

## Nifty Chart



## Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
<b>ASHOKLEY</b>	<b>BUY</b>	<b>85</b>	<b>83</b>	<b>90</b>

## Corporate Action:

JMFINANCIL - Final Dividend - Rs. - 1.9052

## Security in Ban period:

BHARATFIN, CEATLTD, HDIL, IBREALEST, IFCI, IRB, JSWENERGY, KTKBANK, SYNDIBANK, UJJIVAN

## Today Event

US - Initial Jobless Claims

## Nifty Outlook

Nifty Cash	R1	R2	S1	S2
<b>9407</b>	<b>9450</b>	<b>9500</b>	<b>9350</b>	<b>9320</b>

'Nifty index opened positive and made a new record life time high of 9414 after the sideways movement of last three trading sessions. It formed a strong Bullish candle and given a consolidation breakout from its trading range of 9270 to 9380 zone. It managed to close with the handsome gains of 90 points above its crucial hurdle of 9380 zone. Now a hold above 9380 could start the next move towards 9450 and 9500 while on the downside supports are shifting higher at 9350 and 9320.

## Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
<b>64.77</b>	<b>64.55</b>	<b>64.30</b>	<b>65.00</b>	<b>65.15</b>

Dip buying is advised as long as 64.30 is held as strong support.

## Sectoral Outlook

Sector	Outlook
<b>FMCG</b>	<b>POSITIVE</b>
<b>AUTO</b>	<b>POSITIVE</b>

## Trading Idea - Derivatives

### STRATEGY : AXIS BANK BULL CALL SPREAD

Instrument	B/S	Lot	Reco	CMP
AXIS BANK 530 CE	Buy	1	11.5	11.5
AXIS BANK 550 CE	Sell	2	5.5	5.5

Target: Rs 16800, SL: Rs.7200, Margin: approx Rs. 75000

## Market Drivers

- ✓ Indian markets moved into new highs breaking out from the consolidation. Global cues remain sanguine. The results season continues to be positive. Novelis results were better and outlook was for stable capex and improved cash flows. Hindalco should react positively to the same. Zee numbers were encouraging. Hero Moto corp profitability was below expectations. FIIs were net buyers in cash market on Tuesday as well. Recovery in beaten down names, positive global cues, FII flows and encouraging results should help the markets sustain the upward momentum.

## Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 25 - May	9500	6518625	849825
Bank Nifty 25 - May	23000	549440	1840
Bank Nifty 11 - May	23000	1045400	101760

## Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 25 - May	9300	7677000	1609725
Bank Nifty 25 - May	22000	913360	8760
Bank Nifty 11 - May	22500	721000	196360

## Trading Calls

### ASHOKLEY

CMP : INR 85

Target : INR 90

**Buy**



- ✓ The stock has strongly bounced back from its multiple support of 82-83 and formed a Bullish Reversal pattern on the daily chart
- ✓ The long green candle for the day scale points out towards higher prices and thus this stock is recommended as a buy at current levels for a potential upside target of 90 with a stop below 83

