

Nifty Chart



Nifty Outlook

Nifty Fut.	Reco.	MBP	SL	TGT
8520	BUY	8520	8438	8680

'Nifty expected to continue within the narrow range. Follow up momentum above 8550 could extend the rally till 8700 & trading longs shall be considered until 8420 holds. Since the strength indicator is placed in the overbought zone, trail stop strategy shall be adhered to trade the expected momentum.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
67.20	67.05	66.90	67.35	67.50

The pair is likely to trade sideways-to-lower below 67.35 and test of support at 67.05 level looks possible.

Sectoral Outlook

Sector	Outlook
AUTO	Positive
MIDCAP	Positive

Market Drivers

- ✓ In sync with Global markets our market also consolidated in a narrow band in last session. Though, stock specific profit taking was seen across sectors barring Metals and IT stocks in which buying momentum continued. In US The S&P 500 and Dow industrials scored meager gains Wednesday, but enough to extend their run into record territory and advance for a fourth session in a row. However, the tech-heavy Nasdaq Composite Index took a breather following a five-session climb to end lower. The next two days are heavy on economic indicators with weekly jobless claims due on Thursday and inflation, retail sales and industrial output numbers scheduled for Friday. We expect our markets to remain in uptrend today with some consolidation and stock specific activity.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 28-July	8700	4725300	180825
Bank Nifty 14-July	18700	339760	101560
Bank Nifty 28-July	19000	412880	55840

Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
HERO MOTO	BUY	3246	3110	3480
ESCORTS	BUY	238	224	280

Trading Idea - Derivatives

STRATEGY - Banknifty Modified Bull Spread

Instrument	B/S	Lot	Reco	CMP
28 July 18900 CE	Buy	1	155	136
28 July 19300 CE	Sell	1	48	40
28 July 17900 PE	Sell	1	50	52

Target Profit :13770 Stop Loss: 2230 (Hedge below 17900)

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 28-July	8400	5133675	153975
Bank Nifty 14-July	18000	554240	-19800
Bank Nifty 28-July	18000	505960	20720

MOST Market Outlook

14th, July 2016

Trading Calls

HERO MOTO

MBP INR 3246
Target INR 3480

Buy

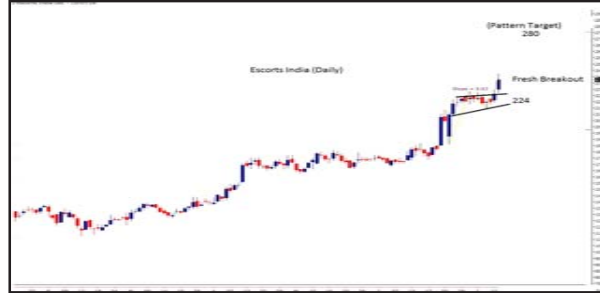


- ✓ 'Positive sector outlook & 'Rising Three' pattern augur well for the uptrend to continue
- ✓ A decisive breach above 3300 would activate 'Rounding' pattern target
- ✓ Hence the stock could be accumulated on at every opportunity with a revised stop below 3110 for an initial up move till 3300 followed by an extended target up to 3480

ESCORTS

MBP INR 238
Target INR 280

Buy



- ✓ 'Positive sector outlook & fresh breakout from continuation indicates the ongoing up-trend to remain intact
- ✓ Momentum could be participated with a stop at 224 for a pattern target upto 280

Derivatives Idea

Banknifty

Buy 1 Lot 18900 CE
Sell 1 Lot 19300 CE
Sell 1 Lot 17900 PE

Modified Bull Spread



Target Profit : 13770 Stop Loss : 2230

- ✓ Bank Nifty is in long- long Unwinding cycle. Option data suggest band shifting higher to 18500-19000
- ✓ Unwinding in OTM Calls in July series would augur directional move on higher side
- ✓ Considering falling volatility and to benefit from theeta decay, Modified Bull Call Spread is recommended

