

Nifty Chart



Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
8418	8425	8458	8380	8330

Post 13th consecutive sessions of up move the index seems to have faced resistance near the retracement zone. The occurrence of a long bear candle coupled with the RSI's proximity towards the overbought zone warrants caution. The index could witness termination near this resistance zone of 8400-8450 & a corrective wave could follow in the coming week. Hence we recommend reducing leveraged longs & deploying adequate hedge for a while.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
68.28	68.15	68.02	68.42	68.55

The pair is likely to trade in a range between intraday resistance at 68.42 and support at 68 level with a negative bias.

Sectoral Outlook

Sector	Outlook
ENERGY	POSITIVE
AUTO	NEGATIVE

Market Drivers

- Indices ended on a flat note on Friday. Software stocks saw correction post results. TCS corrected on account of change in guard while Infosys numbers and guidance failed to enthruse the street. Focus for the market will continue to be results, potential announcements from budget from a domestic perspective. Trump taking office and new policies will be viewed closely to understand implications on export driven sectors. Overall Nifty could consolidate around the 8400 levels after the recent up move as Nifty faces resistance around the 8430-8450 levels.

Trading Idea - Cash & Future

Scrip	Reco	CMP	SL	Target
Exide	Sell	181.60	188	172

Trading Idea - Derivatives

STRATEGY : Nifty Modifies Put Butterfly Spread

Instrument	B/S	Lot	Reco	CMP
25 JAN 8350 PE	Buy	1	40	40
25 JAN 8200PE	Sell	2	15	15
25 JAN 8100PE	Buy	1	8.5	8.5

Maximum Profit: Rs. 9800 at 8200 Maximum Loss: Rs.1400
Limited profit: Rs. 2000 below 8000

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Jan	8400	5068200	249825
Bank Nifty 25-Jan	19000	1125320	-18000
Bank Nifty 19-Jan	19000	369600	107480

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 25-Jan (imm)	8200	6028500	-134175
Bank Nifty 25-Jan	18000	801080	-40
Bank Nifty 19-Jan	18500	442920	150160

Trading Calls

Exide CMP INR 181.60
Sell Target INR 172



- ✓ Bearish sector outlook for the weak & a 'Double Top' formation on the daily scale augurs well for fresh shorts
- ✓ Exide could be short sold with a stop above 188 for a target upto 172

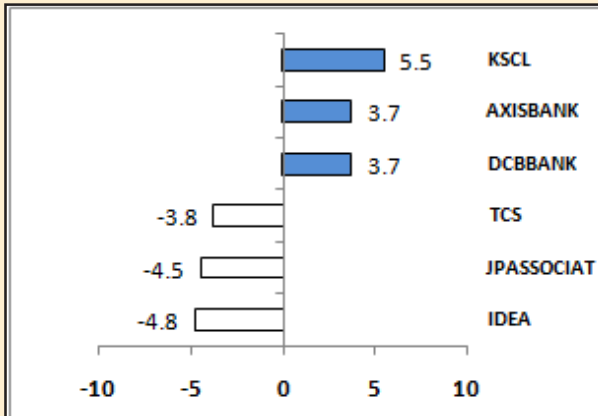
FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	-118	-3008	-13590
DII	-474	2507	37870

FII F&O

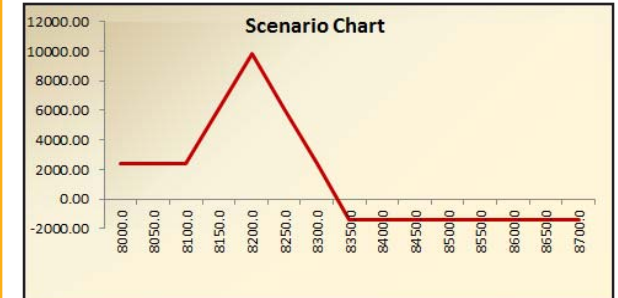
Institution	Net B/S	OI
Index Future	91	Long
Index Options	-229	Writing
Stock Futures	-172	Short

Major Price % Change



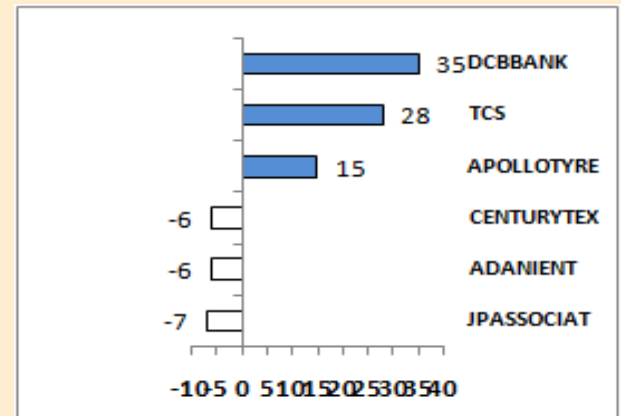
Derivatives Idea

Nifty Buy 1 Lot 8350 PE
Modifies Put Butterfly Spread Sell 2 Lots 8200 PE
 Buy 1 Lot 8100 PE



- ✓ Nifty is in Long- Long unwinding cycle
- ✓ It is trading near the vicinity of its highest call congestion at 8400
- ✓ Nifty PCR OI too is quoting at 1.22 near the upper band of 1.20. Considering profit booking could be expected at current level. Low risk Modified Put Butterfly Spread is recommended

Major OI % Change



Morning Meet Notes

Research Notes

SRF :

