

Nifty Chart



Nifty Outlook

Nifty	R1	R2	S1	S2
8196.5	8230	8260	8155	8130

'Nifty remained confined within its previous day's range & ended the day with a Doji formation. Nifty has retraced 78.6% of its previous wave within 6 days & consolidation augurs well for the up move to remain intact for a while. With its 200 DEMA placed at 8260 a breach above the same during the week could amplify momentum. While a breach below 8100 could deteriorate the ongoing momentum.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
68.50	68.25	68.00	68.50	68.65

Price sustained trade above 68.50 could lead the rally towards 68.85.

Sectoral Outlook

Sector	Outlook
IT	POSITIVE
ENERGY	POSITIVE

Market Drivers

- ✓ Indian markets managed to hold ground. Beaten down sectors like banking, financials did see some gains. Mid and small cap stocks did a lot better across sectors. FIIs continued to be net sellers in cash market. DIIs remained net buyers. On the GST front, roll out of April 1 seems unlikely as per reports. Global cues were better with developed as well as emerging markets doing well. Brazilian and Russian Indices gained over 3 percent. Banking, metals could provide some upsides. 8250-8260 remains immediate resistance levels on Nifty to watch out for.

Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
ZEEL	BUY	458	446	480

Trading Idea - Derivatives

STRATEGY UPDATE : Nifty Modified Call Butterfly Spread

Instrument	B/S	Lot	Reco	CMP
25 JAN 8250 CE	Buy	1	83	83
25 JAN 8400 CE	Sell	2	32	31
25 JAN 8500 CE	Buy	1	15	14

Target : Rs8700 SL : Rs2600 Limited Profit: Rs.1200 above 8500

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Jan	8200	3853875	-90375
Bank Nifty 25-Jan	18500	642000	67360
Bank Nifty 5-Jan	18500	637360	97120

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Jan	8000	5940300	141000
Bank Nifty 25-Jan	18000	586760	6160
Bank Nifty 5-Jan	17500	683000	127440

Trading Calls

ZEEL

Buy

CMP INR 458

Target INR 480



- ✓ 'On the weekly scale the stock seems rebounding from multiple support zone
- ✓ A pullback towards its retracement resistance near 480 could be expected
- ✓ Trading longs could be considered with a stop below 446

Derivatives Idea

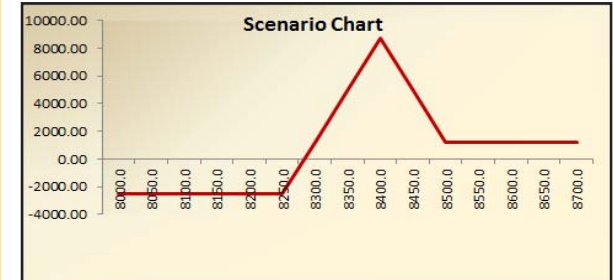
Nifty

Buy 1 Lot 8250 CE

Sell 2 Lots 8400 CE

Buy 1 Lot 8500 CE

Modified Call Butterfly Spread



- ✓ Nifty witnessed robust rollover of 66% in January series with positive price movement
- ✓ Option indicative band suggest 8200 as highest call congestion while 8000 as immediate put congestion. Any unwinding in indicative band could boost the momentum
- ✓ Considering stable volatility, Modified Call Butterfly Spread is recommended

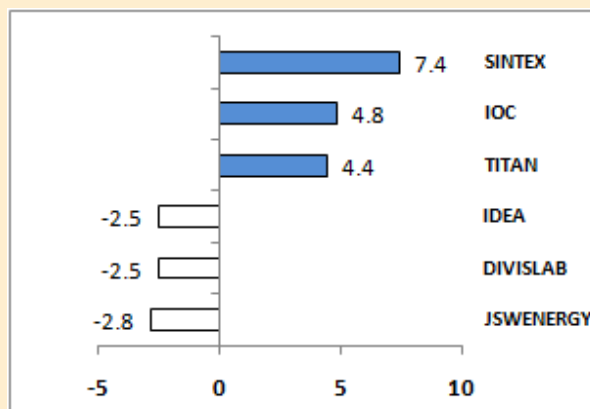
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-500	-761	-11343
DII	562	583	35945

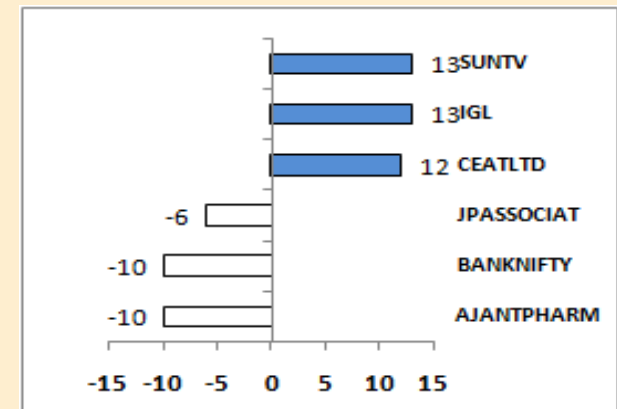
FII F&O

Institution	Net B/S	OI
Index Future	-42	Unwinding
Index Options	1373	Long option
Stock Futures	625	Long