## FII & DII Activity (INR in Cr)

Cat.	Amt	MTD	YTD
FII	893	-1047	14751
DII	-230	2030	43764

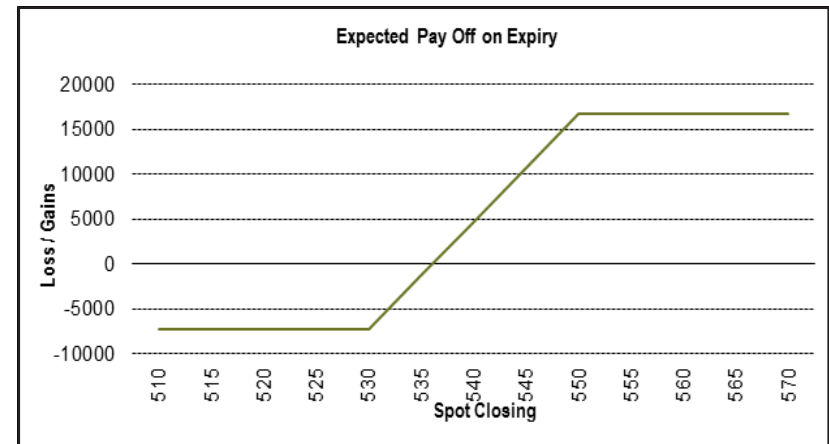
## Derivatives Idea

### AXIS BANK

Buy 1 Lot 530 CE

Sell 2 Lots 550 CE

**BULL CALL SPREAD**



- ✓ Axisbank has recently taken support near to 505 zone and given the highest daily close in last 11 weeks
- ✓ Fresh Put writing at 510-530 strikes suggests shifting of its support while unwinding in 540 Call could lead the momentum
- ✓ Indicating positive to range bound move this Bull Call Spread is recommended

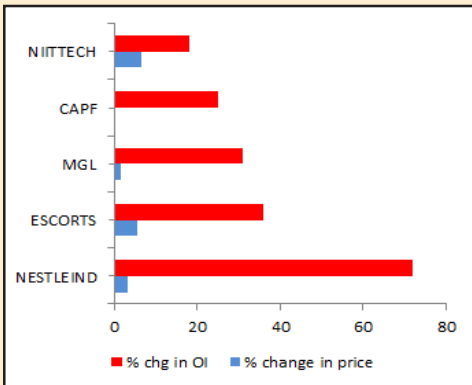
## FII F&O

Institution	Net B/S	OI
INDEX FUTURES	-395	Short Built Up
INDEX OPTIONS	857	Synthetic Long
STOCK FUTURES	383	Long Built Up

