

## Nifty Chart



## Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
9157	9218	9250	9119	9075

'Nifty index made a small bearish candle similar to a Bearish Belt hold pattern on daily chart. It failed to hold 9160 but was finding support near to previous life time high of 9119. It partially filled a positive gap of 9106-9128, made on 16th March 2017. Now it has to hold above 9119 to witness an up move towards 9218 and 9250 while on the downside support exists at 9075 and 9000 level.

## Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
65.44	65.30	65.10	65.70	65.90

The pair is likely to trade in a lower range between resistance at 65.70 and support at 65.30/65.10 level.

## Market Drivers

- ✓ Indian markets saw a small correction yesterday with index losing about half percent. Software and select private sector banking stocks saw weakness. Idea was down over 10 percent post the Vodafone deal announcement. We see positives from a long term perspective though near term stock performance could be muted. HCL tech announced buyback at price of Rs 1000 per share. Kaveri Seeds is mulling buyback. Infrastructure space will continue to be in lime-light on expectations of order flows. Divis Labs will see sharp downsides on back of import alert. Global markets remain range bound. Asia is trading mixed. Indian markets could also consolidate with positive bias. Dmart lists today and should see a lot of interest. Given the well established successful business model and strong growth, investment interest is expected to be high. Street is expecting a listing at over Rs 500 per share.

## Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
CAN BANK	BUY	294	289	306

## Sectoral Outlook

Sector	Outlook
PSU BANK	POSITIVE
MID CAP	POSITIVE

## Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	9200	6037050	273825
Bank Nifty 30-Mar	21500	852200	24840
Bank Nifty 23-Mar	21500	654160	252120

## Corporate Action:

CRISIL	Dividend - INR 9.00
SHILPAMED	Interim Dividend - INR 0.60

## Security in Ban period:

BHARATFIN, CEATLTD, CENTURYTEX, JETAIRWAYS, JPASSOCIAT, JSWENERGY, KSCL, RELCAPITAL, SINTEX, WOCKPHARMA

## Trading Idea - Derivatives

**STRATEGY UPDATE : NIFTY- Call Ladder Spread**

Instrument	B/S	Lot	Reco	CMP
NIFTY CE 9200	B	1	50.80	42.00
NIFTY CE 9300	S	1	20.00	14.50
NIFTY CE 9350	S	1	11.05	7.10

TGT : INR6000; Hedge above: Buy Future above 9420; Margin Requirement: approx INR81850

## Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	8800	5623350	-411225
Bank Nifty 30-Mar	21000	655960	-6240
Bank Nifty 23-Mar	21000	395400	127440

## Trading Calls

### CAN BANK

MBP INR 294

**Buy**

Target INR 306



- ✓ It has taken support near to 289-290 and witnessing buying interest on decline
- ✓ It has seen strong recovery from lower levels with positive sector outlook
- ✓ Thus, recommending to buy with the trading stop loss of 289 for a potential upside target of 306

## Derivatives Idea

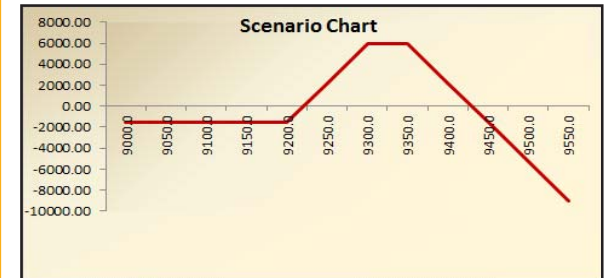
### NIFTY

Buy 1 Lot 9200 CE

Sell 1 Lot 9300 CE

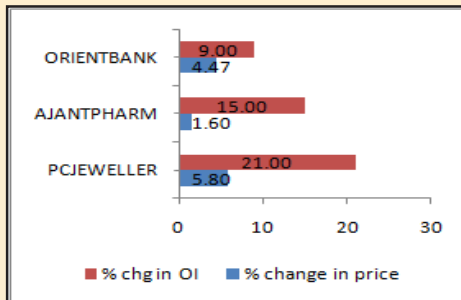
**Call Ladder Spread**

Sell 1 Lot 9350 CE

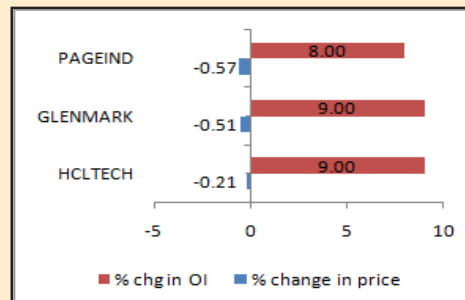


- ✓ Nifty is in long-long unwinding cycle
- ✓ Proximity to highest call at 9200 and any unwinding in same could see momentum accelerating
- ✓ Incremental addition in 9000 & 9100 PE could provide immediate support to the market
- ✓ As we are participating bullish momentum and to benefit from theta decay, Bull Call Ladder is recommended

