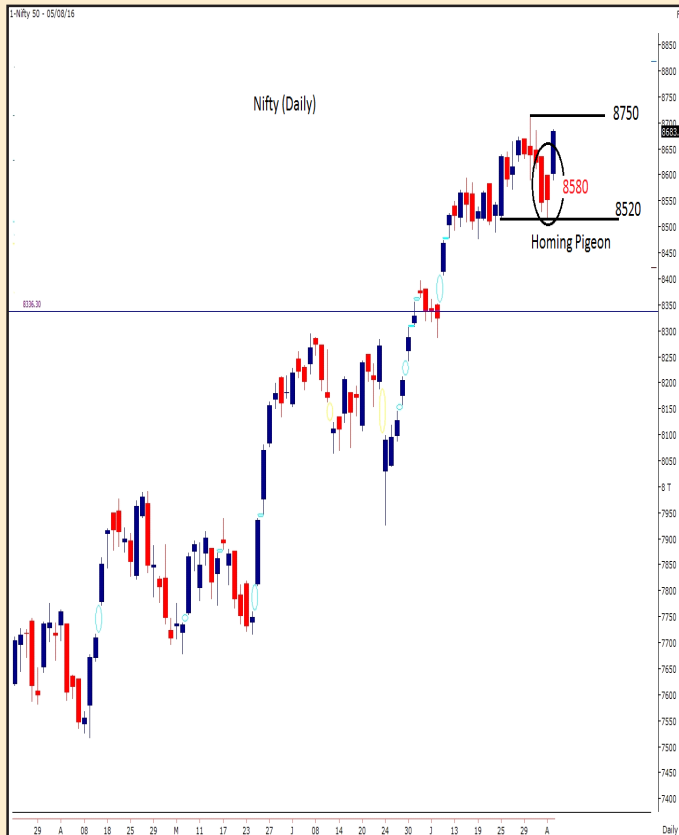


MOST Market Outlook

8th, August 2016

Nifty Chart



Nifty Outlook

Nifty Fut.	Reco.	CMP	SL	TGT
8708	BUY	8708	8610	8840

'Occurrence of 'Bullish Homing Pigeon' indicates the revival of the bullish momentum. The pattern is well supported with ADX (Trend Strength Indicator) quoting above 21 which raises the expectation of a move towards 8800. A breach below 8580 shall be considered as the first sign of cooling of momentum & hence serves as a trail stop for fresh longs.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.00	66.95	66.70	67.15	67.30

The pair is likely to trade sideways-to-lower below 67.30 and test of support at 66.95 level looks possible.

Sectoral Outlook

Sector	Outlook
OIL&GAS	POSITIVE
IT	POSITIVE

Market Drivers

- ✓ Markets staged a strong rally last Friday, in line with global markets. Nifty gained 1.54% for the day and gave a closing near 8700 at 8683. The participation was broad. Automobile, Banks, Metal and Realty stocks found strong buying traction. IT stocks remained muted with selling bias on select names. Overseas, U.S. stocks rallied to close higher Friday after a stellar jobs report outstripped Wall Street expectations, showing sustained improvement in a labor market that has been spotty over the past few months. The unemployment rate was unchanged at 4.9% even as the labor-force participation rate edged up to 62.8%, suggesting the labor market is tightening. Back home, Markets will now focus on PSB's update on 1QFY17 earnings where fresh slippages will be closely monitored by participants.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Aug	9000	5608575	-591900
Bank Nifty 25-Aug	19500	515840	29960
Bank Nifty 11-Aug	19000	235640	-24400

Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
RELIANCE	BUY	1016	1000	1050
TECHM	BUY	490	470	550

Trading Idea - Derivatives

STRATEGY - Banknifty Modified Bull Spread

Instrument	B/S	Lot	Reco	CMP
25 Aug 19100 CE	Buy	1	259	259
25 Aug 19500 CE	Sell	1	117	117
25 Aug 18000 PE	Sell	1	44	44

Target Profit : 12350 Stop Loss : 3650 , Hedge : Below 1800

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Aug	8500	5278425	669900
Bank Nifty 25-Aug	18000	459960	-64200
Bank Nifty 11-Aug	18000	350200	251040

✓ MOST Market Outlook

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Trading Calls

RELIANCE MBP INR 1016
Buy Target INR 1050



- ✓ 'Bullish Hammer at support is well supported with the crossover in the RSI above 50, indicating momentum to persist
- ✓ Reliance could be traded for a target upto 1050 with a stop now at 1000

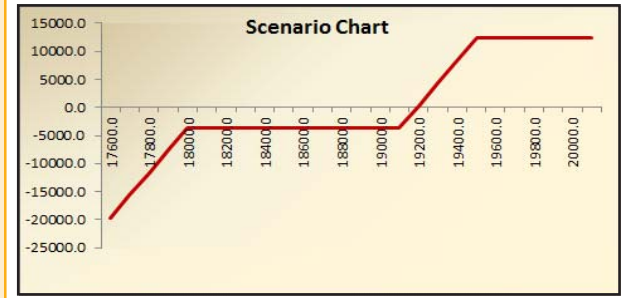
TECHM MBP INR 490
Buy Target INR 550



- ✓ 'Occurrence of 'Piercing Line' formation indicates a reversal in place & longs shall be added upto 490-485 with a stop below 470 for an expected upmove till 550

