



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8283	8300	8420	8200	8160

'Nifty continues its narrow ranged action within the band of 8300-8200. 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
66.97	66.80	66.60	67.10	67.22

Short-term bias for the pair still remains weak and selling on rise is advised. Immediate resistance is at 67.10 whereas critical resistance is pegged at 67.45.

Sectoral Outlook

Sector	Outlook
MIDCAP	Positive
NBFC	Neutral

Outlook

- ✓ RBI kept rates unchanged in line with expectations. But the statements were a bit hawkish with concerns being expressed on potential increase in inflation. Monsoon and the inflation trajectory will be important factors to watch out for. Indian markets rallied post the policy. Nifty moved closer to 8300 level. Rupee continued to appreciate. Crude prices remained firm. On the domestic front, prospect of GST clearance in monsoon session is also being talked about. Apart from monsoon this could be another factor which could excite markets. In the banking space, PSU banks could continue to see traction on expectation of revival in stressed sectors as well as benefits of efforts taken to address the same. Smaller private banks are attractive from a valuation perspective and that space could also continue to see traction.

Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
FINOLEX CABLE	BUY	356	330	400
MARUTI	SELL	4163	4230	4050

Trading Idea - Derivatives

STRATEGY - M&M Call Ladder Spread

Instrument	B/S	Lot	Reco	CMP
June 1380 CE	Buy	1	36	38.70
June 1420 CE	Sell	1	21	21.30
June 1440 CE	Sell	1	16	15.85

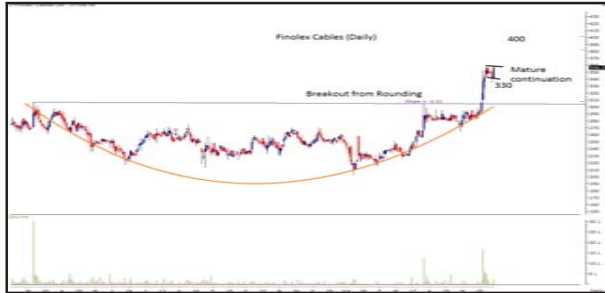
Target Profit : 16400 Stop Loss : 1480

✓ MOST Market Outlook

8th, June 2016

Trading Calls

FINOLEX CABLE CMP INR 356
Buy Target INR 400



- ✓ 'Breakout from the 'Rounding' followed by the continuation pattern augurs well for the uptrend to remain intact
- ✓ A breach above 362 would amplify the momentum
- ✓ Momentum could be traded with a stop below 330 for a pattern target upto 400

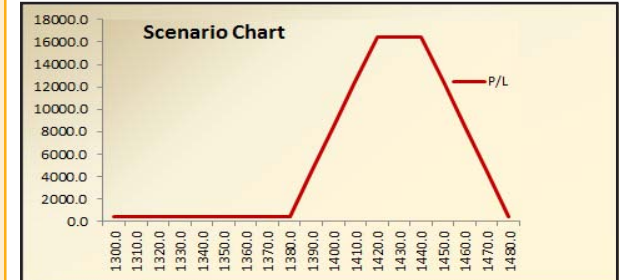
MARUTI CMP INR 4163
Sell Target INR 4050



- ✓ 'Maruti is now placed at the upper end of the oscillating range
- ✓ Negative divergence on the RSI indicates exhaustion & a likely move back to its lower end of the range
- ✓ Short positions could be initiated with a stop above 4230 for a trading target upto 4050

Derivatives Idea

M&M Buy 1 Lot 1380 CE
Call Butterfly Spread Sell 1 Lot 1420 CE
 Sell 1 Lot 1440 CE



- Target Profit : 16400 Stop Loss : 1480**
- ✓ M&M is in long –long unwinding cycle
 - ✓ Positive sector outlook along with unwinding in 1360 CE could augur well for upside momentum
 - ✓ Considering stable volatility and to benefit from theta decay, Call Ladder Spread is recommended

FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	500	2895	-42108
DII	46	-1315	61482

FII F&O

Institution	Net B/S	OI
Index Future	257	Long
Index Options	345	Call Long
Stock Futures	-333	Short

Outlook

- ✓ Cash rich PSUs are using the same to buy back shares from Govt. NMDC, MOIL, and NALCO have already announced. Other companies like Coal India, BEL could also do the same.

