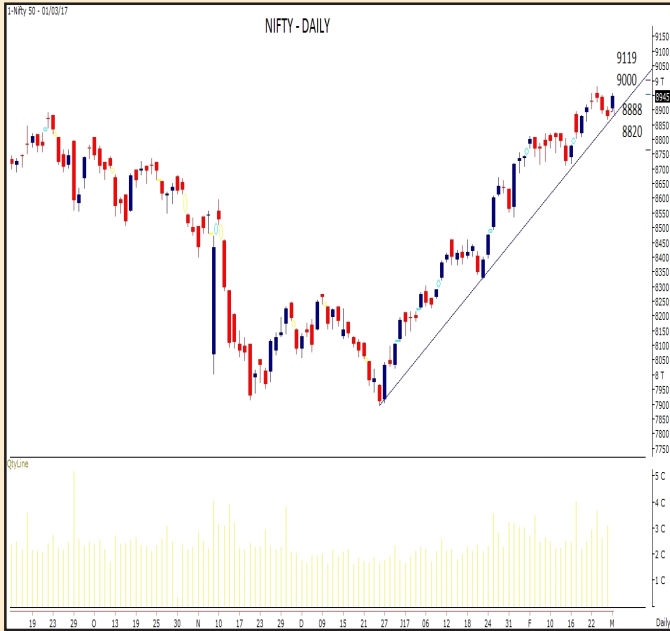


MOST Market Outlook

2nd March 2017

Nifty Chart



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8972	9000	9119	8888	8820

'Nifty index formed a Bullish Candle and turned positive after the profit booking of last two sessions. It has been respecting to its rising support trend line but multiple hurdles near to 8982-9000 zones are keeping the pause in the fresh leg of rally. It has to hold above 8900 zone to continue its up move towards 9000 then 9119 levels while on the downside multiple supports are seen at 8888 then 8820.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.04	66.88	66.75	67.10	67.20

The short-term bias is unclear at present. Either side breach of 66.75-67.20 would decide the trend.

Market Drivers

- ✓ Global cues are positive with US and European markets seeing smart gains. Indian markets after a couple of day's correction saw gains yesterday. Metals, banking and consumer names saw gains. Globally metals continued to rally which should help domestic metal stocks. Auto numbers were mixed with Maruti numbers marginally below expectation while M&M reported better than expected numbers. Real estate as a space saw gains. DLF gained on expectations of deal which should lead to reduction in debt. Mid cap banking stocks could continue to be in limelight on expectation of M&A activity. Overall global cues, positive macro data is supportive and should help Index move higher.

Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
SBIN	BUY	273	267	285

Corporate Action:

HEXAWARE	Interim Dividend - INR 1.00
MODISNME	Interim Dividend - INR 1.00
ROHLTD	Interim Dividend - INR 1.00
SYMPHONY	Interim Dividend - INR 1.00
VISHAL	Right Issue of Equity Shares

Security in Ban period:

IBREALEST, JINDALSTEL, JPASSOCIAT, WOCKPHARMA

Sectoral Outlook

Sector	Outlook
BANKS	POSITIVE
METAL	POSITIVE

Trading Idea - Derivatives

STRATEGY : TATASTEEL Bull Call Spread

Instrument	B/S	Lot	Reco	CMP
30 Mar 520 CE	Buy	1	10.5	9.7
30 Mar 530 CE	Sell	1	7.5	6.7

Target Profit: Rs.9000 SL Rs 4000

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	9000	4619850	489300
Bank Nifty 30-Mar	21000	549440	-21520
Bank Nifty 02-Mar	21000	1249320	201440

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	8800	3963825	411750
Bank Nifty 30-Mar	20000	580040	62480
Bank Nifty 02-Mar	20500	687720	250480

Trading Calls

SBIN

Buy

CMP INR 273

Target INR 285



- ✓ It has taken multiple support at 267-268 zone and holding the gains from last two weeks
- ✓ Overall trend is positive and recent consolidation is giving the fresh opportunity to buy for the upside target of 285

Derivatives Idea

TATASTEEL

Buy 1 Lot 520 CE

Sell 1 Lot 530 CE

Bull Call Spread



- ✓ Tatasteel have seen traces of short covering in last series and a good rollover too
- ✓ Proximity of stock towards its highest call raises expectation of a breakout
- ✓ Follow through movement above 500 could lead to aggressive unwinding in 500 CE propelling the momentum on higher side
- ✓ Thus trading strategy, OTM Bull Call Spread is recommended

