

## Nifty Chart



## Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8326	8345	8380	8300	8160

'Nifty saw a strong recovery from the low of the weekly 'Spinning Top' formation. For the ongoing momentum to sustain, follow up buying above 8320 is desired unless that happens, risk of a failure remains high. Post a follow-up confirmation the Nifty could witness an immediate move towards 8450. Immediate support for the index is now placed around 8130.

## Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.77	67.60	67.45	68.00	68.15

Sideways consolidation could be seen for the session and price break on either side of 67.60 - 68.15 will give further short term direction.

## Sectoral Outlook

Sector	Outlook
<b>AUTO</b>	<b>Positive</b>
<b>FMCG</b>	<b>Neutral</b>

## Market Drivers

- ✓ Markets rallied firmly ending the month of June higher by about a percent and half over prior month. Global equities also continued their upward trajectory in last session. U.S. stocks rose for a third session on Thursday on mounting expectations for more accommodative policies from global central banks following the U.K.'s vote to leave the European Union last week. The European Central Bank is considering changing the rules regarding the types of bonds it can buy as part of its stimulus package amid concerns it could run out of securities to buy under current stipulations, according to Bloomberg News. The report followed comments from Bank of England Gov. Mark Carney, who indicated the central bank is poised to further ease monetary policy to combat an expected economic slowdown as the country works its way through 'Brexit'. We expect positive trading bias to continue in today's session.

## Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 28-July	8500	3801900	547125
Bank Nifty 07-July	18000	162400	83160
Bank Nifty 28-July	18000	199400	46120

## Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
<b>BAJAJ AUTO</b>	<b>BUY</b>	<b>2689</b>	<b>2630</b>	<b>2780</b>

## Trading Idea - Derivatives

### STRATEGY - Hindunilvr Modified Bull Call Spread

Instrument	B/S	Lot	Reco	CMP
28 July 920 CE	Buy	1	17.5	17.5
28 July 940 CE	Sell	1	10	10
28 July 840 PE	Sell	1	5	5

Target Profit : 12000 Stop Loss : 2000 (Hedge below 840)

## Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 28-July	8000	3812325	1031475
Bank Nifty 07-July	17500	285160	157400
Bank Nifty 28-July	17000	204800	52960

## Trading Calls

### BAJAJ AUTO

MBP INR 2689  
Target INR 2780

Buy



- ✓ 'Positive sector outlook & 'Rising Three' formation indicates the bullish trend to remain intact
- ✓ Bajaj Auto could be traded with a stop at 2630 & a trading target up to 2780

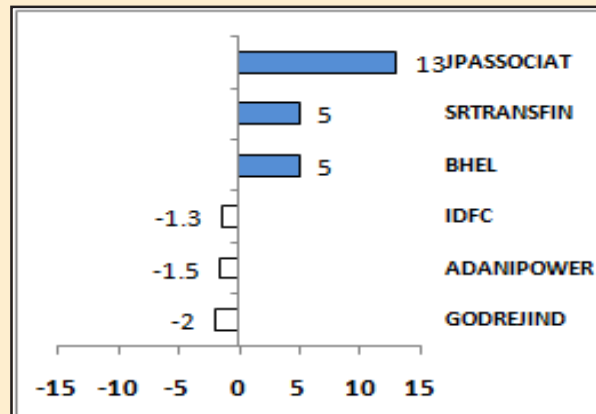
## FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	1107	4002	-41000
DII	-191	-2078	60719

## FII F&O

Institution	Net B/S	OI
Index Future	2840	Unwinding
Index Options	1937	Unwinding
Stock Futures	226	Unwinding

## Major Price % Change

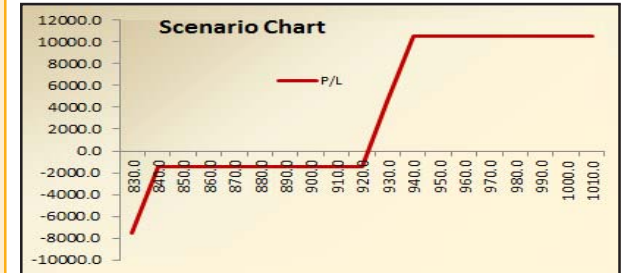


## Derivatives Idea

### Hindunilvr

Buy 1 Lot 920 CE  
Sell 1 Lot 940 CE  
Sell 1 Lot 840 PE

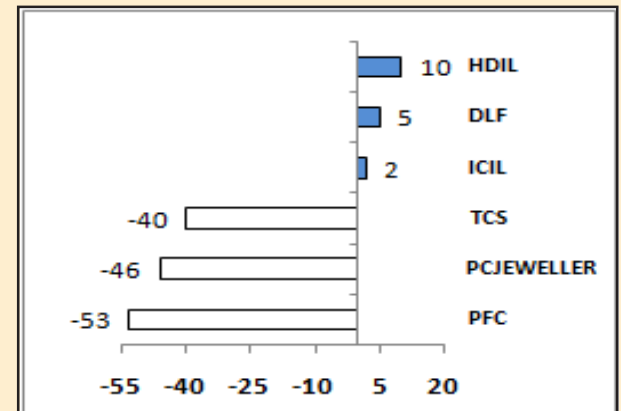
### Modified Bull Call Spread



Target Profit : 12000 Stop Loss : 2000

- ✓ Hindunilvr is in Long- Long Unwinding cycle
- ✓ Positive sector outlook along with long rollover provides decent opportunity to participate on long side. Unwinding in 900 CE could augur directional upward momentum
- ✓ Considering stable volatility, Modified Call Ratio spread is recommended

## Major OI % Change



## Morning Meet Notes

### Fundamental News Flow

- ✓ **INDIA MONSOONS:** Deficit at 11%

### Research Notes

**Core Sector growth** (38% of IIP) fell to 5 month low of 2.8% in May. This compares to 8.5% in April. Crude (-3.3%), Natural Gas (-6.9%) and Refining (+1.2%) disappointed while Fertilizer, Power and Coal did well. Cement production was at a 6 month low

### Company update: DLF (TP: 181; Upside: 26%)

- ✓ RentCo's stake sale a significant catalyst
- ✓ Development Company to become debt-free
- ✓ DLF best-positioned to benefit from leasing market recovery (growing at 10%)
- ✓ DLF trades at 0.85x FY17E BV and at a 45% discount to its NAV of INR240/share; value (a) RentCo at INR152/share (b) DevCo at INR29/share

### Auto volumes estimate:

Company	Growth %
Maruti	-5
M&M	+11
Hero	-2
Bajaj Auto	-3
TVS	+12
Royal Enfield	+37
TAMO	+11
Ashok Leyland	+5
VECV	+30

## Currency Ideas

### USDINR



- ✓ USDINR (July contract) continued its weakness for the second straight session closing at 67.77
- ✓ Immediate support for the pair remains at 67.70 - 67.60 area whereas resistance is pegged at 68.15 - 68.25 area
- ✓ Sideways consolidation move looks to continue for the session and price break on either side of 67.60 - 68.15 will give further short term direction
- ✓ Trading on extremes is advised for the session

### EURINR



- ✓ EURINR (July contract) traded sideways with positive bias in the preceding session closing at 75.52
- ✓ Key supports for the pair remains at 74.80 - 74.90 whereas immediate resistance is at 75.60
- ✓ Price break above immediate resistance will signify further positive move and could lead the rally towards 75.90 - 76.15 area
- ✓ Buying is advised for the session as long as price hold above supports

# MOST Market Outlook

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