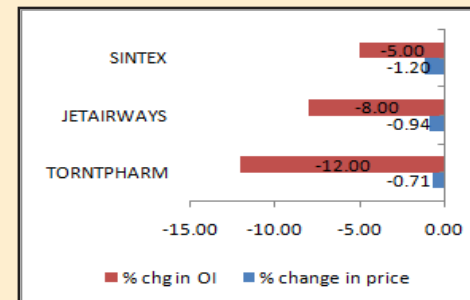
## Long Built-up



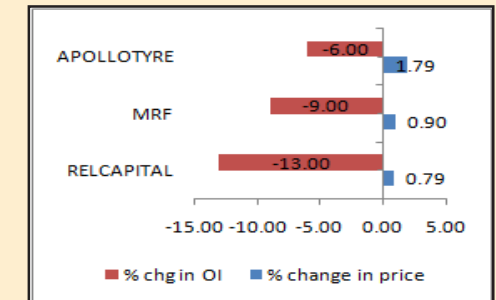
## Short Built-up



## Long Unwinding



## Short Covering



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

Cat.	Amt	MTD	YTD
FII	57	15589	38679
DII	-536	-6589	10848

## FII F&O

Institution	Net B/S	OI
INDEX FUTURES	777	Long
INDEX OPTIONS	89	Unwinding
STOCK FUTURES	-1280	Short

## Morning Meet Notes

### Research Notes

#### Colgate - Great play on rural growth (CMP 989, TP 1170, Recom. BUY)

- ✓ Company has weathered the storm from herbal players like Patanjali
- ✓ CLGT is a great play on rural recovery
- ✓ Volume growth to recover in FY18 and FY19
- ✓ Valuations are lower than the average 3-year and 5-year multiples, maintain our target multiple at 37x

#### Idea Cellular - Vodafone-Idea Merger (CMP 98, TP 120, Recom. BUY)

- ✓ The merged entity is valued at 8.3x on FY19E with an EV of INR1,779b
- ✓ Current sub-30% EBITDA margin could scale up to 36-39% over next 4-5 years
- ✓ Not a valuation call; expect earnings recovery to provide valuation support
- ✓ Upgrade Idea to Buy (from UR) with a TP of INR120, implying 9x EV/EBITDA on merged company FY19E earnings

#### HCL Technologies - Buyback a positive, expect price impact to be limited (CMP 863, TP 1000, Recom. BUY)

- ✓ Board approved the buyback of 2.5% of its paid-up equity.
- ✓ The proposed return of INR35b amounts to ~27% of the company's INR130b cash balance and ~11% of its net worth
- ✓ Over FY17-19E, we expect USD revenue CAGR of 11% and EPS CAGR of 10.5%
- ✓ HCLT trades at 13.3x/12.2x FY18/FY19E EPS

## Currency Ideas

### USDINR



- ✓ NSE USDINR continued to hold lower, closing yesterday's session lower near 65.44 levels.
- ✓ The pair did try to rebound after a huge decline but failed to breach resistance area at 65.85-65.90.
- ✓ The short-term bias remains bearish below this resistance and sustained breach of recent low near 65.30 could extend the downside towards 65.10-64.85 levels.
- ✓ The 14-period RSI too - although deeply oversold - is still not showing any signs of reversal.
- ✓ Selling on rallies is thus advised

### GBPINR



- ✓ NSE GBPINR has rebounded sharply since last week from a 5-year low near 79.75.
- ✓ However, the pair has been unable to breach resistance near 81.30-81.40 zone since the past 2 sessions.
- ✓ The pair is now expected to open lower near 80.80 (as per parity) and sustained breach of immediate support at 80.50 could resume the earlier decline leading to a re-test of 79.75 levels.
- ✓ Selling on breach of support is thus advised

# MOST Market Outlook

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