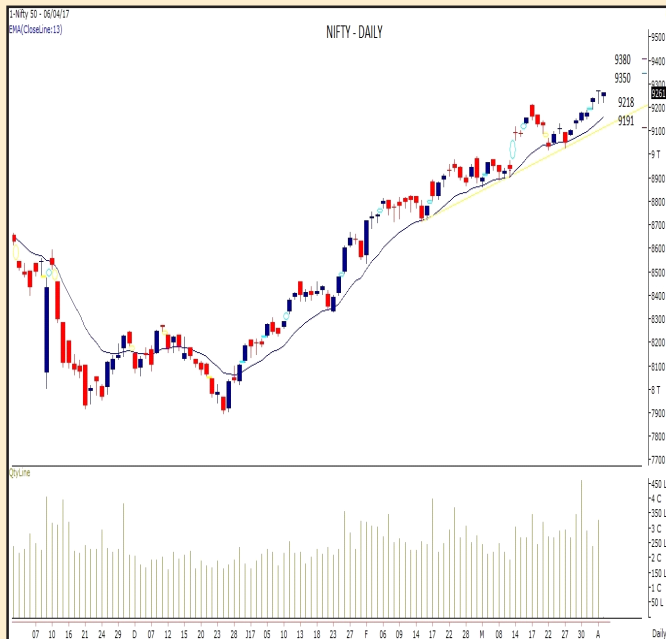


# MOST Market Outlook

7th April 2017

## Nifty Chart



## Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
9263	9350	9380	9218	9191

'Nifty index opened negative but managed to hold its immediate support of 9218 and recovered smartly from lower levels. It formed a Hanging Man candle and also traded inside the trading range of last session. It closed with the marginal loss after the up move of last six consecutive sessions. Now it has to surpass its immediate hurdle of 9280 zone to witness a fresh up move towards 9350 & 9380 while on the downside immediate supports are seen at 9218 then 9191.

## Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
64.90	64.60	64.35	64.90	65.10

Range bound move could be seen in the range of 64.60 - 65.10 for the session.

## Market Drivers

- ✓ Markets were range bound driven by global cues and RBI policy. RBI kept key policy rates unchanged in line with expectations. Commentary remained guarded. Moves will likely to be data driven. GDP growth for FY18 is seen at 7.4 percent. Monsoon is seen as key and if it turns out to be normal, there could well be a case for rate cut later in the year. Global cues are a bit soft on back of news flow regarding US attacks on Syria in response to the use of chemical weapons. We will see markets opening lower on account of same. Should there be escalation of geopolitical risk, it could impact markets given that valuations remain rich.

## Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
IOC	BUY	384	376	410

## Corporate Action:

Interim Dividend - AEL - INR 0.15; MINDTREE - INR 2.00  
Dividend - BOCINDIA - INR 0.75  
Right Issue of Equity Shares - VSSL

## Security in Ban period:

BHARATFIN, IBREALEST, INFIBEAM

## Today Event

US Data - Change in nonfarm pay roll and Unemployment rate

## Sectoral Outlook

Sector	Outlook
ENERGY	POSITIVE
CAPITAL GOODS	POSITIVE

## Trading Idea - Derivatives

STRATEGY UPDATE : 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	9.30

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

## Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 27-Apr	9500	4522275	139575
Bank Nifty 27-Apr	21500	534600	23120
Bank Nifty 13-Apr	22000	402240	264680

## Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 27-Apr	9000	5889450	76800
Bank Nifty 27-Apr	21500	557600	9120
Bank Nifty 13-Apr	21000	316040	219480

## Trading Calls

**IOC**

**Buy**

MBP INR 384

Target INR 410



- ✓ It has been holding the gains above 376-379 zone from last four trading session
- ✓ Recently it formed a triangle pattern on daily chart and breakout of the pattern is intact with long accumulation
- ✓ Thus, recommending to buy with the trading SL of 376 for a potential upside target of 410