Rates unchanged; RBI sees 'upward bias' to inflation projections

- ✓ If monsoons are above normal, RBI may cut rates by 25bp in Aug 2016 provided inflation continues to be as per expectations
- ✓ This could be the last rate cut by RBI post which it is likely to move to a prolonged pause

Sector update: Cement

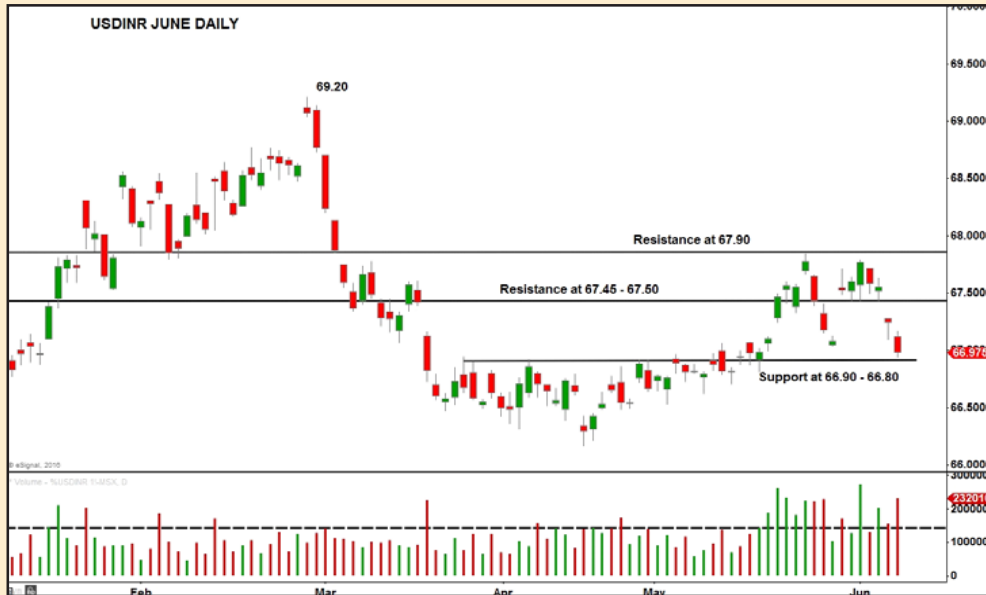
- ✓ North based companies announced a price hike of Rs.20 from June 9 to about 290/bag
- ✓ Prices in the south are about Rs.20-25 off their historic highs (post revision in May)
- ✓ There is speculation that the increase could be to compensate for any decline during monsoon
- ✓ In the AP/Telangana, key government projects are yet to get off the ground.
- ✓ Preferred picks: Ultratech (pan-India), Shree (North), Ramco (South)

Channel check: Air conditioners

- ✓ April sales growth: 100% in volume in North and Central India
- ✓ May and June: Weaker due to high base and monsoon respectively
- ✓ Q1FY17 expected growth: 30%
- ✓ Preferred picks: Voltas

Currency Ideas

USDINR



- ✓ USDINR traded with a negative bias in the previous session and has closed near 66.97 level.
- ✓ Critical resistance for the pair remains at 67.45 - 67.50 whereas 67.10 - 67.22 may act as short-term hurdles.
- ✓ The trend is still weak and there is no positive sign yet and so selling on rise is advised. Breach below short-term support at 66.80 could increase the sell momentum.
- ✓ Failure to breach 66.80 may result in range bound trade between 66.80 - 67.22

EURINR



- ✓ EURINR traded sideways in the previous session and is expected to open near 76.10 as per parity.
- ✓ Critical resistance for the pair is pegged at 76.25 - 76.40 whereas 75.90 - 75.75 may act as strong supports.
- ✓ Range bound movement is expected to continue and only either side breach (75.90 - 76.25) may provide short-term direction

MOST Market Outlook

8th, June 2016

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