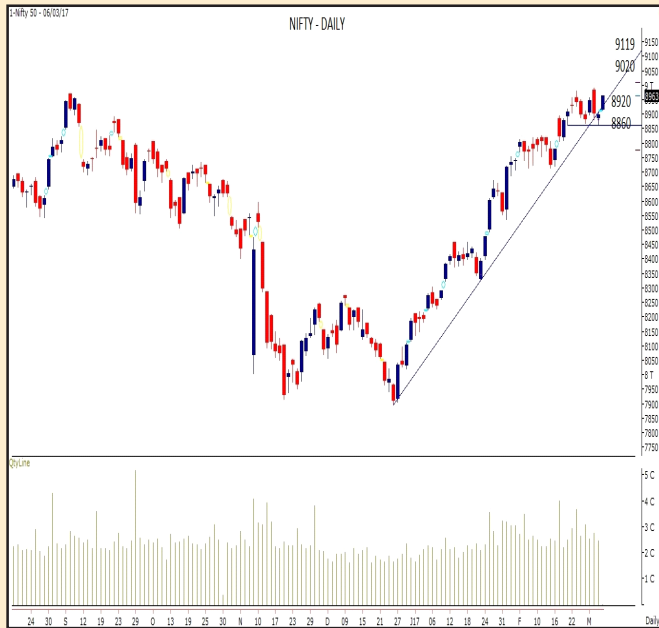


MOST Market Outlook

7th March 2017

Nifty Chart



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8978	9020	9119	8920	8860

'Nifty index opened gap up and continued its positive move towards 8967. It formed a Bullish candle which is similar to Bullish Belt Hold pattern on Daily chart. It has to continue to hold above 8920 to witness an up move towards 9000 then 9119 while on the downside supports are seen at 8920 and 8860. Index has managed to find support at lower band of the range and now a breakout from recent consolidation may start the next leg of rally.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
66.90	66.75	66.60	66.95	67.05

Weakness is likely to continue targeting 66.75 / 66.60 mark.

Market Drivers

- ✓ Domestic markets continued to rally led by strong gains from Reliance. Auto stocks like Tata Motors, Bajaj Auto also saw gains. Expectations of favourable outcome of Assembly elections, improvement in FII flows added to the optimism. Global cues remain mixed with US market closing marginally lower. Microfinance space could see weakness on back of comments from Bharat Finance. Company indicated that collections remain a concern in near term though disbursements are back to premonetisation levels. Given higher credit costs, recent run-up in stock price and concern over recoveries, stock could correct in near term. For the market, events like Fed meet and Assembly election results will be important in near term. Exit polls will be out on 9th evening.

Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
TATACOMM	BUY	755	740	800

Sectoral Outlook

Sector	Outlook
AUTO	POSITIVE
METAL	POSITIVE

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	9000	5166225	-167550
Bank Nifty 30-Mar	21500	570160	121800
Bank Nifty 09-Mar	21000	764320	174920

Corporate Action:

ASHFL	Bonus issue 1:1
CASTROLIND	Special Dividend - INR - 2.00

Trading Idea - Derivatives

STRATEGY UPDATE: LICHSFIN Bull Call Spread

Instrument	B/S	Lot	Reco	CMP
30 Mar 580 CE	Buy	1	15	10.9
30 Mar 600 CE	Sell	1	9	5.35

Target Profit: Rs.9000 SL Rs 4000

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	8800	4204125	213525
Bank Nifty 30-Mar	20000	648560	-280
Bank Nifty 09-Mar	20000	553960	201080

Security in Ban period:

JINDALSTEL, JPASSOCIAT

Trading Calls

TATACOMM

MBP INR 755

Buy

Target INR 800



- ✓ It has managed to surpass immediate hurdle of 760 after the consolidation of last thirteen trading sessions. It is near to its life time high territory and recent price structure suggests a fresh movement in the stock
- ✓ Thus recommending to buy on a small decline with the trading stop loss of 740 for a potential upside target of 800

