

Nifty Chart



Nifty Outlook

Nifty Cash	R1	R2	S1	S2
9304	9350	9380	9280	9191

'Nifty index remained under the pressure for most part of the session and finally closed with the loss of around 35 points near to 9300 zone. It has negated its formation of higher highs – higher lows of last five sessions and formed a Bearish candle on the daily chart. Now a hold below 9280 could attract a decline towards 9191 while on the upside multiple hurdles are seen at 9350-9380 zone.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
64.54	64.30	64.15	64.65	64.85

The pair is likely to trade in a range between intraday support at 64.30 and resistance at 64.65 with a positive bias.

Market Drivers

- ✓ Auto numbers have been ahead of expectations. Volume growth has been strong for April beginning the year on a strong note. Core sector grew 5 percent in March. Results season in general has been better than expectation. Microfinance companies have reported lower than expected numbers. Bharat Financial reported a loss on back of higher provisions while Ujjivan had earlier reported sharp drop in profits due to higher provisions. Ambuja cements reported lower than expected numbers. Overall focus will remain on results and stock specific news flow. Global cues remain positive. Sector wise mid cap banks, psu banks, auto and industrials could remain in focus.

Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
ONGC	BUY	186	181	196

Corporate Action:

TTKPRESTIG - Interim Dividend - INR 15.00

Security in Ban period:

ADANIENT, BHARATFIN, JSWENERGY

Today Event

India - Nikkei Manf. PMI

Sectoral Outlook

Sector	Outlook
Oil & Gas	POSITIVE
Banking	POSITIVE

Trading Idea - Derivatives

STRATEGY UPDATE : Tatamotors Call Butterfly Spread

Instrument	B/S	Lot	Reco	CMP
Tatamotors 25 May 460CE	Buy	1	14.5	14.50
Tatamotors 25 May 480CE	Sell	2	7	6.80
Tatamotors 25 May 500CE	Buy	1	3.5	3.05

Target: Rs 20000; SL: Rs.6000; Margin: approx Rs.170,000

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 25 - May	9500	4247175	-1500
Bank Nifty 25 - May	23000	660160	321720
Bank Nifty 4 - May	22500	384280	192440

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 25 - May	9000	4370400	72300
Bank Nifty 25 - May	21500	716240	441200
Bank Nifty 4 - May	22000	561080	224600

Trading Calls

ONGC

CMP : INR 186

Buy

Target : INR 196



- ✓ 'ONGC made Double bottom pattern on the daily scale with the support of 178
- ✓ It has negated its negative formation of lower top – lower bottom and surpassed its falling supply trend line
- ✓ It has an attractive risk reward ratio thus recommending to buy for an upside target of 196

Derivatives Idea

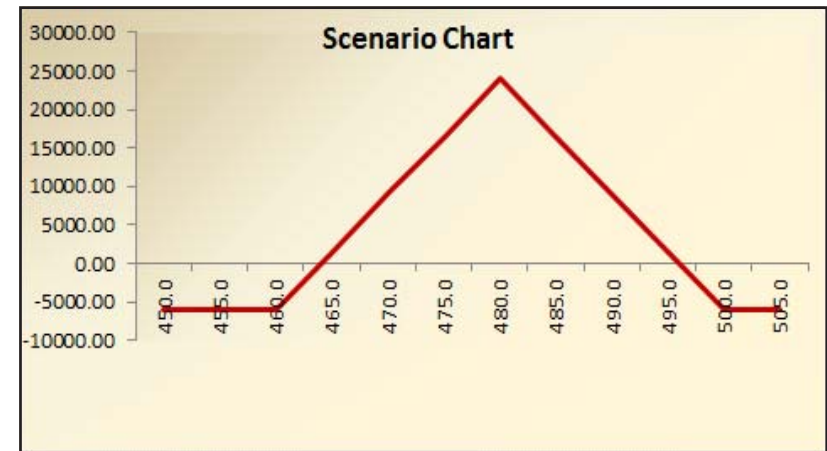
Tatamotors

Call Butterfly Spread

Buy 1 Lot 460 CE

Sell 2 Lots 480 CE

Buy 1 Lot 500 CE



- ✓ Tatamotors has witnessed accumulation in open interest in past few trading session
- ✓ Positive sector outlook along with fresh built up could boost the momentum
- ✓ Highest call congestion is at 460 Ce ,unwinding in same could propel momentum towards 480
- ✓ Thus low risk Call butterfly Spread is recommended

