

MOST Market Outlook

1st March 2017

Nifty Chart



Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
BATA INDIA	BUY	508	482	560

Corporate Action:

HINDPETRO	Interim Dividend - INR- 22.50
MINDACORP	Interim Dividend - INR- 0.20
SUNDARFIN	Interim Dividend - INR- 5.00

Security in Ban period:

JINDALSTEL, JPASSOCIAT, WOCKPHARMA

Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8914	8950	8982	8850	8820

'Nifty formed a small Bearish candle on daily chart and witnessed consolidation for most part of the session. It has been making lower highs – lower lows from last two trading sessions. Recently index moved from 8712 to 8982 and 61.80% retracement of the entire up swing comes near to 8816 which may emerge as a short term buying zones while on the upside 8920 and 8982 are likely to act as an immediate barrier.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
66.93	66.75	66.50	67.20	67.50

The pair is likely to trade in a lower range between resistance at 67.20 and intraday support at 66.75 level.

Sectoral Outlook

Sector	Outlook
MIDCAP	POSITIVE
METAL	POSITIVE

Trading Idea - Derivatives

STRATEGY : Banknifty Modified Call Butterfly Spread

Instrument	B/S	Lot	Reco	CMP
30 Mar 21000 CE	Buy	1	248	248
30 Mar 21500 CE	Sell	2	104	104
30 Mar 21700 CE	Buy	1	64	64

Target: Rs.15750 at 21500 Initial Outflow: Rs.4000
Limited Profit: Rs.7900 above 21700

Market Drivers

- ✓ Indian markets closed marginally negative for second day in a row after the strong up move seen earlier. BHEL, Bharti, Asian Paints were among the gainers while Grasim, Coal India were among the losers. PSU banks outperformed. Also real estate and mid cap consumer stocks saw gains. Market has been generally tentative after the recent rally ahead of data, Trump speech. GDP number for the Dec quarter came in better than expected. US markets closed marginally lower. Prospects of Fed rate hike in March have increased as per reports. From a domestic perspective, positive GDP data, expectation of favourable results from Assembly elections augurs well. Near term consolidation could continue for index but the broad bias remains positive. No negative commentary for sectors like pharma or software in Trump speech could lead to rally in this space.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	9000	4130550	197550
Bank Nifty 30-Mar	21000	570960	64280
Bank Nifty 02-Mar	21000	1047880	250080

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	8500	3575475	-41100
Bank Nifty 30-Mar	20000	517560	11600
Bank Nifty 02-Mar	20500	437240	98200

Trading Calls

BATA INDIA

CMP INR 508

Buy

Target INR 560



- ✓ It has been making higher top – higher bottom formation and holding well above its rising support trend line
- ✓ It is also respecting to its 50 weekly moving average which has a bullish implication
- ✓ Thus recommending to buy on decline near to 500 for the upside target of 560 with the stop loss of 482

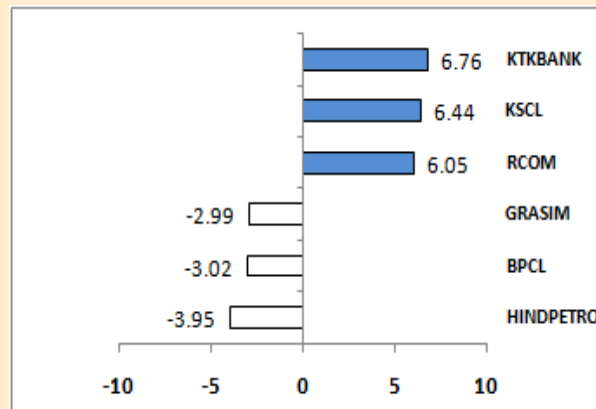
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	1146	8704	10577
DII	268	935	27927

FII F&O

Institution	Net B/S	OI
INDEX FUTURES	-62	Short
INDEX OPTIONS	1283	Put Long
STOCK FUTURES	216	Buying

