

Nifty Chart



Trading Idea - Cash & Future

Scrip	Reco	MBP	SL	Target
LT	BUY	1545	1515	1620

Corporate Action:

ACC - Div - INR6.0 ; AMBUJA CEMENTS- Final Div - INR1.20; BEL-Stock Split From INR10/- to INR1/-; CADILA HEALTHCARE LTD - Int Div - INR3.20; HERO MOTOCORP- Int Div - INR 55.0; Kushal Tradelink-Bonus issue 1:1; NMDC LTD.

Security in Ban period:

BHARATFIN ; JETAIRWAYS ; JINDALSTEL ; JPASSOCIAT; RCOM

Nifty Outlook

Nifty Fut.	R1	R2	S1	S2
9105	9200	9250	9000	8920

'Nifty index formed an inside candle on the daily chart as it traded in a small range of 30 points. Recently it witnessed a range breakout and registered a fresh 52 weeks high of 9122. Now it requires a hold above 9119 to start a fresh move towards 9200 and 9250 while 9000 is likely to act as an immediate support. Overall index has been making higher top - higher bottom formation on weekly charts and supports are shifting higher. Now immediate positive trend may remain intact till it holds above psychological 9000 mark.

Currency (USDINR) Outlook

USDINR	S1	S2	R1	R2
65.85	65.75	65.55	66.15	66.55

Sideways to negative movement is likely as long as 66.15 curtains the higher side

Sectoral Outlook

Sector	Outlook
CAPITAL GOODS	POSITIVE
MIDCAP	POSITIVE

Trading Idea - Derivatives

STRATEGY : HDFC Call Ladder Spread - Update

Instrument	B/S	Lot	Reco	CMP
HDFC CE 1440	B	1	17.5	17
HDFC CE 1460	S	1	10.25	10.5
HDFC CE 1480	S	1	6	6.1

TGT : Rs.9000 between 1460-1480; Maximum Loss: Rs.1000 below 1440 ; Hedge above: 1495; Margin Requirement: approx Rs.178,000

Market Drivers

- ✓ Fed hiked rates by 25 bps on expected lines. The pace of rate hikes is expected to be gradual. There is no change in the Fed's stance. Gold, commodities, emerging markets made a comeback. Expect metal stocks to participate on back of the same. Telecom sector will continue to be in limelight on back of consolidation moves getting played out. Sectors like defense, infra will continue to be in focus as these are seen as key thrust areas from govt. Hcl tech board will be meeting on 20th to decide on buyback. Among other sectors, tyres space saw a lot of interest. We like Ceat in this space from a investment perspective. Overall markets are expected to remain buoyant with Nifty expected to breach all time highs.

Highest Call OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	9200	4964025	-440100
Bank Nifty 30-Mar	21500	836800	34760
Bank Nifty 16-Mar	21500	877960	177280

Highest Put OI

Instrument	Strike	OI	Chg in OI
Nifty 30-Mar	8800	5582250	964050
Bank Nifty 30-Mar	21000	556320	49800
Bank Nifty 16-Mar	21000	580880	229480

MOST Market Outlook

16th March 2017

Trading Calls

LT

Buy

MBP INR 1545

Target INR 1620



- ✓ 'LT has taken multiple support near to 1460 and given a price volume breakout after the consolidation of last six weeks.
- ✓ It formed a Flag pattern on chart. Positive sector outlook and recent price setup is suggesting a fresh up move. Thus, recommending to buy with the trading stop loss of 1515.

