

Nifty Chart



Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
HUL	BUY	855	850	870

Corporate Action:

Interim Dividend - ADVANIHOTR INR - 0.40, GRANULES INR - 0.25, IMPAL INR - 5.00, INDNIPPON INR - 4.00, KKCL INR - 8.50, ONGC INR - 2.25, TCIEXP INR - 0.80, WENDT INR - 10.00

Stock Split - DAAWAT from Rs.10/- to Rs.1/-

Security in Ban period:

CENTURYTEX, HDIL, IBREALEST, JPASSOCIAT, RCOM, SUNTV

Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8816	8860	8875	8780	8725

'Nifty commenced the week on positive note & maintained its gap up opening throughout the day. Though there have been multiple narrow ranged bodies but none of them displays sign of exhaustion. Hence we expect the ongoing momentum to extend towards 8860 in the coming sessions. A sustained breach below the 8720 gap support would indicate loss in momentum & serves as a trail stop level for momentum longs.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.36	67.20	67.05	67.70	67.85

The pair is likely to trade in a lower range between intraday resistance at 67.70 and supports at 67.20-67.05 zone.

Sectoral Outlook

Sector	Outlook
ENERGY	POSITIVE
FMCG	NEUTRAL

Trading Idea - Derivatives

STRATEGY UPDATE : Banknifty Ratio Call Spread

Instrument	B/S	Lot	Reco	CMP
23 FEB 20500 CE	Buy	1	191	254
23 FEB 21000 CE	Sell	2	54	76

Target Profit: Rs.15000 around 21000 Initial Outflow: Rs.3500
Hedge above : Rs. 21375

Market Drivers

- ✓ Domestic markets did well on back of global cues and Nifty moved past 8800 levels. Among the gainers were cement and pharma stocks. Banking as a space continued to do well with banks like ICICI taking the lead. Global cues remain mixed. On the results front, Jubilant Foods was better than expectation. Demonetisation impact was not as severe as expected. Oriental Bank results were disappointing from the PSU names. Reports of investors asking for return of cash through buyback route could elicit interest in software companies. Overall market will look for cues from the RBI policy tomorrow.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 23-Feb	9000	5844825	-341925
Bank Nifty 23-Feb	21000	873360	241080
Bank Nifty 09-Feb	21000	484320	161240

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 23-Feb	8500	5468025	162750
Bank Nifty 23-Feb	19500	688400	25080
Bank Nifty 09-Feb	20000	431120	135480

Trading Calls

HUL

Buy

MBP INR 855

Target INR 870



- ✓ 'Occurrence of a 'Bullish Harami' at the retracement support raises expectation of the swing support to remain firm
- ✓ Trading longs could be initiated near 855 with a stop below 850 for a target 870

Derivatives Idea

Banknifty

Buy 1 Lot 20500 CE

Sell 2 Lot 21000 CE

Ratio Call Spread



- ✓ Banknifty is in long-long Unwinding Cycle
- ✓ Option data shows highest put concentration at 19500/19000 indicating support zone
- ✓ Any unwinding in 20000 CE could lead to option trigger thereby fuelling the momentum towards 20500-21000
- ✓ Considering falling volatility, Ratio Call Spread is recommended

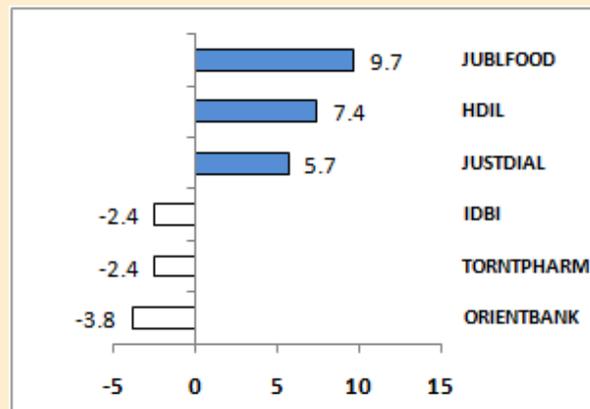
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-404	152	2024
DII	450	1430	28421

