata Power reported better performance. In the power space we like Power Grid from a investment perspective. In the software space, we like Infosys, HCL tech from a investment perspective. In the mid cap space, we like Mindtree.

## Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
HUL	BUY	820	814	840
DIVISLAB	SELL	1040	1068	980

## Trading Idea - Derivatives

### STRATEGY - Banknifty Put butterfly Spread

Instrument	B/S	Lot	Reco	CMP
May 16500 PE	Buy	1	156	170
May 16000 PE	Sell	2	38	28
May 15700 PE	Buy	1	9	6

Target Profit : 12500 Stop Loss : 2500

## Trading Calls

**HUL** MBP INR 820  
Buy Target INR 840



- ✓ 'Positive sector outlook
- ✓ 'Doji' alongwith the RSI -Divergence of the 180 min augur well for the termination of the corrective move
- ✓ HUL could be traded with a stop below 814 for a target upto 840

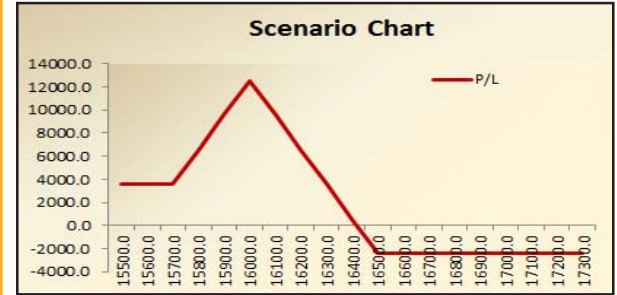
**DIVISLAB** MBP INR 1040  
Sell Target INR 980



- ✓ 'Negative sector outlook. The recent rebound from the 'Dark Cloud Cover' pattern re-confirmed weakness
- ✓ Continuation pattern on the intraday scale compliments the reversal pattern
- ✓ Short positions could be continued with a stop at 1068 for an immediate target upto 980 followed by short term target upto 960

## Derivatives Idea

**Banknifty** Buy 1 Lot 16500 PE  
Sell 2 Lots 16000 PE  
Put butterfly Spread Buy 1 Lot 15700 PE



**Target Profit : 12500    Stop Loss : 2500**

- ✓ Option indicative band of Bank Nifty suggests range of 16000-17000. Unwinding in 16500 PE could trigger downside momentum
- ✓ Considering proximity to expiry and to benefit from theta decay , Low risk Modified Put Butterfly Spread is recommended

## FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-66	-1169	-51006
DII	-168	5211	69832

## Outlook

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## FII F&O

Institution	Net B/S	OI
Index Future	326	Long
Index Options	1213	Option unwinding
Stock Futures	386	Long

## Food Alert

- ✓ FSSAI disallowed Potassium Bromate as an additive as it is a carcinogenic
- ✓ Pizzas and burgers made of breads laced with toxins such as potassium bromate; Negative for KFC, Dominoes, Britannia, Mcdonalds

## Diesel vehicles >10yrs banned in Kerala

- ✓ National Green Tribunal Circuit Bench on May 23 banned light and heavy diesel vehicles more than 10 years old, in six major cities, including state capital Thiruvananthapuram and commercial capital Kochi
- ✓ If caught post 30days from now; fine of INR 5000 to be imposed
- ✓ Positive for Tata Motors; Mahindra, Ashok Leyland

	Sales	% Y/Y	EBITDA	% Y/Y	PAT	% Y/Y	Rationale	Comments
Dish TV	8	6	2.6	18	0.8	NA	Buy/120/B	1. EBITDA miss of 11% as higher sports related content payout 2. Excl. Tax writeback, PAT was down 32% QoQ 3. Cut Est by 5%; EBITDA CAGR of 22% over FY15-18
Just Dial	1.8	14.9	0.45	25.1	0.35	-25.1	Buy/802/I	1. paid campaigns up by 11.3% YoY to 368,800nos 2. EBITDA margin -200bp YoY to 25.1% on higher other expenses 3. Cut FY18Est by 15%, Rev 20% and PAT 6% CAGR over FY16-18E
TTK Prestige	3.1	7.5	0.3	45	0.2	131.2	Buy/5400/A	1. Cooker +4%YoY, Cookware -11% YoY, appliances +17% YoY; Lower RM led to GM expansion by 350bps 2. Entry into home cleaning [INR 25bn, +25% YoY]; outsourced manufacturing 3. Horwood [INR 170cr rev, EBITDA [16.5%] consolidation in Q1 FY17 4. Revenue 22% and PAT 34% CAGR over FY16-18E ; 30x FY18E EPS
Allcargo	14	-1.2	1.2	8.7	0.76	35	Buy/243/AA	1. margins improvement in MTO business and impressive volumes 2. EBITDA/PAT CAGR of 16%/26% through FY16-18E
Jyothy Labs	4.4	12			0.4	23	Buy/350/I	1. EBITDA +370bp to 14.1% as one off ESOP cost w/b 2. S.Ragunandan (CEO) steps down; relaced by ex-HUL veteran 3. Guidance of INR50b sales by 2020 (16.5b in FY16). At 33x FY18

## Currency Ideas

### USDINR



- ✓ USDINR continues to hold its strength above its key support, closing the previous session with a positive note at 67.55
- ✓ Key support zone remains at 67.20 - 67.30 and the pair is likely to head higher towards next major resistance at 67.80 - 67.95 level
- ✓ Dip buying for the session is advised targeting 67.80 - 67.95 levels.

### EURINR



- ✓ EURINR traded in a sideways range in the previous session closing marginally negative at 75.77
- ✓ The pair is likely to find short-term support near 75.30 - 75.50 area and a short-covering move towards immediate resistance at 76.20 - 76.50 area looks possible
- ✓ Buying is advised for the session, but downside for the pair will resume if price break below 75.30

# MOST Market Outlook

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