Major Price % Change



Derivatives Idea

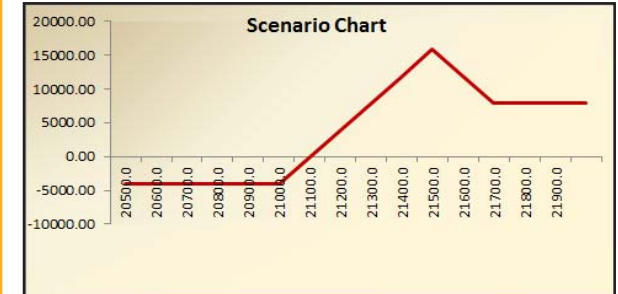
Banknifty

Buy 1 Lot 21000 CE

Sell 2 Lots 21500 CE

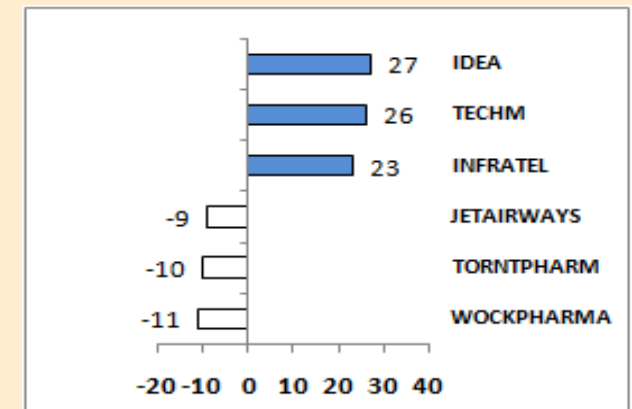
Modified Call Butterfly Spread

Buy 1 Lot 21700 CE



- ✓ Banknifty is in long-long Unwinding Cycle
- ✓ Option data shows highest put concentration at 20000 while any unwinding in 21000 CE could lead to option trigger thereby fuelling the momentum towards 21500 and above
- ✓ Considering long expiry, Low risk Modified Call Butterfly Spread is recommended

Major OI % Change



Morning Meet Notes

Research Notes

Economy update - India's GDP grew 7%

- ✓ India's Q3FY17 GDP grew by 7% vs 7.4% in Q2FY17
- ✓ GVA at basic prices grew by 6.6% vs 6.7% in Q2FY17
- ✓ Agriculture grew 6% vs 3.8%
- ✓ Industry grew 6.6% vs 5.1% (Manufacturing up by 8.3%, Construction 2.7%) and Services 6.8%

Sanofi India - Q4CY16 Results Update (CMP 4127, TP 5000, Recom. BUY)

- ✓ Revenue grew 4.1% YoY to INR5.9b, EBITDA was INR1.07b, declined ~5% YoY.
- ✓ EBITDA margin was 18.1% against 19.9% in 4QCY15. PAT declined 28.3% YoY to INR505m (~38% below estimate)
- ✓ Expect 12% sales growth, 17% EBITDA growth and 25% earnings growth over CY16-18. We maintain our Buy rating. Our TP is now INR5,000 @ 28x 1HCY18E EPS

Currency Ideas

USDINR



- ✓ NSE USDINR continues to drift in a relatively lower range holding below resistance near 67.20.
- ✓ The pair closed yesterday's session near 66.93 and is currently trading lower as per parity.
- ✓ The short-term bias remains negative as long as below 67.20.
- ✓ Breach below 66.75 could intensify the decline leading to a test of lower support at 66.50-66.45 area.

GBPINR



- ✓ NSE GBPINR has been trading negatively since the past two weeks as it has struggled to get past resistance at 84.15 (50% retracement resistance zone).
- ✓ The pair closed yesterday near the day's low (83.28) and has continued to drift lower overnight.
- ✓ Short-term bias looks negative below 84.15 and selling on rallies is advised.
- ✓ Immediate resistance is seen at 83.45 and test of lower support at 82.60 looks possible in the short-term.

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