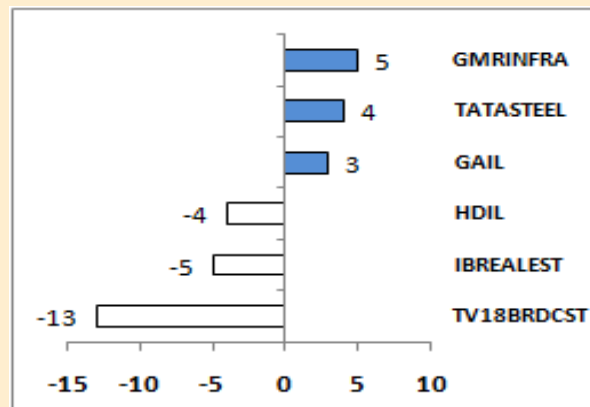
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	291	1851	-31001
DII	-655	-982	47615

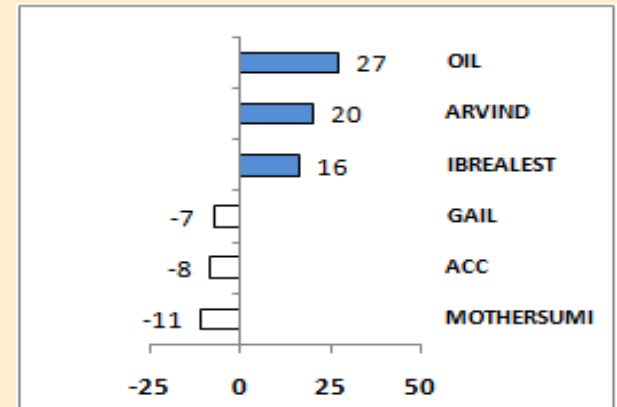
FII F&O

Institution	Net B/S	OI
Index Future	673	Long
Index Options	197	Long
Stock Futures	154	Long

Major Price % Change



Major OI % Change



Morning Meet Notes

Fundamental News Flow

- ✓ India's cotton output is likely to decline by 12.44% to hit the lowest in five year for the current crop year (October 2015-September 2016)
- ✓ Benchmark Shankar 6 variety up 35% over the last five months. Price at Rs 12,710 a quintal, highest price level since October 2013.
- ✓ LARGE STATES -> Punjab 7.5 L Bales, -42% | Haryana 15, -35% | Gujarat 94, -16% | Maharashtra 75, -6%
- ✓ NEGATIVE FOR INDIAN TEXTILE COMPANIES as one of their key competitive advantages was COTTON prices over China

Research Notes

MSIL: STILL CONFIDENT OF DOUBLE DIGIT VOLUME GROWTH :

- ✓ Remain confident of posting a double digit growth
- ✓ Typically inventory is piled up before the monsoons season but with waiting list in Baleno and Brezza, the inventory in the system maybe lower
- ✓ Underestimated the demand for Baleno
- ✓ Monsoon impact will be seen only after it happens rather than anticipation. Hence, the demand impact will be felt only from October onwards

- ✓ Indian Hotels sells Taj Boston for USD 125 Mn. will continue to manage the property. Acquired 10 years ago at USD 170 Mn Loss making for the last 3 years.. Seventh exit/sale in the last two years

- ✓ SEBI mandates top 500 listed firms to have a 'dividend distribution policy'. The new norms will not force companies to pay dividend, but will help investors get a clearer picture

Currency Ideas

USDINR



- ✓ USDINR (July contract) continued to decline after breaching immediate support at 67.50
- ✓ The pair ended yesterday's session almost at the day's low near support area at 67.10-67.20
- ✓ Failure to breach this support might initially result in an upside move towards short-term resistance at 67.35-67.50 zone
- ✓ Hence short-term traders could buy for an initial up move
- ✓ However, selling on rallies near resistance is advised from a medium-term perspective

JPYINR



- ✓ JPYINR (July contract) extended its decline for the fourth session in a row after it had earlier breached support near 65.50 on relatively high volumes
- ✓ The same is now likely to pose a stiff short-term resistance with immediate resistance at 64.70-64.80 area
- ✓ Selling on rallies is still advised targeting key support level at 63.10

MOST Market Outlook

14th, July 2016

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