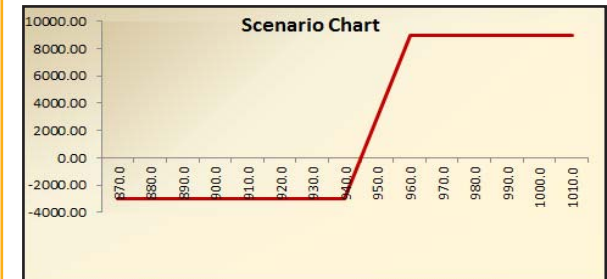
## Derivatives Idea

**Hindunilvr**

**Buy 1 Lot 940 CE**

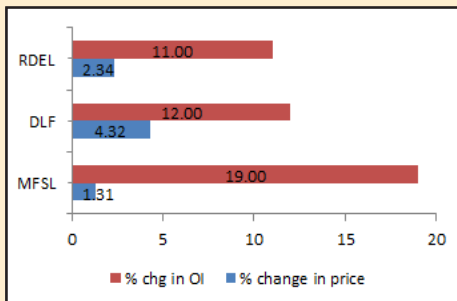
**Sell 1 Lot 960 CE**

**Bull Call Spread**

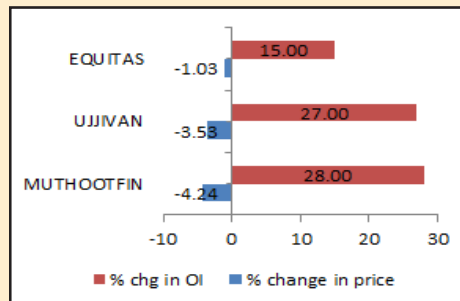


- ✓ Hindunilvr witnessed robust roll of 82% along with good c/fd long position to April series
- ✓ Put accumulation at 920 could act as a vital support while short covering in 920 CE could further propel momentum towards 940-960
- ✓ Considering we are participating positive momentum, Bull call Spread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

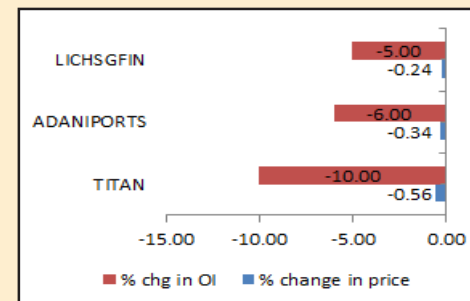
## Long Built-up



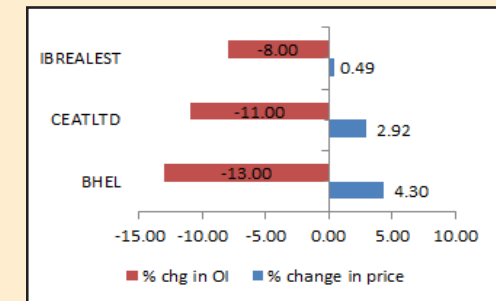
## Short Built-up



## Long Unwinding



## Short Covering



## FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	143	1017	26379
DII	-206	-366	29565

## FII F&O

Institution	Net B/S	OI
INDEX FUTURES	-928	Long Unwinding
INDEX OPTIONS	300	Long Call
STOCK FUTURES	-168	Unwinding

## Morning Meet Notes

### Research Notes

- ✓ GST rollout on 1 July likely as Rajya Sabha clears bills (GST council to fit various goods and services into different tax slabs)
- ✓ RJIO to withdraw summer surprise offer (free services in April-June) [positive for Idea Bharti]
- ✓ RBI to allow banks to invest in REITs, InvITs (to benefit real estate developers planning such trusts)
- ✓ Hindustan Unilever mulls job cuts, extent of layoffs could be between 10% and 15%

### Equitas Holdings : (TP INR220, 30% Upside, Buy)

- ✓ Moderating exposure to the MFI , targets to reduce the share of MFI to ~30% (from 50% in 9MFY17)
- ✓ Would impact near-term growth, offset high growth in its existing secured products like micro LAP & vehicle finance
- ✓ Expects strong growth in newly launched products like housing, business, gold and agri loans in FY18, plans to have a network of 412 liability branches (from 112 currently) by 1QFY18
- ✓ Expect ~20% AUM growth in FY18; To recalibrate the liability side, lowering CoF and increasing cross-sell and fee income
- ✓ Cut EPS est by 10-15% for FY18/19