Derivatives Idea

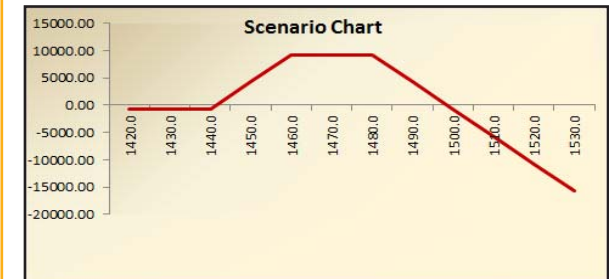
HDFC

Call Ladder Spread

Buy 1 Lot 1440 CE

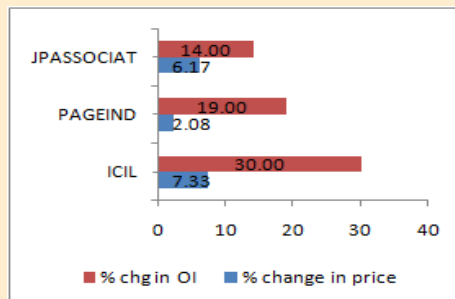
Sell 1 Lot 1460 CE

Sell 1 Lot 1480 CE

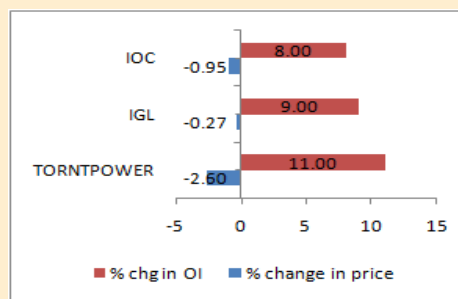


- ✓ HDFC is in long-long Unwinding cycle
- ✓ Put accumulation at 1400 could act as a strong support while highest call congestion is placed at 1420.3. Further unwinding in 1400-1420 CE could propel momentum on higher side towards 1460-1480
- ✓ In order to benefit from theta decay, Call Ladder Spread is recommended.

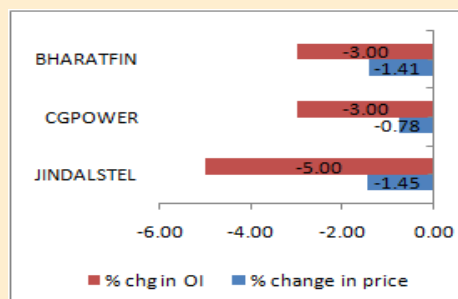
Long Built-up



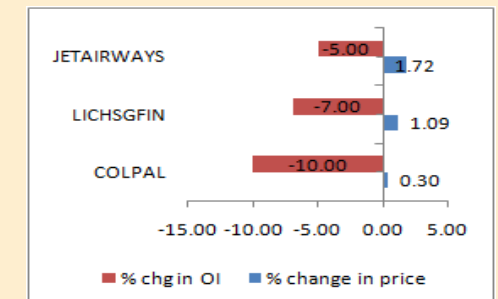
Short Built-up



Long Unwinding



Short Covering



FII & DII Activity (Rs. in Cr)

Cat.	Amt	MTD	YTD
FII	1141	12640	35730
DII	127	-5253	12183

FII F&O

Institution	Net B/S	OI
INDEX FUTURES	-236.99	Short
INDEX OPTIONS	1025.09	Long
STOCK FUTURES	-378.89	Short

Morning Meet Notes

Research Notes

DR REDDY'S LABORATORIES - Annual Report Threadbare (CMP 2740, TP 3050, Recom. Neutral)

- ✓ Muted 4% increase in consolidated operating revenue to INR154.7b
- ✓ High R&D cost and remedial expenses weigh on earnings.
- ✓ Robust operating cash flows to fund capex
- ✓ Expect 10% CAGR in earnings. Value it at 21x 1HFY19E EPS
- ✓ US FDA remediation key. Maintain Neutral

Currency Ideas

USDINR



- ✓ USDINR continues to move lower forming lower highs and lower lows.
- ✓ Strong short-term supports are now placed at 65.55 followed by 65.10 level.
- ✓ Strong intraday resistances are placed at 65.80 / 66.15 level.
- ✓ Selling on rise is still advised as long as 66.15 curtains the higher side.

GBPINR



- ✓ GBPINR has breached its previous low near 81.20 extending weakness towards 80 mark.
- ✓ Strong short-term resistances are placed at 80.50 / 81.20 mark whereas 79.85 / 79.55 may act as strong supports.
- ✓ Selling on rise is advised as long as 81.20 curtains the higher side.

MOST Market Outlook

16th March 2017

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

Chandan Taparia (Derivatives & Technical Analyst)
Chandan.Taparia@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