

Nifty Chart



Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
ARVIND	BUY	405	398	422

Corporate Action:

NA

Security in Ban period:

IBREALEST, INFIBEAM

Today Event

India Economy Data - RBI Credit policy, Nikkei Service and Composite PMI

US Data - Initial Jobless claims

Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
9282	9350	9380	9250	9218

'Nifty index continued its up move for sixth consecutive session and registered a record life time high of 9273.90. It is also making higher highs – higher lows and supports are gradually shifting higher. It formed a Dragon Fly Doji candle on the daily chart which indicates that buying interest is seen on declines but momentum is missing at higher zone. Now it has to hold above 9250 to extend its up move towards 9350 and 9380 while on the downside multiple supports are seen at 9218 and 9191 zones.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
65.22	65.05	64.85	65.35	65.75

Sideways consolidation within 65.05 - 65.35 is likely with a positive bias.

Sectoral Outlook

Sector	Outlook
MID CAP	POSITIVE
CAPITAL GOODS	POSITIVE

Trading Idea - Derivatives

STRATEGY : Hindunilvr Bull Call Spread

Instrument	B/S	Lot	Reco	CMP
Hindunilvr 27 Apr 940 CE	Buy	1	16	16
Hindunilvr 27 Apr 960 CE	Sell	1	10	10

Target: Rs.9000 at or above 960; SL: Rs.3000; Margin: approx Rs. 68,000

Market Drivers

- ✓ US markets opened higher on back of jobs data but gave up gains and closed negative on fears over likely Fed action to shrink the balance sheet. Also the comment on expensive valuations may have created some nervousness. Valuations remain rich for domestic markets too and earnings support would be key to sustain further upsides. RBI is expected to maintain a status quo today in terms of key rates but expectation of some measures to reduce liquidity remains. Also any steps to address NPA issue could be positive. Flows continued to remain supportive. Software stocks were weak yesterday while stocks like Reliance and Maruti saw gains. Also sectors like psu banks saw gains ahead of policy meet. Overall bias remains positive but global cues and RBI policy will be key for today.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 27-Apr	9500	4382700	486750
Bank Nifty 27-Apr	21500	511480	-105520
Bank Nifty 06-Apr	22000	790160	338400

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 27-Apr	9000	5812650	878625
Bank Nifty 27-Apr	21500	548480	178920
Bank Nifty 06-Apr	21000	718400	198240

Trading Calls

ARVIND MBP INR 405
Buy Target INR 422



- ✓ It has recently given the positive momentum after the consolidation of last eight trading sessions and holding the gains
- ✓ Major trend of the stock is positive and recent price volume breakout is adding strength
- ✓ Thus, recommending to buy with the trading SL of 398 for a potential upside target of 422

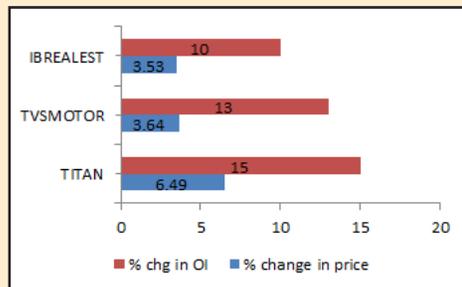
Derivatives Idea

Hindunilvr Buy 1 Lot 940 CE
Bull Call Spread Sell 1 Lot 960 CE

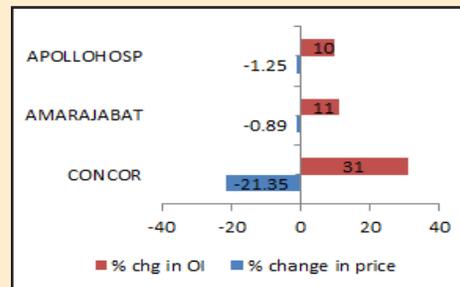


- ✓ Hindunilvr witnessed robust roll of 82% along with good c/fd long position to April series
- ✓ Put accumulation at 920 could act as a vital support while short covering in 920 CE could further propel momentum towards 940-960
- ✓ Considering we are participating positive momentum, Bull call Spread is recommended

