

Nifty Chart



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8355	8380	8450	8250	8130

'The 7 days sequence of higher closes was distorted in today's session as Nifty ended below its previous day's low. The momentum indicator RSI is yet to register an overbought situation hence odds of a broad range consolidation remains high for the week. Nifty is expected to remain within the trading range of 8400-8250 & only a breach outside the range could unfold directional momentum.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.70	67.50	67.35	67.75	67.90

The pair is likely to trade sideways-to-negative below resistance at 67.75 and test of supports at 67.50-67.35 levels looks possible.

Sectoral Outlook

Sector	Outlook
INFRA	Positive
PHARMA	Negative

Market Drivers

- ✓ In Tuesday's trading session Nifty corrected (-0.42%) in line with global markets. This morning global cues are supportive, US markets closed firmly in green and Asian counterparts are trading with positive bias. US stocks advanced in last session as strong data from services industry countered concerns raised in FOMC minutes released yesterday citing uncertainty over labor market and financial stability. Though, European markets have been heavy selling pressure in last two trading sessions. The progress of Monsoon turning strong and stabilizing global markets is likely to maintain positive sentiments.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 28-July	8500	4239975	201375
Bank Nifty 07-July	18500	509760	121640
Bank Nifty 28-July	18500	238400	10720

Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
DRREDDY	SELL	3452	3520	3250

Trading Idea - Derivatives

STRATEGY - Hindpetro Call Ladder Spread

Instrument	B/S	Lot	Reco	CMP
28 July 1040 CE	Buy	1	26	27.5
28 July 1080 CE	Sell	1	14	13.25
28 July 1100 CE	Sell	1	10	9.8

Target Profit :7500 Stop Loss: 2000 (Hedge above 1115)

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 28-July	8200	4416300	421650
Bank Nifty 07-July	17500	501920	57920
Bank Nifty 28-July	17500	377520	-13200

✓ MOST Market Outlook

7th, July 2016

Trading Calls

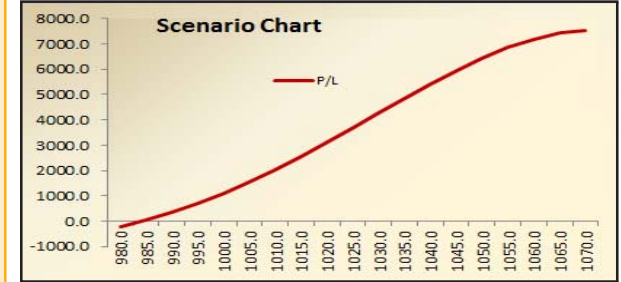
DRREDDY CMP INR 3452
Sell Target INR 3250



- ✓ 'Negative sector outlook & 'Dark Cloud Cover' formation indicates the termination of the ongoing pullback
- ✓ DrReddy could be traded with a stop at 3520 & a trading target up to 3250

Derivatives Idea

Hindpetro Buy 1 Lot 1040 CE
 Sell 1 Lot 1080 CE
Call Ladder Spread Sell 1 Lot 1100 CE



- Target Profit : 7500 Stop Loss : 2000**
- ✓ Hindpetro is in long- long unwinding cycle
 - ✓ Option data for July series shows 1000 as immediate support
 - ✓ Unwinding in 1000 Ce could boost the ongoing momentum on higher side
 - ✓ Considering stable implied volatility, Call Ladder spread is recommended

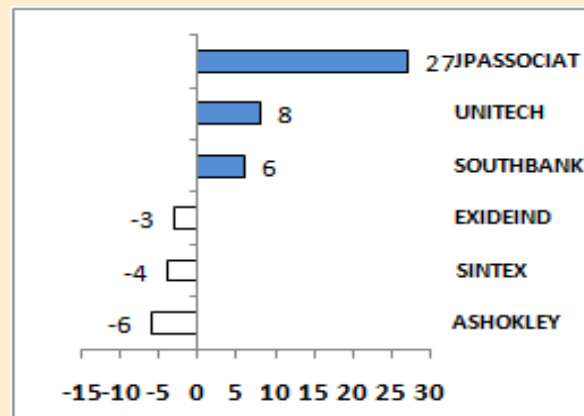
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	266	260	-32591
DII	-447	837	49433