FII & DII Activity (INR in Cr)

Cat.	Amt	MTD	YTD
FII	-1150	-6628	18734
DII	1684	9247	39179

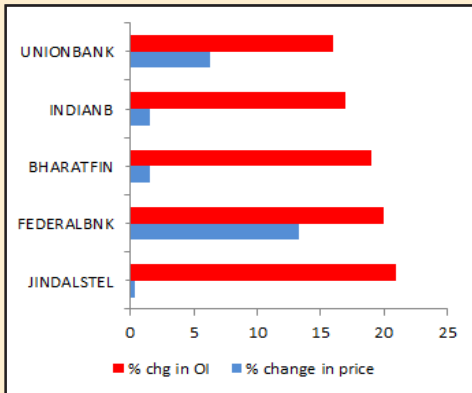
FII F&O

Institution	Net B/S	OI
INDEX FUTURES	-682	Short
INDEX OPTIONS	2,427	Option buying
STOCK FUTURES	-533	Short Covering

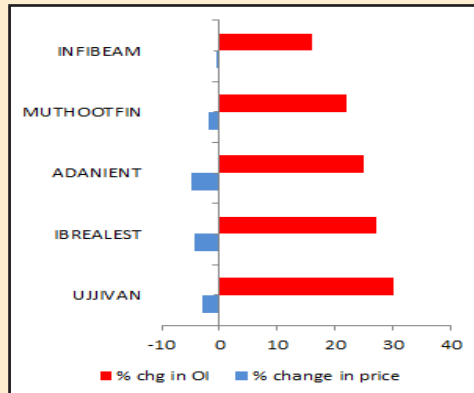
MOST Market Outlook

2nd May 2017

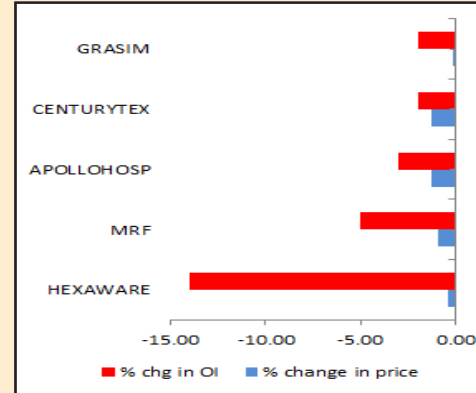
Long Built-up (Combine)



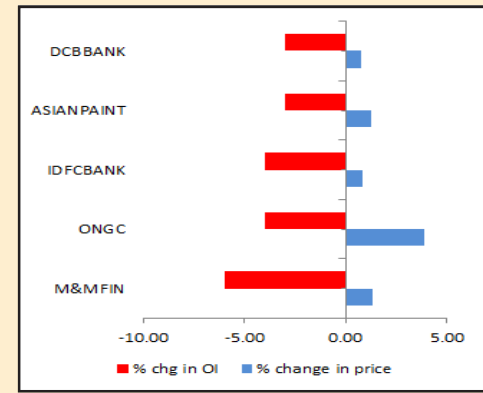
Short Built-up (Combine)



