

Nifty Chart



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8178	8240	8280	8140	8100

'Nifty closed at 8153 and has slipped below its 200 day SMA which stands at 8216. It opened gap down in Thursday's session near 8121 owing to global news but witnessed a smart recovery back within the range of 8150-8280. Momentum indicator RSI is trading near neutral zone (RSI at 45) favoring consolidation within the range. Therefore only a sustained breach outside the range could see directional momentum.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.90	67.70	67.40	68.10	68.20

As long as above 67.70, expect sideways to bullish move to continue.

Sectoral Outlook

Sector	Outlook
ENERGY	POSITIVE
IT	POSITIVE

Trading Idea - Derivatives

STRATEGY UPDATE : Cairn Call Ladder Spread

Instrument	B/S	Lot	Reco	CMP
29 DEC 275 CE	Buy	1	5.25	1.75
29 DEC 280 CE	Sell	1	2.95	1.1
29 DEC 285 CE	Sell	1	2.05	0.7

Target : Rs12000 SL : Rs3000 Hedge : Above 287.50

Market Drivers

- ✓ Indian markets closed marginally lower. Axis Bank, ONGC, TCS were among the top gainers while Sun Pharma, Tata Motor DVR and NTPC were among the losers. Hawkish Fed statement could mean further firming up of US bond yields and strengthening of US dollar. This is per se negative for Emerging markets. US markets closed marginally higher. FIIs were net sellers. Indian markets however would be more concerned about the impact of demonetisation. Given uncertainty, we will continue to see sectors like software, pharma, utility, infra see trading interest. Overall markets could continue to be rangebound.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 29-Dec	8300	5381025	223200
Bank Nifty 29-Dec	19000	696160	11800
Bank Nifty 22-Dec	19000	223600	128920

Highest Put OI

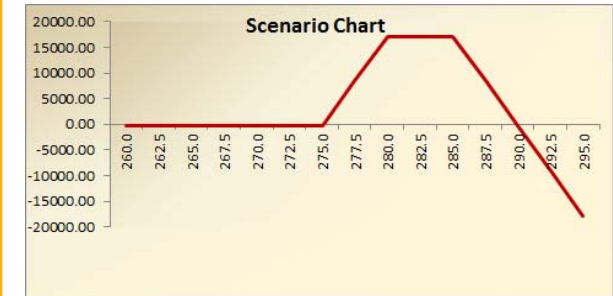
Instrument	Strike	OI	Chg in OI
Nifty 29-Dec	8000	8032100	171850
Bank Nifty 29-Dec	18000	833120	28760
Bank Nifty 22-Dec	18000	220360	166720

Derivatives Idea

Cairn

Call Ladder Spread

**Buy 1 Lot 275 CE
Sell 1 Lot 280 CE
Sell 1 Lot 285 CE**



- ✓ Cairn is in Long- Long Unwinding Cycle
- ✓ Positive sector outlook along with unwinding in ATM CE could see stock inching higher towards 280.
- ✓ Since we are playing momentum, Call Ladder Spread is recommended

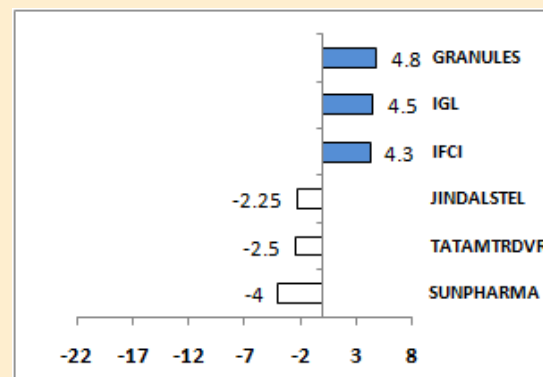
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-612	-3176	-4793
DII	-177	63	32617

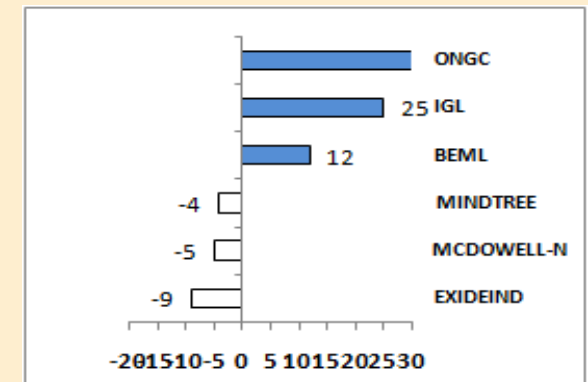
FII F&O

Institution	Net B/S	OI
Index Future	-1520.42	Long Unwinding
Index Options	910.01	Long
Stock Futures	-263.56	Short