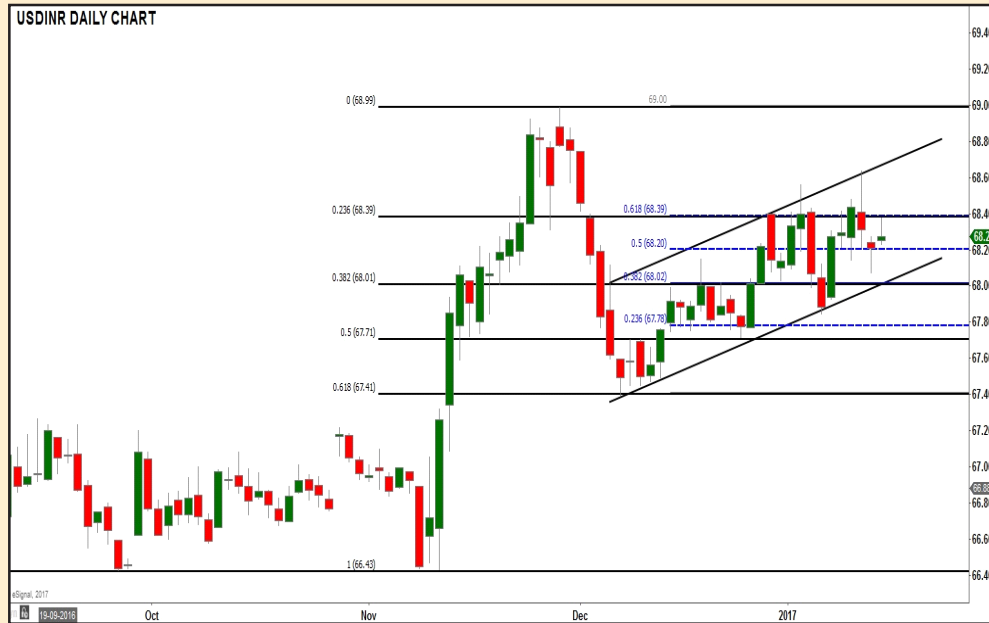
- ✓ Caprolactam prices increase by 30%: 60% of RM cost in Nylon Tyre cord fabric
- ✓ Tyre companies may not absorb full increase, negative impact abs EBITDA in 4Q
- ✓ Most of company products are consumer facing in end form, impact to be felt with a lag, mid feb to be critical as primary channel start building up inventory
- ✓ Specialty chem business no signs of rebound in near term, cut est for FY17/18 by 5%/3%, maintain buy with 18% upside

CAB AGGREGATORS FUEL PV OEM GROWTH : 60k units sold to OLA UBER in 9m of 2016 (2.3% of 9.3% growth in 9m 2017 from Cab agg)

Company	Sales	% Y/Y	EBITDA	% Y/Y	PAT	% Y/Y	Rationale	Comments
Infosys	172.7	8.6			37.1	7.0	BUY/1250/B	1. CC rev -1.4% YoY, top account down 12.7% QoQ, top 2-5 down 5.5% QoQ and top 6-10 down 11.6% QoQ 2. EBIT margin 25.1% vs est 24.1% on lower wage bill, deals fall short of USD 1bn mark, growth outlook muted 3. FY16-19 CC revenue/USD revenue/EPS CAGR stand at 9.4%/8.6%/8.0%, value at 17x FY18E EPS
MCX	0.6	27.3	0.1	5.2	0.3	59.3	BUY/1400/B	1. 6.5% QoQ rev, 25% price hike, volumes 16% down QoQ, demoni effect gold rev -50% 2. one time cost of INR 4.7cr impacted EBITDA, PAT in line, OTC volumes to shift to exchange by 1q18 3. Cut FY 18 eps est by 14%, value at 25x FY19E, 18% upside
Gruh Fin	3.8	17.8	1.3	29.8	0.6	19.2	Neutral/348/I	1. 30% PPOP YoY. COF declined 45bps, CI declined 170bps to 16.3%, Home loan disbursements at 20% 2. Disbursements in LAP, NRP & developer loans down 40-70%, pricing power on the asset side, with cost of funding at par with large HFCs, maintain est, neutral rating
Cyient	9.2	17.3	1.2	10.2	0.9	8.3	Buy/600/I	1. cc revenue 0.5% decline, Services business -1.7% QoQ, EBIT margin contracted by loss of vol and currency headwinds, Rangsons 10% QoQ 2. CYL maintained its expectation of doubledigit growth in Services business, 50% growth in Rangsons and flat overall margins in FY17, expect 17% CC growth in FY 17, 20% upside

Currency Ideas

USDINR



- ✓ USDINR (Jan. contract) expectedly continued to trade in a range between resistance at 68.50 and immediate support at 68, closing slightly higher for the week near 68.28.
- ✓ Looking ahead, the pair is expected to continue consolidating in a similar range and further direction would be clear only on either side breach of the same.
- ✓ Lower support is at 67.80 while higher resistance is at 68.85

EURINR



- ✓ EURINR (Jan. contract) expectedly rallied last week after breaching resistance zone at 72.10-72.20 to close near 72.75, up by about 0.80% for the period.
- ✓ The pair is currently on the verge of breaking out of trend line resistance near 72.80-72.90 and sustained breach of the same could extend the rally towards 73.40.
- ✓ The 14-period RSI has broken out of trend line resistance which could lend support to the pair.
- ✓ Buying the pair on dips is thus advised

MOST Market Outlook

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