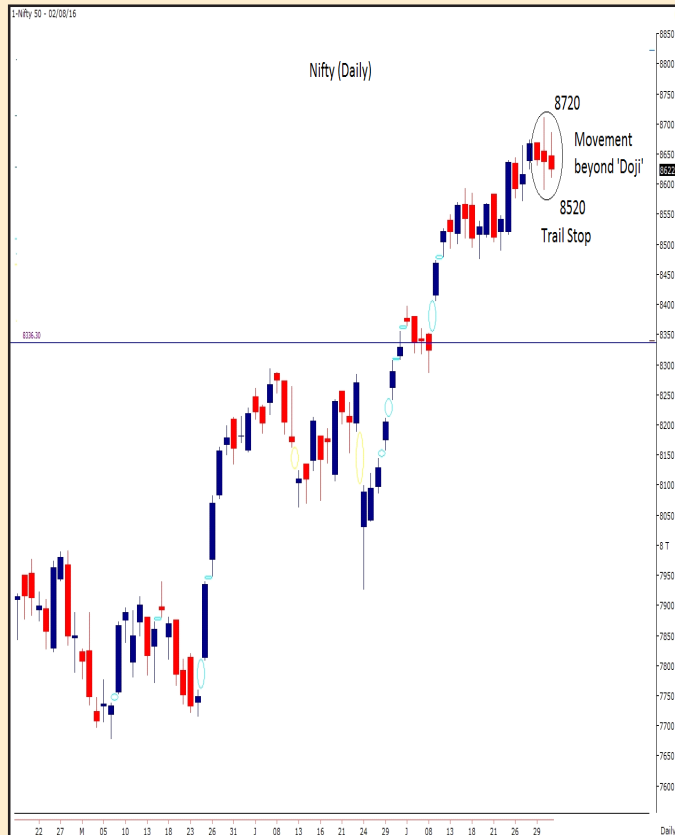


MOST Market Outlook

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Nifty Chart



Nifty Outlook

| Nifty Fut. | Reco. | CMP | SL | TGT |
|------------|-------|------|------|------|
| 8664 | BUY | 8664 | 8600 | 8780 |

'Nifty remained confined within the 'Doji' formation, with the trend strength indicator ADX (20) quoting above 21 raises the expectation of the ongoing uptrend to remain firm. Hence a breach above the Doji's high at 8720 would reinstate the momentum. Only a breach below 8520 shall be considered as the first sign of cooling of momentum & hence serves as a trail stop for fresh longs.

Currency (USDINR) Outlook

| USDINR | S1 | S2 | R1 | R2 |
|--------|-------|-------|-------|-------|
| 67.01 | 66.85 | 66.70 | 67.05 | 67.15 |

The pair remains weak as long as below 67.05-67.15 zone and thus selling on rise is advised.

Sectoral Outlook

| Sector | Outlook |
|--------|----------|
| FMCG | Positive |
| METALS | Positive |

Market Drivers

- ✓ Market remained largely range bound and muted in last session where profit taking was observed in most of the sectors barring select FMCG, PSB's and IT stocks. 1QFY17 earnings reported so far has been in line for MOSL universe. MOSL universe has reported Sales, EBITDA and PAT growth of 1.5%, 10% and 7.3%, respectively against expectations of 6.8%, 9.2% and 6.9%, respectively. Nifty PAT for the 26 companies which reported earnings have grown 11.4% v/s expectation of 11.2%. 53 out of 77 MOSL coverage companies have reported EBITDA either in line with or above estimates. Ex Financials, EBITDA margin stood at 28-quarter high of 22.5% v/s estimate of 21.2% (up 160bp YoY). We expect stock specific buying traction to continue this week.

Trading Idea - Cash & Future

| Scrip | Reco | MBP | SL | Target |
|-----------|------|------|------|--------|
| JSW STEEL | BUY | 1685 | 1640 | 1780 |

Trading Idea - Derivatives

STRATEGY - Nifty Call Ladder Spread

| Instrument | B/S | Lot | Reco | CMP |
|----------------|------|-----|------|------|
| 28 Aug 8750 CE | Buy | 1 | 107 | 86.0 |
| 28 Aug 8900 CE | Sell | 1 | 51 | 37.5 |
| 28 Aug 9000 CE | Sell | 1 | 30 | 20.5 |

Target Profit :9200 Stop Loss:2000 , Hedge : Above 9100

Highest Call OI

| Instrument | Strike | OI | Chg in OI |
|-------------------|--------|---------|-----------|
| Nifty 25-Aug | 9000 | 5973450 | 385875 |
| Bank Nifty 25-Aug | 19500 | 449480 | 27120 |
| Bank Nifty 4-Aug | 19500 | 748360 | 101200 |

Highest Put OI

| Instrument | Strike | OI | Chg in OI |
|-------------------|--------|---------|-----------|
| Nifty 25-Aug | 8500 | 4348050 | -10875 |
| Bank Nifty 25-Aug | 18500 | 400800 | 43160 |
| Bank Nifty 4-Aug | 18500 | 411520 | 96200 |

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Trading Calls

JSW STEEL

MBP INR 1685

Buy

Target INR 1780



- ✓ 'Rising Three' formation coupled with the Hammer raises expectation of the secular upmove to continue
- ✓ Traders could participate the upmove with a stop below 1640 & Target upto 1780

FII & DII Activity (Rs. in Cr)