Major Price % Change



Major OI % Change



Morning Meet Notes

Research Notes

Bajaj Launches high-end bike - dominar at INR 1.5 Lacs

- ✓ Segment between INR 1-2 Lacs does vols of 8 Lacs (RE commands 80% Market Share)
- ✓ Not directly pitched against RE (Fast, modern, hi-tech)
- ✓ Targeting customers looking to upgrade from 150cc segment
- ✓ Targeting Vols of 10,000 per month (total monthly vols at 3 Lacs)
- ✓ EPS CAGR of 14% until FY18; Trades at 16x FY18; TP of INR 3158

Jagran Prakashan: 2QFY17 Results

- ✓ Print ad revenue increased ~5% YoY; cut our FY17 print ad growth estimate from 11% to 9% due to demonetization (Mainly real estate ads)
- ✓ Margins decline due to negative operating leverage
- ✓ Cut ests by 4%; EPS CAGR of 10% until FY18; Trades at 13x FY18

Brent crude at \$54 per barrel (almost 2x from the lows of \$28 in Jan)

OMCs - possibility of price hike being deferred in the light of demonetization

Be cautious on - Aviation, Chemicals, Tyres, Paints

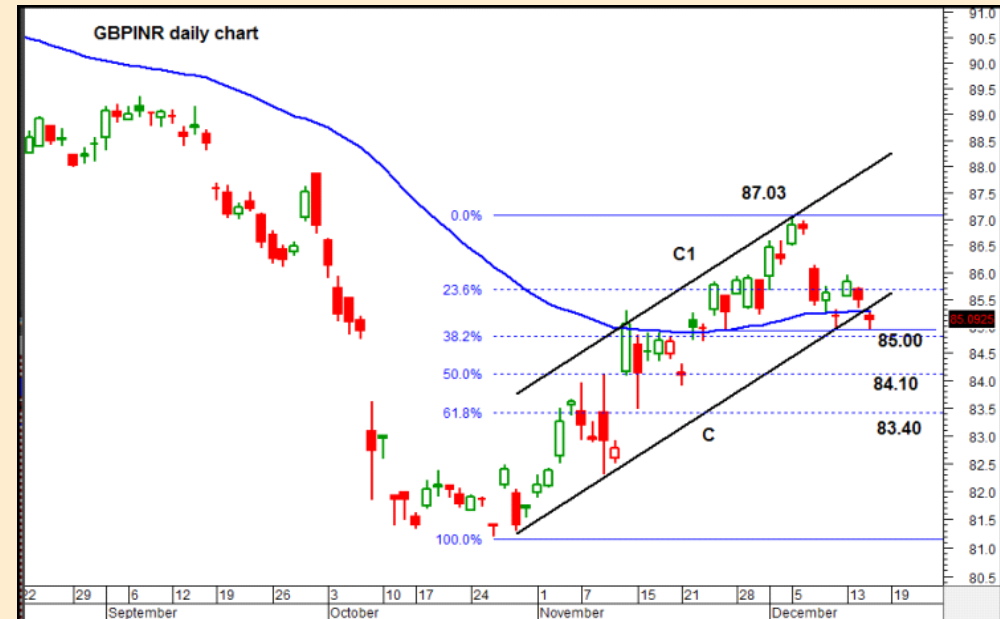
Currency Ideas

USDINR



- ✓ Pullback rally continues in USDINR (Dec. contract) towards key resistance zone at 68.10-68.20.
- ✓ Strong short-term supports are now placed at 67.70 - 67.40.
- ✓ As long as above 67.70, expect sideways to bullish move to continue.

GBPINR



- ✓ GBPINR could not sustain higher and has breached trend channel (C-C1) support near 85.40 indicating weakness.
- ✓ Strong short term resistances are placed at 84.80-85.00 zone whereas 84.10 - 83.40 may act as strong supports.
- ✓ Selling on rise is advised as long as price stays below 85.00 mark.

MOST Market Outlook

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