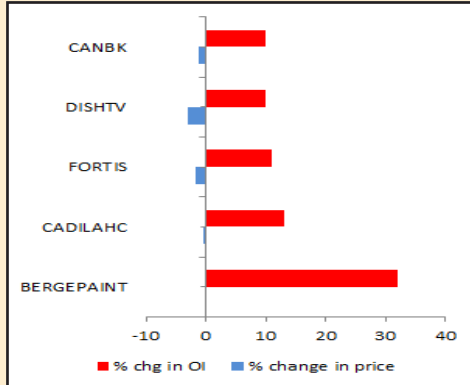
# MOST Market Outlook

11th May 2017

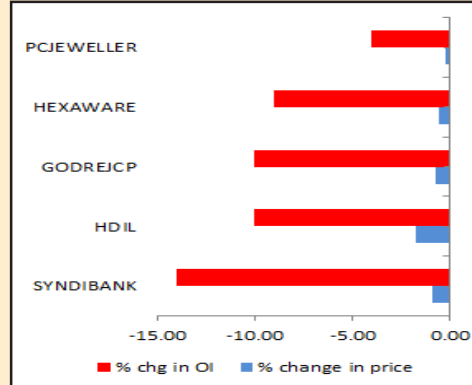
## Long Built-up



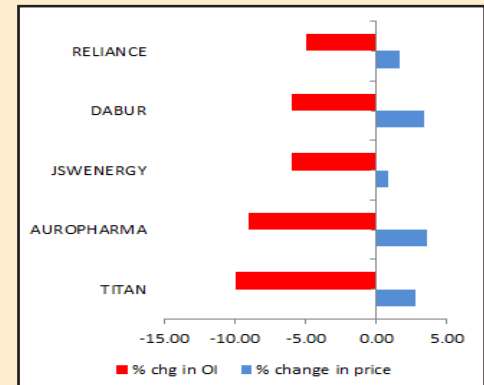
## Short Built-up



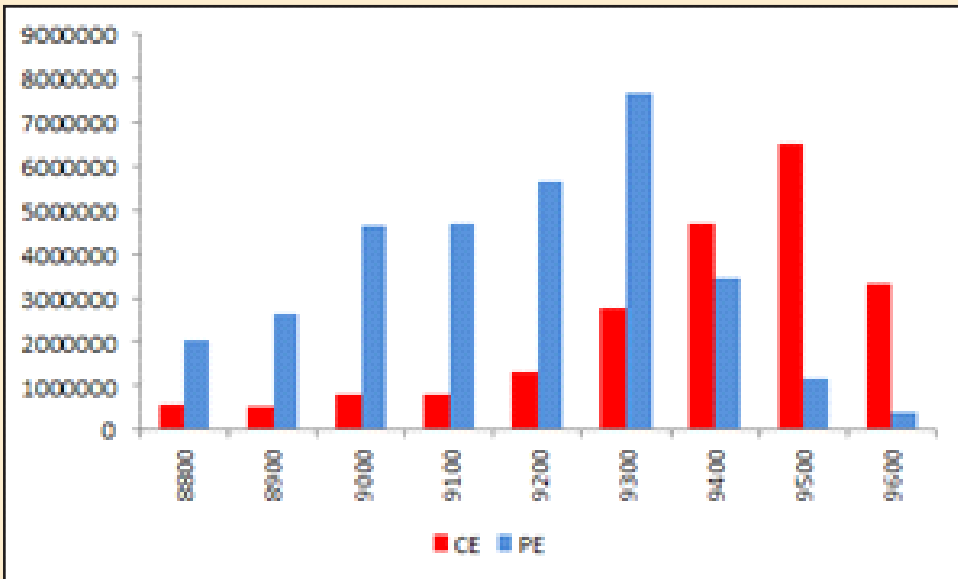
## Long Unwinding



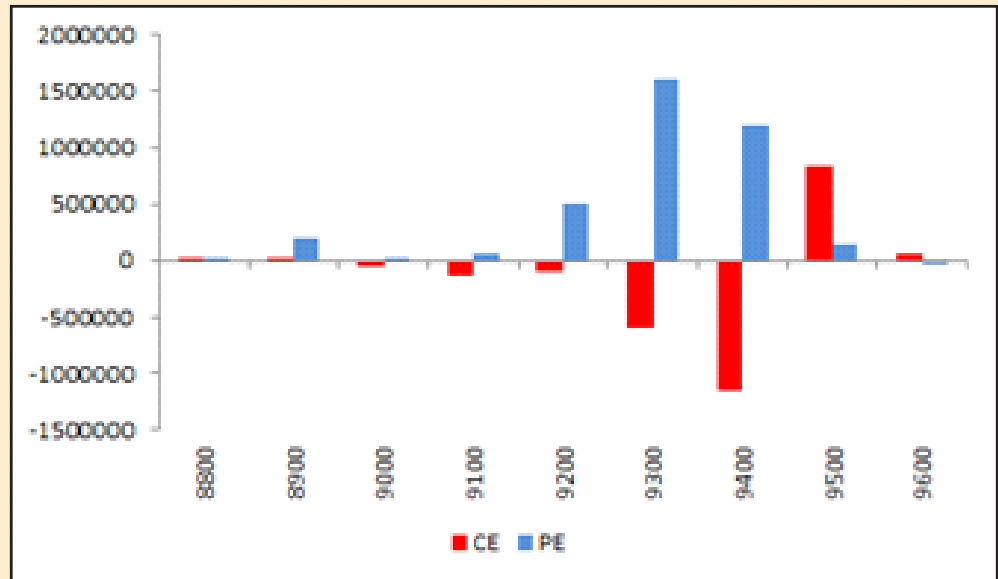
## Short Covering



## Nifty Option OI



## 1- Day change in Nifty OI



## Morning Meet Notes

### Research Notes

#### Tata Motors

- ✓ JLR Apr-17 wholesale volumes grew ~2% YoY (-42% MoM) to 41,923 units, below our estimate of 44,500 units
- ✓ JAguar +37% YoY, LandRover -8% YoY,
- ✓ JLR Apr-17 retail volumes -2% YoY (-42% MoM) JAguar +54% YoY, LandRover -16% YoY,
- ✓ Trades at 14.7x/7x FY18/FY19E consolidated EPS, Buy 43% upside (TP INR 619)

#### Hero Moto

- ✓ Sales -8% YoY, EBITDA -20% YoY, EBITDA margins down 320bps QoQ, PAT -14% YoY, BS 3 impact loss of INR 190cr, raised prices from INR 500-2200