Major Price % Change



Major OI % Change



Morning Meet Notes

Research Notes

OMCs : IMPROVING CASH FLOWS - BIG RETURNS STILL AHEAD

- ✓ Current marketing margins will not allow Greenfield investments; Pvt Mkt Share at 4%
- ✓ Dividend Payout of 30% & Yield at 3.7%
- ✓ Prefer IOC (34% upside), BPCL (17% upside), HPCL (17% upside) - (In this order)
- ✓ Capex for IOC & BPCL already done; HPCL to embark on a huge capex
- ✓ Average P/E at 10x FY18E

PVR : Demonetization impact lower than initial expectations

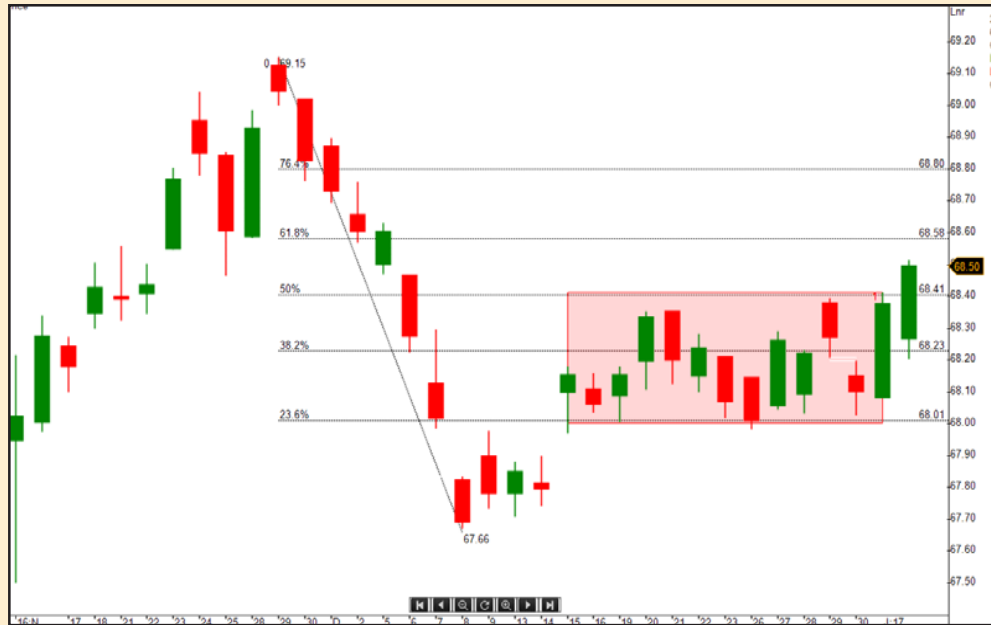
- ✓ 'Dangal' crosses INR2.4b NBO collection, PVR has 20% market share
- ✓ Addition of 32 screens from DT Cinemas to drive 10% sales growth in 3Q (DT: Premium)
- ✓ Raees & Kaabil (both releasing in Jan) to help in 4Q as well
- ✓ Expect 29% PAT CAGR over FY16-19; Trades at 13x FY18 EV/EBITDA

CV industry can make a big comeback in FY18 - TAMO

- ✓ Improving trends in end of Dec
 1. Lower interest rates (90% of sales on financing)
 2. Enforcement of BS IV norms from April 2017
 3. Pick-up in construction activity helping demand for tippers
- ✓ Prefer Ashok Leyland; TP of INR 105

Currency Ideas

USDINR



- ✓ USDINR (Jan. contract) continued its positive move for the second consecutive session closing higher at 68.50.
- ✓ Price sustained trade above 68.40 - 68.50 zone will signify further positive move and could lead the rally towards 68.80 - 68.95 area.
- ✓ Immediate support remains at 68.20 - 68.25 zone whereas critical support is at 68.00.
- ✓ Buying could only be seen if price break and sustain above the resistance area.

EURINR



- ✓ EURINR (Jan. contract) is trading in a downward sloping channel signifying short-term weakness, closing previous session with a negative note at 71.27.
- ✓ Initial short covering could be seen, but overall bias remains weak as long as 71.95 - 72.05 is capped as stiff resistance area.
- ✓ Selling on rise is advised for short-term targeting 70.90.

MOST Market Outlook

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