Derivatives Idea

LICHSGFIN

Buy 1 Lot 580 CE

Sell 1 Lot 600 CE

Bull Call Spread



- ✓ Lichsgfin is in long- long unwinding cycle
- ✓ Option activity shows highest concentration in 580 CE and 560 PE
- ✓ Further unwinding in 560 CE could lead to option trigger boosting the momentum
- ✓ Thus Trading Strategy, Bull Call Spread is recommended

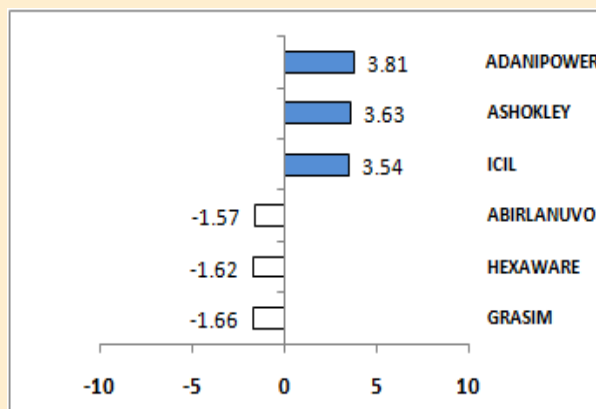
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	564	2018	25108
DII	-482	-1048	16387

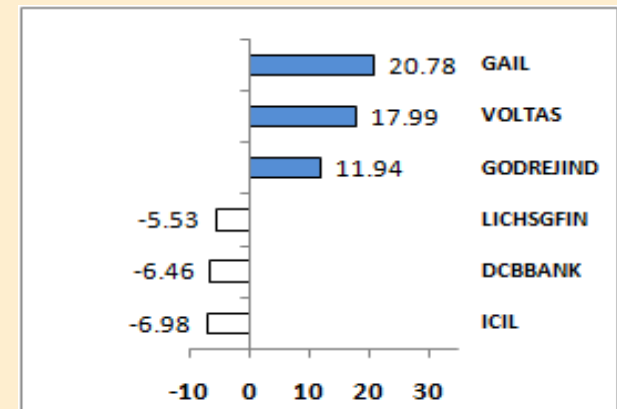
FII F&O

Institution	Net B/S	OI
INDEX FUTURES	-327	Short
INDEX OPTIONS	-697	Option Writing
STOCK FUTURES	-194	Short

Major Price % Change



Major OI % Change



Morning Meet Notes

Research Notes

Aurobindo Pharma - Multiple growth drivers ahead; downside risk limited (CMP 668, TP 915, Recom. BUY)

- ✓ Product concentration risk lowest amongst peers
- ✓ Commissioning of key plants to drive growth in FY18/19E
- ✓ Strong pipeline for launches
- ✓ Strong earnings growth trajectory to drive valuations
- ✓ Reiterate BUY

Larsen & Toubro - Management meet update (CMP 1482, TP 1660, Recom. BUY)

- ✓ Base orders to drive order inflow in 4QFY17, large orders pick up in FY18
- ✓ Domestic execution pick-up likely in FY18; overseas on track
- ✓ Maintain Buy with SOTP-based target price of INR1,660

Bharat Financial Inclusion (CMP 802, TP 848, Recom. Neutral)

- ✓ Collection efficiency has improved from 91% in Nov'16 to 96.8% in Dec'16 while Feb declined marginally to 95.5%
- ✓ Cut FY18/19 EPS estimates by 18%/3% to factor in higher credit costs and interest reversals

Currency Ideas

USDINR



- ✓ The trading range for USDINR continues to be 66.75 - 67.25.
- ✓ Breach of either side of the level could be decisive going ahead.
- ✓ Looking at the prior trend, bias remains bearish as long as 67.25 curtain the higher side.
- ✓ Strong intraday resistances are at 66.95 / 67.05 whereas 66.75 / 66.60 may act as strong supports.
- ✓ Selling on rise is advised.

GBPINR



- ✓ GBPINR continues to fall gradually forming lower highs and lower lows.
- ✓ Sustained trade below previous low near 81.90 could continue the fall targeting 81.40 - 81.60 zone.
- ✓ Strong short-term resistances are placed at 82.25 / 82.45 mark.
- ✓ Selling on rise is advised.

MOST Market Outlook

7th March 2017

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