Company	Sales	% Y/Y	EBITDA	% Y/Y	PAT	% Y/Y	Rationale	Comments
Bharti Airtel	219.3	-12.1	78.6	-13.8	3.4	-69.0	BUY/430/l	<ol style="list-style-type: none"> <li>1. . Rjio's free usage plan led to a drop of 6%/10% QoQ in India wireless revenue/EBITDA, Data revenue saw a lower-than anticipated decline of 11% QoQ (7% beat), as volumes partly offset the 32% data price decline</li> <li>2. Aim create ample data capacity to match Rjio's offerings</li> <li>3. Stock can provide 8-10% FCF yield on 15% rise in EBITDA and an annual capex reduction of 10%</li> </ol>
Hindalco	2.6	9.1	0.3	5.4	0.0	91.0	BUY/242/A	<ol style="list-style-type: none"> <li>1. Best ever EBITDA on better metal mix and operational cost savings, auto shipments +25% vol growth</li> <li>2. Guidance (a) volumes higher YoY on increase in auto shipment, Sustainable EBITDA margin of USD340-360/t. (c) FCF generation higher YoY (d) Capex at USD200-250m</li> <li>3. Deleveraging continues in Novelis, proceeds from Ulsan sale to result in lower debt, 29% upside</li> </ol>
Zee	15.3	0.4	4.7	14.0	2.9	28.4	BUY/600/l	<ol style="list-style-type: none"> <li>1. Programming cost fell 6% YoY, Domestic ad revenue grew 8% YoY, Domestic subscription declined 3% YoY</li> <li>2. Cut earnings estimate by 5% for FY18E/FY19E to factor in lower other income, Value at 30x FY19E EPS (ex-&amp;TV) plus INR19 toward &amp;TV DCF value less INR19 toward pref, 16% upside</li> </ol>

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## Upcoming Economic Events Calendar

				11-May-17	12-May-17
India					CPI, IIP
UK				IIP, BoE Rate decision, BoE Asset Purchase Target	
US				Initial Jobless Claims	CPI, Retail sales Advance
	15-May-17	16-May-17	17-May-17	18-May-17	19-May-17
India	WPI				
UK		CPI, Housing Price Index	Jobless Claims		
US		Industrial Production		Initial Jobless Claims	
	22-May-17	23-May-17	24-May-17	25-May-17	26-May-17
India				Eight Infrastructure	CPI, IIP
UK				GDP (QoQ)	
US		New Home sales	Manufacturing, Services and Composite PMI, Existing Home sales, FOMC Meeting Minutes	Initial Jobless Claims	Quarterly GDP
	29-May-17	30-May-17	31-May-17	1-Jun-17	2-Jun-17
India			Fiscal Deficit, GDP	Manufacturing PMI	
UK				Manufacturing PMI	
US		Personal Income and spending	MBA Mortgage Application	Non-farm Productivity, Initial Jobless Claims	Change in Private Pay Roll, Unemployment Rate
	5-Jun-17	6-Jun-17	7-Jun-17	8-Jun-17	9-Jun-17
India	Service and Composite PMI		RBI Rate decision		Trade Balance
UK					
US	Service PMI, Composite PMI, Factory Orders		MBA Mortgage Application	Initial Jobless Claims	

Note- CPI-Consumer Price Index, WPI-Wholesale Price Index, IIP- Index of Industrial Production, PMI-Purchasing Managers Index

## Currency Ideas

### USDINR



- ✓ The pair is likely to trade in a higher range in short-term as it has breached out of its two weeks of consolidation range closing higher at 64.77.
- ✓ Strong supports are placed at 64.55 - 64.30 levels whereas resistance is at 65 - 65.10 area.
- ✓ Dip buying is advised for the session

### GBPINR



- ✓ Bias remains positive for the pair as long as 83.25 - 83.15 is held as strong support area.
- ✓ The pair is likely to target 84.10 - 84.40 levels in short-term.
- ✓ Dip buying near immediate support at 83.50 is advised for the session.

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11th May 2017

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