Derivatives Idea

Banknifty Buy 1 Lot 19100 CE
Sell 1 Lot 19500 CE
Modified Bull Spread Sell 1 Lot 18000 PE



Target Profit : 12350 Stop Loss : 3650

- ✓ Banknifty is in Long- Long Unwinding cycle
- ✓ Option indicative band stands at 18000-19500
- ✓ Unwinding in 19000 Ce could pave way for up-stream momentum to continue
- ✓ In lieu of stable volatility, Modifies Bull Call Spread is recommended

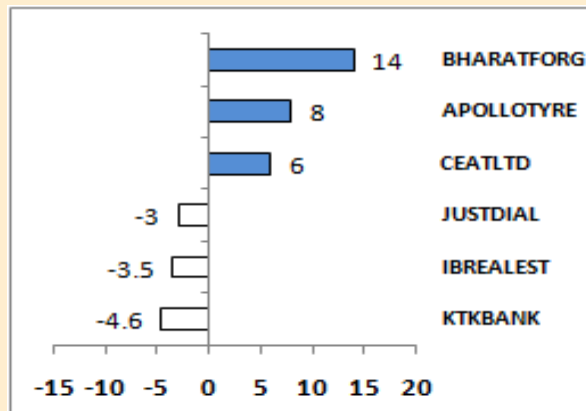
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	436	2836	-22917
DII	616	-1509	41375

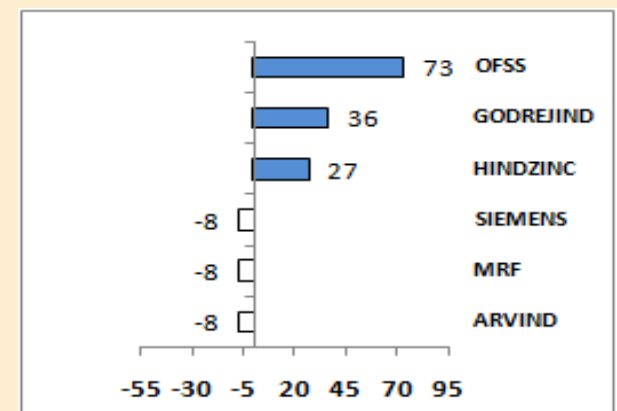
FII F&O

Institution	Net B/S	OI
Index Future	481	Long
Index Options	1999	Long
Stock Futures	-15	Short

Major Price % Change



Major OI % Change



Morning Meet Notes

Research Notes

- ✓ MIP extended till Oct'16. Our top pick JSW Steel with PT 2092.
- ✓ RBI Meeting tomorrow 9th Aug

Results

Company	Sales	% Y/Y	EBITDA	% Y/Y	PAT	% Y/Y	Rationale	Comments
Hindalco	2.3	-1.7	0.3	25.8	0	-	BUY/166/l	1. 4% vol miss, EBITDA/ton: +28% YoY improvement in mix & Op lev at auto lines, Auto vol +15% YoY, turned down some low margin business 2. Reduced vol , increase margin est, EBITDA estimates unchanged at USD1.1b (+14% YoY) for FY17E and USD1.2b (+7% YoY) for FY18E
Bharat Forge	49	-5.6	24	27	122	-37.7	BUY/921/B	1. Tonnage de-grew for te 3rd consecutive quarter 2. Exports down by 40% 3. lower our EPS for FY17E/FY18E by 21%/16.5% , Trades at 22x FY18E
Union Bank	21	-1	16.0	9	166.0	-68	BUY/160/B	1.: Asset quality continues to surprise negatively 2. increased stress loans in Iron and steel & Power sector 3. Valuations at 0.4x FY18E PBV
BEL	8.7	-21	-0.5	-	0.4	-53	Buy/1450/BB	1. Delay by customer clearance led to lower sales & negative Op. Lev. Buyback approved at 1305 for 7% shares 2. Maintained Sales guidance of 10% growth for FY17 3. EPS CAGR: 10% over FY16-18; Trades: 18x FY18

Currency Ideas

USDINR



- ✓ USDINR (Aug. contract) traded in a small range between 66.95-67.30 last week, closing near the weeks' low at 67 level
- ✓ More importantly, the pair traded below channel resistance near 67.30 after breaking through the same earlier
- ✓ Looking ahead, the pair is expected to continue trading in a range between 66.95-67.30
- ✓ Lower support is at 66.70 while higher resistance is at 67.50 level

GBPINR



- ✓ GBPINR (Aug. contract) fell from channel resistance line 'C' near 90 level to close the last week at 88.23, down by about 0.55% for the period
- ✓ The pair is now close to short-term support at 87.85
- ✓ Sustained breach of the same could lead the pair lower towards previous bottom at 86.65 level
- ✓ Selling on rallies is thus advised

MOST Market Outlook

8th, August 2016

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