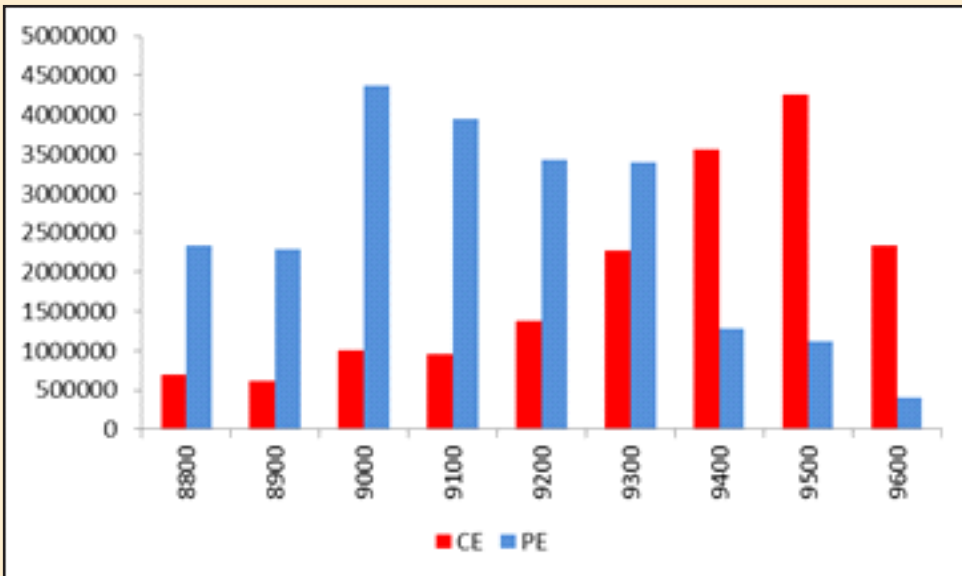
Long Unwinding (Combine)



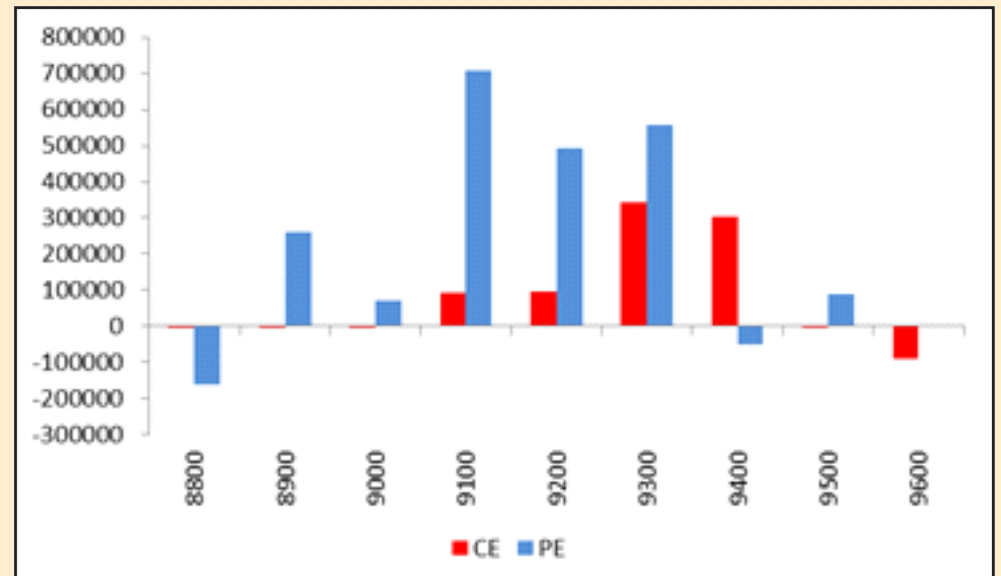
Short Covering (Combine)



Nifty Option OI



1- Day change in Nifty OI



Morning Meet Notes

Research Notes

Tata Power Initiating Coverage (Sell, TP INR 69, 18% downside)

Leading private sector power player with 71% thermal capacity

Issues:

- ✓ Declining capitalization on network roll-out issues in Mumbai
- ✓ Stricter operating norms impacting ~200-300bp on RoE
- ✓ Disallowance of capex in Delhi pending physical verification
- ✓ Declining regulatory asset base in Delhi

More Mumbai PPA's expiring soon, expect only 5% business growth CAGR

AUTO SALES:

- ✓ Maruti to outperform in PV, Ashok Leyland in CV, weakness in 2W and CV to remain, CV because of pre buying, GST cost inflation, RE volumes 25% growth expected
- ✓ Top picks: Maruti, Tata Motors, Amara Raja, M&M