### Monsoon holds key to next policy rate action; The RBI sticks to its 'neutral' policy stance

- ✓ MPC decided to keep the interest rates unchanged. RBI maintains neutral stance
- ✓ Up move in CPI to 3.7% in Feb was a result of base effects, expects CPI to avg 4.5% in 1HFY18 before hardening to 5% in 2HFY18 (Risks: below-normal monsoon and implementation of 7th CPC)
- ✓ Projected GVA growth to 7.4% in FY18 from 6.7% in FY17 on account of rapid remonetization and the government's budget proposals that would spruce up capital spending and rural demand
- ✓ Inflation target of 4%, do not expect a rate hike until inflation remains below 5%
- ✓ If monsoon turns out to be normal, there could well be a case of a rate cut later this year

## Economic Events Calendar, April 2017

	Monday	Tuesday	Wednesday	Thursday	Friday
	<b>3-Apr-17</b>	<b>4-Apr-17</b>	<b>5-Apr-17</b>	<b>6-Apr-17</b>	<b>7-Apr-17</b>
<b>India</b>	Nikkei PMI Manufacturing Index			Nikkei PMI Services, PMI Composite, RBI Credit Policy	
<b>UK</b>	Manufacturing PMI				Industrial Production, Manufacturing Production, Trade Balance
<b>US</b>	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,
	<b>10-Apr-17</b>	<b>11-Apr-17</b>	<b>12-Apr-17</b>	<b>13-Apr-17</b>	<b>14-Apr-17</b>
<b>India</b>	Trade Balance, Exports, Imports		CPI, IIP		
<b>UK</b>		CPI Index, Retail Price Index, Housing Price Index	Jobless Claims, Employment Change	BoE Credit conditions	
<b>US</b>	Labour Market condition		Monthly Budget Statement	Initial Jobless Claims	CPI, Retail sales Advance (MoM)
	<b>17-Apr-17</b>	<b>18-Apr-17</b>	<b>19-Apr-17</b>	<b>20-Apr-17</b>	<b>21-Apr-17</b>
<b>India</b>	WPI				
<b>UK</b>					
<b>US</b>		Housing starts, Industrial Production	US Fed Release Beige book	Initial Jobless Claims	Manufacturing PMI, Composite PMI, Existing Home sales
	<b>24-Apr-17</b>	<b>25-Apr-17</b>	<b>26-Apr-17</b>	<b>27-Apr-17</b>	<b>28-Apr-17</b>
<b>India</b>		Eight Infrastructure Industries			
<b>UK</b>					GDP (QoQ)
<b>US</b>		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



- ✓ NSE USDINR slashed down sharply in the preceding session, closing well below its critical support of 64.82 (close at 64.72)
- ✓ Initial short-covering looks possible after yesterday's sell off, but upside could be capped around 64.90 - 65.10 which acts immediate resistance area
- ✓ Further downside could resume only if price break below the channel support around 64.60
- ✓ Range bound move could be seen in the range of 64.60 - 65.10 for the session

### EURINR



- ✓ EURINR traded with negative bias in the preceding session closing at 69.13
- ✓ The pair has key channel support around 68.90 and price failure to break below the same could result in pullback for the session
- ✓ Strong short-term resistance is at 69.70 - 69.80 area
- ✓ Selling will be advised only if price break below support

# MOST Market Outlook

7th April 2017

**Dharmesh Kant (Head - Retail Research)**  
[Dharmesh.Kant@motilaloswal.com](mailto:Dharmesh.Kant@motilaloswal.com)

**Chandan Taparia (Derivatives & Technical Analyst)**  
[Chandan.Taparia@motilaloswal.com](mailto:Chandan.Taparia@motilaloswal.com)

**Tina Gadodia (Derivatives Analyst)**  
[Tina.Gadodia@motilaloswal.com](mailto:Tina.Gadodia@motilaloswal.com)

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## 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](mailto:info@motilaloswal.com)