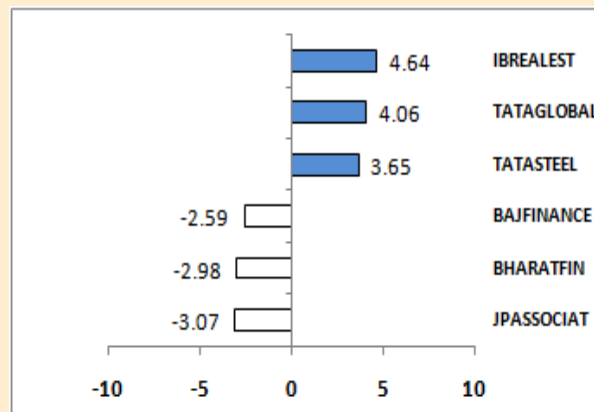
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-198	-198	22892
DII	254	254	17689

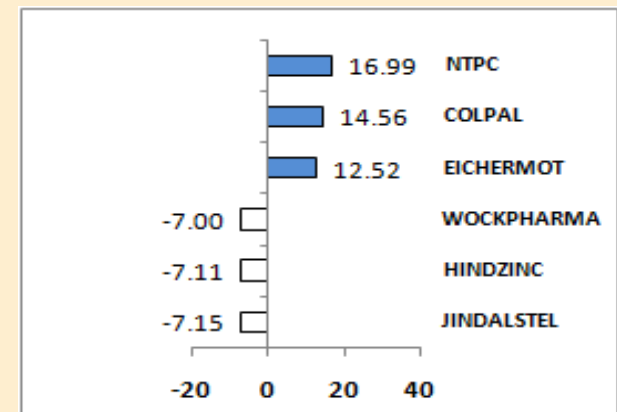
FII F&O

Institution	Net B/S	OI
INDEX FUTURES	169	Long
INDEX OPTIONS	887	Long
STOCK FUTURES	-1224	Short

Major Price % Change



Major OI % Change



Morning Meet Notes

Research Notes

Auto - Monthly Sales

MSIL

- ✓ Volumes grew 11% YoY (-10% MoM) to 130,230 units (v/s est of 140,500), Exports up 2% YoY (-9% MoM)
- ✓ The stock trades at 18.9x/15.6x FY18E/19E consolidated EPS of ~INR313/379. Buy with TP 6808.

Mahindra & Mahindra

- ✓ Volumes were flat YoY (5% MoM) at ~57,721 units (v/s est 54,100 units).
- ✓ The stock trades at 18x/15x FY18E/19E consolidated EPS. Buy with 1486

Ashok Leyland

- ✓ Volumes grew by 5% YoY (-5% MoM) to 14,067 units (v/s est. 15,950)
- ✓ The stock trades at 13.9x/10.9x FY18E/FY19E EPS. Buy with TP of 114.

TATA Motors

- ✓ Volumes grew by 2% YoY (flat MoM) to 47,573 units (v/s est 52,250 units)
- ✓ The stock trades at 12.7x/6.4x FY18E/19E consol. EPS respectively. Buy with TP of 653.

HeroMoto

- ✓ Volumes declined 5% YoY (+8% MoM) to 524,766 units (v/s est 520,000)
- ✓ The stock trades at 15.8/15.5x FY18/19 EPS. Maintain Neutral with TP of 3190

TVS

- ✓ Volumes were in-line at 211,470 units (v/s est. 214,500 units), decline of 4% YoY (+2% MoM). Domestic volumes declined by 6% YoY while exports grew by 10% YoY.
- ✓ The stock trades at 27.6x/19.4x FY18E/FY19E EPS. Buy with TP of 462.

Currency Ideas

USDINR



- ✓ NSE USDINR rallied briefly above 67.10 but failed to sustain higher for long eventually closing the session near 67.04.
- ✓ The pair slipped further on DGCX in overnight trade and is currently trading close to 66.95.
- ✓ The pair is unable to break the current tight range and is lacking clear direction at present.
- ✓ Intraday support is seen at 66.88 while resistance is at 67.10.
- ✓ Trading on the extremes i.e. buying near support OR selling near resistance is advised till a clear breakout is seen.

GBPINR



- ✓ NSE GBPINR expectedly fell sharply yesterday, closing near 82.77, down by about 0.65% for the day.
- ✓ The pair continues to remain under pressure and is likely to open lower towards 82.55 levels (as per parity).
- ✓ 82.50-82.40 area could provide immediate support to the pair while resistance is seen at 82.90.
- ✓ However, sustained breach below the same could extend the decline towards the January low near 81.95.

MOST Market Outlook

2nd March 2017

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