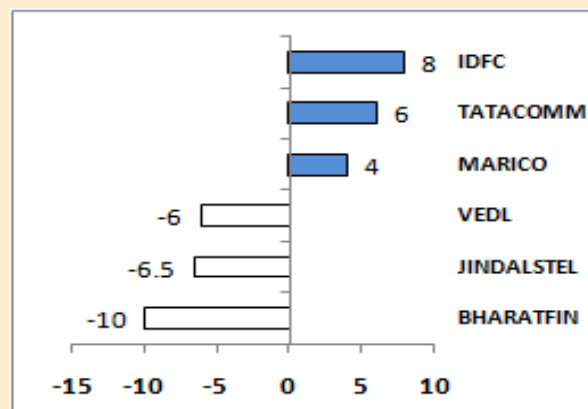
| Cat. | Amt | MTD | YTD |
|------|------|------|--------|
| FII | 536 | 1262 | -24491 |
| DII | -383 | -797 | 42086 |

FII F&O

| Institution | Net B/S | OI |
|---------------|---------|---------------------|
| Index Future | 4 | Short |
| Index Options | 520 | Synthetic Short Fut |
| Stock Futures | -841 | Short |

*Synthetic Short Fut : Long Put + Short Call

Major Price % Change



Derivatives Idea

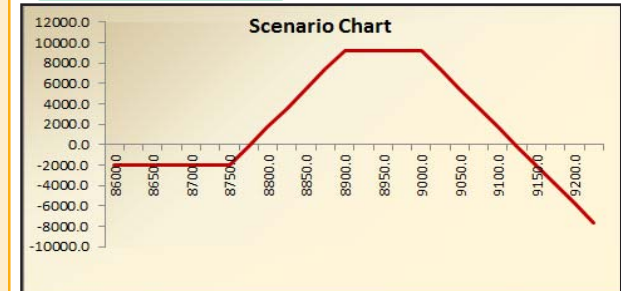
NIFTY

Buy 1 Lot 8750 CE

Sell 1 Lot 8900 CE

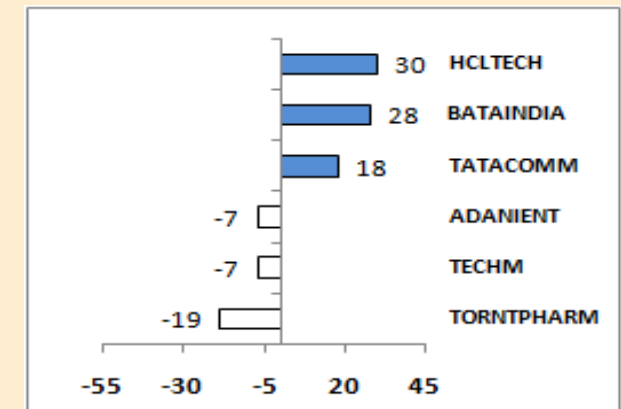
Sell 1 Lot 9000 CE

Call Ladder Spread



- ✓ Nifty is in Long – Long unwinding cycle
- ✓ Option data for August series shows 9000 as highest call concentration (immediate resistance)
- ✓ Put Concentration at 8500 could act as a vital support
- ✓ Considering positive momentum, Call Ladder Spread is recommended

Major OI % Change



Morning Meet Notes

Research Notes

India Strategy: 1QFY17 interim earnings review; In-line so far

- ✓ 26 Nifty cos & 77 MOSL Universe companies have declared their 1QFY17 results
- ✓ Off 26 Nifty cos: In-Line: 13 Abv Est: 4 Below Est: 9
- ✓ Nifty Adj. PAT growth at 8% v/s expectation of 12%

Key Trends

1. No improvement in volumes (Consumers/Cement)
2. EBITDA margin at 7 year highs due to lower Raw Material costs
3. PAT growth of 8% is at a six qtr high
4. Auto, Metals, O&G ahead of estimates; while Financials, Healthcare, Cap Goods have lagged

MONSOON UPDATE: RAINFALL AT LPA | SOWING +6%

- ✓ Total Rainfall (June 1 to July 31) is at Long Period Average implying 0% Surplus
- ✓ Some of the areas are in deep deficit - Gujarat (Cotton Prices), Kerala and Odisha
- ✓ Cotton sowing is down 10% YoY. Prices are up 35% YTD

OMCs - KEROSENE AND LPG price hiked for second consecutive month.

SIGNIFICANT RE-RATING TRIGGER FOR OMCs

| Compar | Sales | % Y/Y | EBITDA | % Y/Y | PAT | % Y/Y | Rationale | Comments |
|--------|-------|-------|--------|-------|-----|-------|----------------|---|
| Indigo | 45.8 | 9 | 15.3 | -2 | 5.9 | -8 | Neutral/1057/B | 1. PAT miss of 14% (despite lower taxes at 21% vs. 30%) 2. Margin at 17.8% (v/s 23.1% in 1QFY16) 3. Rising competition eroding crude oil gains 4. Cut est by 7%; EPS CAGR of 17%; Trades at 13x FY18 |

Currency Ideas

USDINR



- ✓ USDINR continues to remain under pressure and is close to its previous low near 66.95 levels.
- ✓ Sustained trade below 66.95 could continue the fall towards 66.70-66.65 level.
- ✓ Strong intraday resistances are placed at 67.05 / 67.15
- ✓ Selling on rise is advised as long as 67.15 curtain the upside

EURINR



- ✓ EURINR bounced sharply from its recent low near 73.75 and is now trading close to 75.00 levels.
- ✓ The pair is in pullback mode of its entire fall from 77.20 to 73.75.
- ✓ Strong intraday supports are placed at 74.70 / 74.45 whereas 75.20 / 75.40 / 75.75 may act as intraday resistances.
- ✓ Buying on dip near support or on sustained rise above 75.20 is advised

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