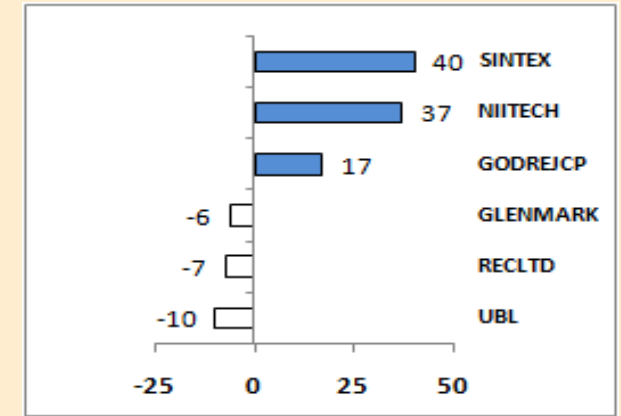
FII F&O

Institution	Net B/S	OI
Index Future	129	Long
Index Options	394	Long
Stock Futures	-345	Short

Major Price % Change



Major OI % Change



Morning Meet Notes

Fundamental News Flow

- ✓ **Monsoons:** Deficit reduced to less than 2%, down from 25% 2 weeks back; positive for M&M. ESCORTS
- ✓ **GOLD PRICES** at 2 week high (20% up in INR terms)

Research Notes

Ind-AS: SEBI relaxes quarterly filing norms

- ✓ Extension for reporting fin. statements by one month in Q1 & Q2 (i.e 2 ½ months instead of 1 ½ month)

UTCEM-JPA deal on track; Regulatory approvals awaited

- ✓ Contrary to media reports, deal on track; Deal size increased from 159b to 162b
- ✓ All approvals to take 12 months; UTCEM Mkt Share to be at 30% in Central India
- ✓ Preferred pick in cement space; TP of INR 3,673 (at USD 212/ton)

IT Preview (1QFY17) : Outperformers INFY in Tier-1 & HEXW in Tier-2

Exhibit 1: Expected quarterly performance summary

Sector	CMP (INR)	Reco	Sales (INR m)			EBDITA (INR m)			Net Profit (INR m)		
			Jun-16	Var % YoY	Var % QoQ	Jun-16	Var % YoY	Var % QoQ	Jun-16	Var % YoY	Var % QoQ
Cyient	486	Buy	8,197	12.9	0.5	980	6.8	-7.8	792	5.8	-6.2
HCL Technologies	731	Buy	111,845	14.4	4.5	23,140	10.2	-2.7	18,839	5.7	-2.1
Hexaware Tech.	229	Neutral	8,470	9.7	3.3	1,356	2.5	13.6	1,045	5.7	24.1
Infosys	1,172	Buy	170,197	18.6	2.8	45,063	19.8	-2.9	35,955	18.7	0.0
KPIT Tech.	158	Neutral	8,013	5.7	-4.7	970	34.5	-26.5	599	34.8	-32.3
Mindtree	671	Neutral	13,411	36.6	1.3	2,301	33.1	1.9	1,611	16.6	3.3
Mphasis	572	Neutral	14,491	-3.2	-4.5	2,303	8.9	-1.8	1,968	13.0	5.6
Persistent Systems	690	Neutral	7,018	40.2	3.6	1,059	9.3	-1.4	744	10.7	-7.9
TCS	2,502	Neutral	294,327	14.7	3.5	78,261	8.7	-1.0	61,760	8.2	-2.6
Tech Mahindra	512	Neutral	69,646	10.7	1.2	11,088	17.4	-4.5	6,925	2.4	-22.8
Wipro	558	Neutral	140,590	14.9	3.1	27,928	7.2	-0.4	20,738	-5.2	-7.2
Sector Aggregate			849,314	15.1	2.9	195,164	11.9	-1.8	151,430	8.0	-3.7

Currency Ideas

USDINR



- ✓ USDINR (July contract) bounced higher from short-term support at 67.35, closing the previous session on a positive note near 67.70
- ✓ However, the larger trend is expected to remain rangebound between support at 67.20 and resistance at 67.90
- ✓ Failure to breach resistance now could again turn the pair lower towards support area
- ✓ Selling is advised for the short-term

JPYINR



- ✓ JPYINR (July contract) has reversed sharply from intermediate support line C1 near 65.50, closing the previous session higher at 66.48
- ✓ The short-term bias remains bullish and the pair could likely rally higher towards channel resistance line C2 near 67.40 level
- ✓ Buying on dips is thus advised
- ✓ Immediate support is at 66.20

MOST Market Outlook

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