



Nifty Outlook

Nifty Fut.	Reco.	MSP	SL	TGT
8130	SELL	8145	8205	8000

'Spinning Top' formation near the upper end of the range coupled with the gap down beginning for the week augurs well for weakness to persist. A breach below 8080 would amplify the bearish momentum & push nifty towards its lower bound placed around 8000-7950. Traders could continue their shorts with a trading stop at 8205.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.28	67.15	66.95	67.50	67.90

The pair is likely to trade positively as long as above immediate support at 67.15. Buying is advised targeting 67.50 level.

Sectoral Outlook

Sector	Outlook
OMC	Positive
PHARMA	Negative

Outlook

- ✓ CPI came in higher than expectations on back of higher food inflation. While this data could be a bit of concern, the market may not be overly worried about the same in the immediate short term. The global factors remain in forefront for the time being. FOMC meet starts today. Probability of rate hike is almost not there. US bond yields were at lowest level. So were German Bonds. VIX rallied strongly. Gold has rallied. Overall signs of risk off trade remain. Brexit event is keeping markets nervous. Asia is trading mixed. Nikkei is continuing to slide while other markets are relatively stable. SGX Nifty is indicating a marginal negative opening. The broad range for Nifty is seen around 8000-8300 levels. New guidelines on Debt recast rules announced by RBI is expected to further help resolve the NPA issue and thus should be positive for PSUs.

Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
BPCL	BUY	1010	960	1140
AUROPHARMA	SELL	760 (MSP)	781	680

Trading Idea - Derivatives

STRATEGY - Bank Nifty Put Ratio Spread

Instrument	B/S	Lot	Reco	CMP
17000 PE	Buy	1	120	120
16500 PE	Sell	2	49	49

Target Profit : 8000 Stop Loss : 2000

✓ MOST Market Outlook

14th, June 2016

Trading Calls

BPCL CMP INR 1010
Buy Target INR 1140



- ✓ 'Positive sector outlook & mature continuation pattern on the immediate scale augurs well for outperformance
- ✓ A breach above 1020 would activate the pattern & push the stock towards its pattern target placed at 1140 which could be traded with a stop at 960

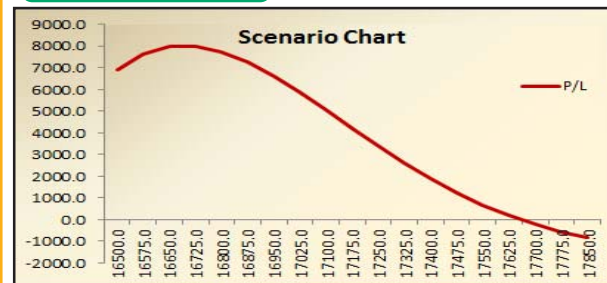
AUROPHARMA MSP INR 760
Sell Target INR 680



- ✓ 'Negative sector outlook & 'Falling Three' formation on the monthly scale
- ✓ Fresh breakdown from the continuation pattern on the daily scale indicates weakness to persist
- ✓ Fresh shorts could be initiated with a stop above 781 for a decline upto 680

Derivatives Idea

BankNifty Buy 1 Lot 17000 PE
Sell 2 Lots 16500 PE
Put Ratio Spread



- Target Profit : 8000 Stop Loss : 2000**
- ✓ Banknifty is in Long unwinding cycle . Unwinding in 17500 PE augurs well for short term correction to persist
 - ✓ Call built-up at 18000 could act as immediate resistance. Considering negative outlook and to benefit from theta decay, Ratio Put Spread for 30-Jun-16 expiry is recommended

FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	212	4071	-40931
DII	-598	-2654	60143

FII F&O

Institution	Net B/S	OI
Index Future	-616	Unwinding
Index Options	649	Put long
Stock Futures	-1387	Short

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- ** Brexit leave gets a vote of 51% vs. 33% for stay - survey
- ** FOMC meets today
- ** May CPI @ 5.8% (est 5.6%); led by vegetables; highest in 21 months
Expect CPI at 4.7% in FY17E vs. 4.9% in FY16

Va Tech Wabag: Media Interview

- ✓ Order inflow +73% in FY16; 80% of inflow from outside India having higher margins
- ✓ Order book at 8,320cr (3.3x OB/Sales); Guides for 25% topline growth in FY17E
- ✓ Play on water treatment - domestic projects like Ganga cleaning could add to order book in FY17
- ✓ Concern: W.Cap up by 19 days to 96 days in FY16
- ✓ Expect ROCE to rise from 10% to 15% by FY18E; Earnings to double by FY18E
- ✓ TP of INR 700; Trades at 16x FY18E

Granules: Solid growth story back on track

- ✓ Co received clearance from FDA for its Jeedimetla plant; hangover vanishes
- ✓ In-licensing deal with US pharma Windlas for 4 ANDA's (FTF) awaiting approval in the US

Triggers ~

- 1) Co to file 7-8 ANDAs annually & increase formulations mic from 30% to 50% by FY20E
 - 2) Entry into US store brand OTC segment (Walmart, Costco, Kroger) - a big game changer
 - 3) JV with Omnicem to make high margin complex drugs for drugs going off-patent
- ✓ Expect EPS CAGR of 38% over FY16-18E; TP: 160 (16x FY18E) - seems very conservative

Currency Ideas

USDINR



- ✓ USDINR recovered strongly from its low of 66.70 and has closed the previous session with a positive note at 67.28
- ✓ Now, recent low 66.70 will act as critical support for short-term whereas resistance is pegged at 67.45 - 67.50 levels
- ✓ Sideways to positive move will be seen for the session, but upside too will be limited around 67.50
- ✓ Dip buying is advised for the session

JPYINR



- ✓ JPYINR has breached above its recent high and price sustained close above the same is signifying sideways to positive move
- ✓ Strong supports for the pair is placed at 63.10 - 63.00 area and dip buying is advised as long as price holds above the same
- ✓ The recent rally for the pair could lead towards 63.65 - 63.70 in short-term

MOST Market Outlook

14th, June 2016

Dharmesh Kant (Head - Retail Research)
Dharmesh.Kant@motilaloswal.com

Sacchitanand Uttekar (Technical Analyst)
Sacchitanand.Uttekar@motilaloswal.com

Tina Gadodia (Derivatives Analyst)
Tina.Gadodia@motilaloswal.com

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Motilal Oswal Securities Ltd

Motilal Oswal Tower, Level 6, Sayani Road, Prabhadevi, Mumbai 400 025
Phone: (91-22) 30894200 Fax: (91-22) 22885038. E-mail: info@motilaloswal.com