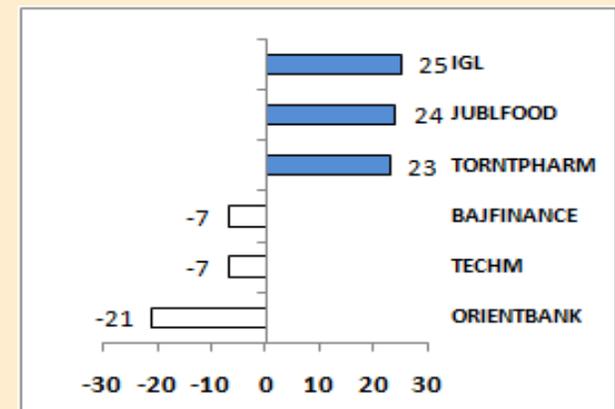
FII F&O

Institution	Net B/S	OI
Index Future	170	Long
Index Options	1615	Long
Stock Futures	-505	Short

Major Price % Change



Major OI % Change



Morning Meet Notes

Research Notes

Dr Reddy's Labs: (CMP - 3142, TP 3050, Recom. Neutral)

- ✓ Net revenue increased ~3% QoQ to INR 37bn (in-line with estimate) whereas EBITDA margins improved from 16.8% in 2QFY17 to 23% in 3Q. PAT at INR 4.7bn was ahead of exp of INR4.5bn
- ✓ We have cut our FY18/19E EPS estimate by ~10% as we build slower US sales. We have valued the company at 21x 1HFY19E PER

Divi's Laboratories: (CMP - 761, TP 815, Recom. Neutral)

- ✓ Revenues grew 13%YoY (7% miss). EBITDA at INR3.8b (miss of 3%). EBITDA margins increased 160bp YoY to 39.3%. PAT at INR2.7b (up 9% YoY)
- ✓ Clarity on regulatory clearance of Unit-2 plant is quintessential for a re-rating in the stock
- ✓ We have cut our EPS by ~5-6% as we build muted revenue growth due to capacity constraints. Given the uncertainty we have also cut our target multiple to 16x from 18x. Neutral TP of INR815 (v/s INR975 earlier)

Dalmia Bharat: (CMP - 1952, TP 2246, Recom. BUY)

- ✓ Revenues increased 17% YoY to INR17.25b (vs est of 16.5b). volumes grew 20%
- ✓ EBITDA stood at INR4.1b (vs est of INR3.42b) with margin of 24% (v/s 23% in 3QFY16, in-line). PAT of INR357m
- ✓ We value DBEL at EV/EBITDA of 11x FY19E and maintain BUY with TP of INR2,246/share

Oriental Bank of Commerce: (CMP - 125, TP 114, Recom. Neutral)

- ✓ NII down 17% yoy to INR10.8bn. NIMs down 52 bps qoq decline in NIM. Loan book down 3% qoq
- ✓ Reported loss of INR1.3b. GNPA 13.8% / NNPA 9.7%. Neutral with TP of INR114

Gujarat State Petronet: (CMP - 156, TP 163, Recom. Neutral)

- ✓ Reported revenue rose 6% YoY (+2% QoQ) to INR2.6b. EBITDA of INR2.2b (+7% YoY, flat QoQ)
- ✓ PAT came in line with our estimate of INR1.2b
- ✓ Stock trades at 14.1x FY18E adj. EPS of INR11. Our 10x FY19 P/E based TP stands at INR163. Neutral

Currency Ideas

USDINR



- ✓ NSE USDINR (Feb. contract) continued to trade lower after breaching key short-term support near 67.70.
- ✓ The same is now likely to provide stiff short-term resistance and the current decline could extend lower towards 67.20 followed by 67.05 levels.
- ✓ Selling on rallies is advised.