April 2017 growth Reason	
Maruti	23.4 Baleno, Brezza
Hyundai Motor	5.7
Honda Cars	38.1 SUV demand
Toyota Kirloskar	52 New Fortuner
Tata Motors	23 Tiago, Hexa
Nissan	39
VW	21
RE	25
Hero	-3.5
Escorts	18

Company	Sales	% Y/Y	EBITDA	% Y/Y	PAT	% Y/Y	Rationale	Comments
CEAT	16.4	5.0	1.3	-29.0	0.8	-24.8	BUY/1741/B	1. 4.5% vol growth, gross margin fell 600bps on high RM, EBITDA margins shrunk 390bps, replacement market +10% YoY, OEM impacted by demon, PV grew by 25% 2. Another price hike of 4-5% indicated, vol growth to be driven by UV demand 3. Expect revenue/PAT CAGR of 10%/20%, driven by EBITDA margin expansion of 180bp to 12% over FY17-19E, value at 13x FY19E EPS, 15% upside
Fed Bank	8.4	22.8	5.5	39.2	2.6	2400.9	BUY/125/A	1. PpOP +45% YoY, NIMs at 3.4% up 10bps, loan growth 5% YoY, retail 26% YoY 2. GNPA's declining 12% QoQ, FY17 loan/CASA growth of 26%/24% YoY, b) 15bp NIM improvement to 3.3%, c) decline in GNPA ratio by 50bp to 2.3%, with healthy PCR of 71%, d) fall in CI ratio by 550bp+ to 51% 3. approval to raise INR25b to strengthen tier 1 further, upgrade estimates for FY18/19 by 9-10%, 16% upside, value at 2x FY19E BV
Ambuja Cement	25.3	5.3	3.7	-15.1	2.5	423.7	BUY/283/B	1. Realisation +4.4% YoY, Volumes declined 1% YoY, EBITDA/ton increased 5% QoQ due to positive op lev 2. Growth potential remains muted due to its limited expansion, Stock trades at 17x CY18E EV/EBITDA and USD151/ton. 15% upside

Upcoming Economic Events Calendar

	2-May-17	3-May-17	4-May-17	5-May-17
India	Nikkei Manf. PMI		Nikkei Service and Composite PMI	
UK	Manufacturing PMI			
US		Service and Composite PMI, FOMC Rate decision	Initial Jobless Claims	Change in Non-farm pay roll, Unemployment Rate
	8-May-17	9-May-17	10-May-17	11-May-17
India				CPI, IIP
UK			IIP, BoE Rate decision, BoE Asset Purchase Target	
US			Initial Jobless Claims	CPI, Retail sales Advance
	15-May-17	16-May-17	17-May-17	18-May-17
India	WPI			
UK		CPI, Housing Price Index	Jobless Claims	
US		Industrial Production	Initial Jobless Claims	
	22-May-17	23-May-17	24-May-17	25-May-17
India			Eight Infrastructure	CPI, IIP
UK			GDP (QoQ)	
US		New Home sales	Manufacturing, Services and Composite PMI, Existing Home sales, FOMC Meeting Minutes	Initial Jobless Claims
				Quarterly GDP

Note- CPI-Consumer Price Index, WPI-Wholesale Price Index, IIP- Index of Industrial Production, PMI-Purchasing Managers Index

Currency Ideas

USDINR



- ✓ The pair closed the last week flat near 64.54 after initially dipping towards a fresh 20-month low near 63.95.
- ✓ The pair has now recovered from lows and currently looks headed higher towards resistance area at 64.85.
- ✓ The 12-26 period MACD is holding above the zero line indicating short-term positive momentum.
- ✓ Buying on dips is thus advised as long as pair holds above 64.30-64.25 area.

GBPINR



- ✓ GBPINR closed towards a 2-month high near 83.60 level last week after breaking out of strong resistance near 82.10 level earlier.
- ✓ The pair now looks headed towards 'Double-Bottom' target at 84.20-84.40 zone.
- ✓ Buying on dips is still advised with immediate support seen at 83-82.90 zone.

MOST Market Outlook

2nd May 2017

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