



Nifty Outlook

Nifty Fut.	Reco.	MSP	SL	TGT
8190	SELL	8190	8230	8070

'Spinning Top' formation near the upper end of the range coupled with the reversion of the momentum oscillator RSI from the overbought zone augurs well for a corrective move within the uptrend. A breach below 8150 would amplify the bearish momentum & push nifty towards its lower bound. Traders could continue their shorts with a trading stop at 8320.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
66.94	66.8	66.65	67.15	67.3

The pair is likely to trade positively as long as above immediate support at 66.80. Buying is advised targeting 67.15 level.

Sectoral Outlook

Sector	Outlook
MIDCAP	Positive
PHARMA	Negative

Outlook

- ✓ U.S. markets closed lower. Asia is trading sharply weak in early trades. Japanese market is down about 3 percent. Central bankers meet will remain in focus. Some pricing in of Brexit fears is also playing out as European markets also saw weakness on Friday. On the domestic front, onset of monsoon, slight advantage for BJP in Rajya Sabha numbers is positive while IIP data continued to disappoint. Manufacturing contributed to the decline. Global factors, weak Asian markets will weigh on the markets. 8300 has seen stiff resistance and broad support is seen around 8000 levels.

Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
AUOPHARMA	SELL	743	775	680
MARUTI	SELL	4111	4170	4050

Trading Idea - Derivatives

STRATEGY - Nifty Modifies Bear Put Spread

Instrument	B/S	Lot	Reco	CMP
June 8200 PE	B	1	105	112.5
June 8100 PE	S	1	70	74.5
June 8400 CE	S	1	38	31.5

Target Profit : 6000 Stop Loss : 2200

April IIP @ -0.8% (est +2.7%); Cap Goods -25%; FY17 est. of 5.0%

Hero Moto: Update

- ✓ Rural mix @ 60%; Above normal monsoon expected (106% of LPA)
- ✓ 7th Pay Commission (comprising 1.7cr employees); 25% hike; 90% employees in Group C (low pay scale)
- ✓ Augurs well for HMCL's economy segment (100cc) forming 56% of sales
- ✓ Expect Vol Gr of 10% (2% for FY14-16) / EPS Gr of 18% CAGR over FY16-18E; Trades at 14x FY18; TP of 3634 (at 17.5x FY18E)

Monsanto India: Strong beat on estimates; Stage set for a robust FY17

- ✓ Sales +29% led by Corn +39%, Glyphosate (flat)
- ✓ FY17 to be strong: above avg monsoon (106% of LPA) + Shift in acreage from cotton to corn
- ✓ 50% sales from new products launched in past 3 years (25% higher ASP and 500bp higher margins)
- ✓ Expect EBITDA margins to rise from 20% in FY16 to 25% in FY18E
- ✓ Expect EPS CAGR of 36% over FY16-18; TP: 2900 (26x FY18E)

MOST Market Outlook

13th, June 2016

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