GBPINR



- ✓ NSE GBPINR (Feb. contract) has declined sharply from resistance near 85.85 and has closed below immediate support near 84.30.
- ✓ The same is now likely to act as a resistance and the pair could continue to head lower.
- ✓ Test of lower support near 83.55-83.60 zone (61.8% retracement support) now looks possible.
- ✓ Selling on rallies is thus advised.

MOST Market Outlook

7th February 2017

Dharmesh Kant (Head - Retail Research)
Dharmesh.Kant@motilaloswal.com

Sacchitanand Uttekar (Technical Analyst)
Sacchitanand.Uttekar@motilaloswal.com

Tina Gadodia (Derivatives Analyst)
Tina.Gadodia@motilaloswal.com

Disclaimer: This document has been prepared by Motilal Oswal Securities Limited (hereinafter referred to as Most) to provide information about the company(ies) and/or sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies). This report is for personal information of the selected recipient/s and does not constitute to be any investment, legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and Motilal Oswal Securities Limited (hereinafter referred to as MOST) is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur.

MOST and its affiliates are a full-service, integrated investment banking, investment management, brokerage and financing group. We and our affiliates have investment banking and other business relationships with a some companies covered by our Research Department. Our research professionals may provide input into our investment banking and other business selection processes. Investors should assume that MOST and/or its affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material and that the research professionals who were involved in preparing this material may educate investors on investments in such business. The research professionals responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting information. Our research professionals are paid on twin parameters of performance & profitability of MOST

MOST generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, MOST generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing among other things, may give rise to real or potential conflicts of interest. MOST and its affiliated company(ies), their directors and employees and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the affiliates of MOST even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report

Reports based on technical and derivative analysis center on studying charts company's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamental analysis. In addition MOST has different business segments / Divisions with independent research separated by Chinese walls catering to different set of customers having various objectives, risk profiles, investment horizon, etc, and therefore may at times have different contrary views on stocks sectors and markets.

Unauthorized disclosure, use, dissemination or copying (either whole or partial) of this information, is prohibited. The person accessing this information specifically agrees to exempt MOST or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOST or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOST or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays. The information contained herein is based on publicly available data or other sources believed to be reliable. Any statements contained in this report attributed to a third party represent MOST's interpretation of the data, information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. This Report is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. While we would endeavor to update the information herein on reasonable basis, MOST and/or its affiliates are under no obligation to update the information. Also there may be regulatory, compliance, or other reasons that may prevent MOST and/or its affiliates from doing so. MOST or any of its affiliates or employees shall not be in any way responsible and liable for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. MOST or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This report is intended for distribution to institutional investors. Recipients who are not institutional investors should seek advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents.

Most and its associates may have managed or co-managed public offering of securities, may have received compensation for investment banking or merchant banking or brokerage services, may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Most and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.

Subject Company may have been a client of Most or its associates during twelve months preceding the date of distribution of the research report

MOST and/or its affiliates and/or employees may have interests/positions, financial or otherwise of over 1 % at the end of the month immediately preceding the date of publication of the research in the securities mentioned in this report. To enhance transparency, MOST has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

Motilal Oswal Securities Limited is under the process of seeking registration under SEBI (Research Analyst) Regulations, 2014.

There are no material disciplinary action that been taken by any regulatory authority impacting equity research analysis activities

Motilal Oswal Securities Limited is registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014. SEBI Reg. No. INH000000412

A graph of daily closing g prices of securities is available at www.nseindia.com and <http://economictimes.indiatimes.com/markets/stocks/stock-quotes>.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The research analysts, strategists, or research associates principally responsible for preparation of MOST research receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues

Disclosure of Interest Statement

1. Analyst ownership of the stocks mentioned above
2. Served as an officer, director or employee

No
No

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOST & its group companies to registration or licensing requirements within such jurisdictions.



Motilal Oswal Securities Ltd

Motilal Oswal Tower, Level 6, Sayani Road, Prabhadevi, Mumbai 400 025
Phone: (91-22) 30894200 Fax: (91-22) 22885038. E-mail: info@motilaloswal.com