



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8238	8255	8300	8200	8155

'Nifty commenced its strong run with a 'Break Away Gap' at 7222 & is yet to witness an 'Exhaustion Gap' which would complete the gap sequence. The momentum oscillator RSI has now reached the overbought zone but is yet to show signs of weakness /exhaustion. Hence though the broader trend remains bullish an intermediate correction towards 8000 cannot be ruled out at this juncture.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.55	67.20	66.95	67.40	67.65

The pair is likely to trade negatively as long as below resistance at 67.40. Selling is advised targeting 66.95 level.

Sectoral Outlook

Sector	Outlook
AUTO	Positive
MIDCAP	Positive

Outlook

- ✓ US markets closed marginally lower after recovering from lower levels. The jobs data was not encouraging and thus in all probability we will not see a rate hike in June Fed meeting. On the domestic front, expectation is of status quo from RBI. Monsoon continues to remain the big trigger for Indian markets in the near term. Results have been broadly better than expectation and that will continue to help. GDP data also came in slightly better for the quarter. Crude is trading marginally higher with Brent trading closer to \$50 levels. Asia is trading mixed. The overall bias remains positive but mixed global cues and events like RBI policy could keep markets in a range.

Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
BAJAJ AUTO	BUY	2639	2460	3050
EMAMI	BUY	1038	980	1140

Trading Idea - Derivatives

STRATEGY - Kotakbank Call Butterfly Spread

Instrument	B/S	Lot	Reco	CMP
June 780 CE	Buy	1	16	16
June 800 CE	Sell	2	9	9
June 820 CE	Buy	1	4.5	4.5

Target Profit : 12000 Stop Loss : 1800

MOST Market Outlook

6th, June 2016

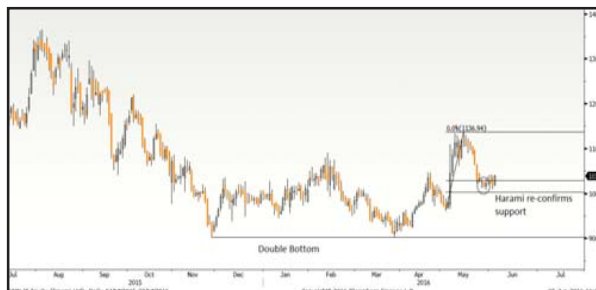
Trading Calls

BAJAJ AUTO CMP INR 2639
Buy Target INR 3050



- ✓ 'Bajaj Auto saw a rebound from its long term support & the fresh breakout from the Triangle pattern indicates the secular uptrend to remain intact
- ✓ Pullback if any would provide an opportunity to add longs with a stop below 2460 for a target upto 3050

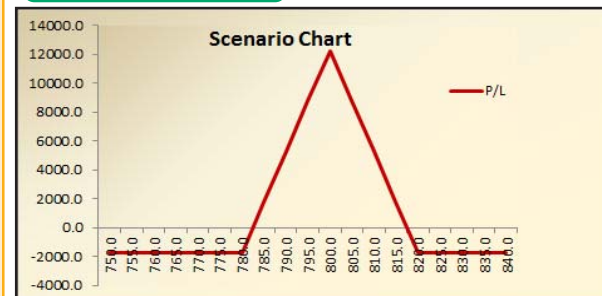
EMAMI CMP INR 1038
Buy Target INR 1140



- ✓ 'Double Bottom' formation confirmed the long term reversal. The occurrence of the 'Bullish Harami' on the daily scale marks the termination of the recent pullback move
- ✓ We expect Emami to resume its upmove & hence the stock could be accumulated with a stop below 980 for an immediate target upto 1140

Derivatives Idea

Kotakbank Buy 1 Lot 780 CE
Sell 2 Lots 800 CE
Call Butterfly Spread Buy 1 Lot 820 CE



Target Profit : 12000 Stop Loss : 1800

- ✓ Kotakbank is in long –long unwinding cycle
- ✓ Unwinding in Ce will augur further upside momentum
- ✓ Considering stable volatility, Low risk Call Butterfly Spread is recommended

FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	1585	2367	-42636
DII	-393	-1131	61666

FII F&O

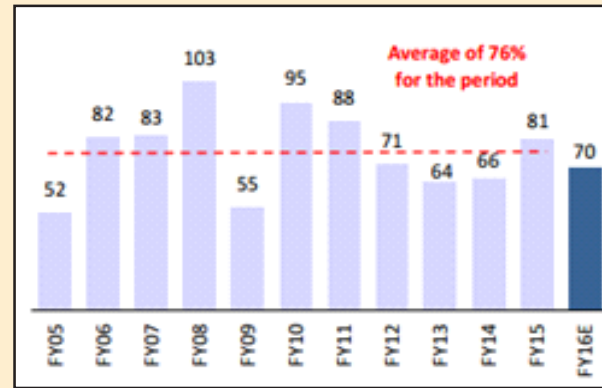
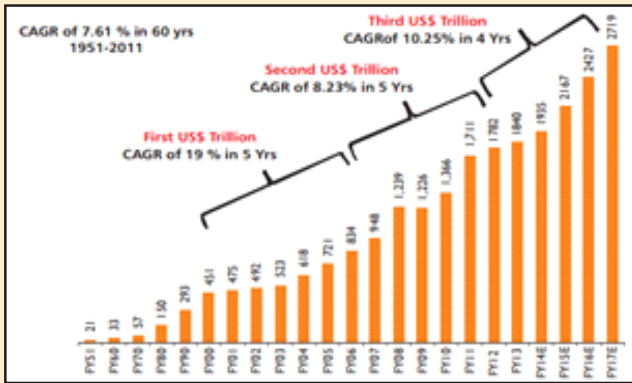
Institution	Net B/S	OI
Index Future	319	Unwinding
Index Options	-109	Option Short
Stock Futures	246	Short

Outlook

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GDP

- ✓ "Discrepancies" lead growth in GDP for 4QFY16, but see the USD2 trillion number as a positive.
- ✓ FM says USD 5T in few years
- ✓ MCAP to GDP at 75% vs 76% average



Events this month

- ✓ Monsoons hitting India's southern tip;
- ✓ no activity in RBI policy.
- ✓ Fed meeting 15th June - 4% probability of a hike; 31% for July meeting
- ✓ Brexit - 23rd June 2016

Key highlights of 4QFY16

- ✓ MOSL Universe (ex PSU Banks, OMCs) sales, EBITDA, PAT growth are at 7-quarter highs.
- ✓ Revenue growth (+4%) turned positive after five quarters. Operating margins at 19-quarter high. PAT margin at 15-quarter high.
- ✓ Sector performance: Autos, Cement, Metals, Capital Goods and Telecom led PAT growth

CTSH Meeting inputs

- ✓ Demand in BFSI is still slightly soft.
- ✓ Irrational pricing by competition
- ✓ Clear skew of demand towards discretionary spending
- ✓ Technical capabilities in SMAC /IoT will get commoditized

Currency Ideas

USDINR



- ✓ USDINR (June contract) once again tried to breach stiff short-term resistance near 67.90 before turning lower to close the week near 67.55
- ✓ Looking ahead, 67.45-67.50 is likely to provide immediate resistance to the pair while 67.90-68 will continue to provide strong resistance
- ✓ Selling on rallies is advised for the short-term
- ✓ Breach of immediate support at 67.20 is likely to lead the pair lower towards next major support at 66.80 level

JPYINR



- ✓ JPYINR (June contract) rallied from trend line support 'C' near 60.80 level to close the week at 62.03, higher by about 1.4% for the period
- ✓ Looking ahead, the pair is likely to trade positively above immediate support at 61.50 level
- ✓ Breach above resistance at 62.10-62.20 would continue the prior uptrend leading to a test of previous high at 63.05 level
- ✓ Buying on breach of resistance is advised for the short-term

MOST Market Outlook

6th, June 2016

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