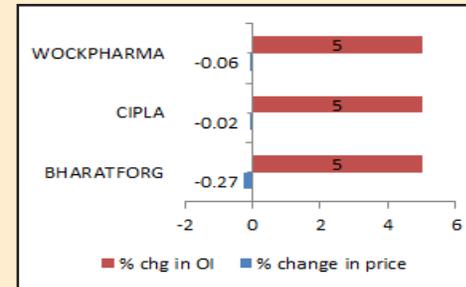
Long Built-up



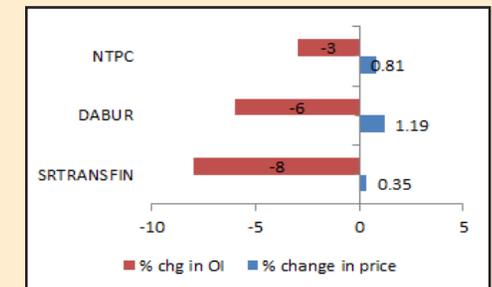
Short Built-up



Long Unwinding



Short Covering



FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	340	875	26236
DII	-194	-161	29771

FII F&O

Institution	Net B/S	OI
INDEX FUTURES	634.90	Long
INDEX OPTIONS	-97.42	*Synthetic Short
STOCK FUTURES	-291.36	Short

*Synthetic Short = Long put + Short Call

Morning Meet Notes

Research Notes

Dewan Housing Finance: Fuelled with capital; Upgrading estimates and target price

- ✓ DEWH received all approvals for sale of stake in insurance JV to a wholly-owned subsidiary.
- ✓ Valuation for the 50% stake at INR20b (upper end of the range)
- ✓ Upgrade est, given significant accretion to net worth without any shareholding dilution.
- ✓ Given the sufficient capital in place, upgrade AUM CAGR estimate to ~20% over FY17-19 from 18% earlier. Accretion of ~25% to net worth would drive up NIM for FY18/19 by ~10bp.
- ✓ Increase FY18/19 PAT est by ~5% and BV estimates by ~25% to factor in the stake sale (higher growth and margin).
- ✓ TP: INR 500, 34% upside

Economic Events Calendar, April 2017

	Monday	Tuesday	Wednesday	Thursday	Friday
	3-Apr-17	4-Apr-17	5-Apr-17	6-Apr-17	7-Apr-17
India	Nikkei PMI Manufacturing Index			Nikkei PMI Services, PMI Composite, RBI Credit Policy	
UK	Manufacturing PMI				Industrial Production, Manufacturing Production, Trade Balance
US	Manufacturing PMI, Composite PMI	Trade Balance, Factory Orders, Durable Goods orders	ADP Employment Change, Service PMI, FOMC Minutes of meeting	Initial Jobless Claims	Change in Nonfarm payroll, Unemployment rate,
	10-Apr-17	11-Apr-17	12-Apr-17	13-Apr-17	14-Apr-17
India	Trade Balance, Exports, Imports		CPI, IIP		
UK		CPI Index, Retail Price Index, Housing Price Index	Jobless Claims, Employment Change	BoE Credit conditions	
US	Labour Market condition		Monthly Budget Statement	Initial Jobless Claims	CPI, Retail sales Advance (MoM)
	17-Apr-17	18-Apr-17	19-Apr-17	20-Apr-17	21-Apr-17
India	WPI				
UK					
US		Housing starts, Industrial Production	US Fed Release Beige book	Initial Jobless Claims	Manufacturing PMI, Composite PMI, Existing Home sales
	24-Apr-17	25-Apr-17	26-Apr-17	27-Apr-17	28-Apr-17
India		Eight Infrastructure Industries			
UK					GDP (QoQ)
US		New Home sales		Wholesale Inventories, Retail Inventories, Intital Jobless claims, Pending Home sales	GDP (QoQ)

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

Currency Ideas

USDINR



- ✓ USDINR is now consolidating in a range of 64.85 - 65.35 with a positive bias.
- ✓ Strong short-term support is placed at 65.05 whereas strong intraday resistance is at 65.35 levels.
- ✓ Rise above 65.35 could open way for 65.75 marks.
- ✓ Dip buying is advised

GBPINR



- ✓ GBPINR is consolidating within 80.40 - 81.90 zones.
- ✓ Strong short-term resistance is placed at 81.55 whereas 81.00 / 80.80 may act as immediate strong supports.
- ✓ Sideways to bullish move is likely for the session.

MOST Market Outlook

6th April 2017

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